Proposal to:
Review the Adequacy of
Consolidated Edison Company of New York, Inc.'s
Electric Emergency Outage Program for
New York Public Service Commission

Proposal Due: November 20, 2006

Submitted by:

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Executive Summary

By order issued on September 8, 2006, and confirmed on September 20, 2006, the New York Public Service Commission (Commission) instituted a proceeding and directed an independent third party audit of Consolidated Edison Company of New York, Inc.'s (Con Edison or Company) system-wide operations, practices, and procedures as they relate to emergency planning, response to outages, and restoration of service. Further, on October 18, 2006, Commission Staff (Staff) issued a Request for Proposal (RFP) to review the adequacy of Con Edison's electric emergency outage program.

Blue Ridge Consulting Services, Inc. (Blue Ridge) and C. H. Guernsey and Company (Guernsey) are pleased to submit this proposal in response to the Commission's *Request for Proposal to Review the Adequacy of Consolidated Edison Company of New York, Inc.'s Electric Emergency Outage Program* which involves a review of Con Edison's electric emergency outage restoration capabilities from the primary perspectives of Planning/Preparedness, Performance/Effectiveness, and Best Practices. This proposal offers a rigorous and thorough audit which will result in recommended actions which the Company should take to improve its emergency outage program.

Blue Ridge serves the energy industry through its support of commissions in regulatory issues, utility operations, and management reviews. Our principals have supported a wide range of clients during their careers, including regulatory commissions, consumer advocates, utilities, their affiliates, and suppliers and vendors. Just last year Blue Ridge successfully completed a comprehensive management audit for the Oregon Public Utilities Commission.

Guernsey supports the energy industry through services such as transmission and distribution planning and design and cost of service and rate studies. Guernsey clients span the industry from power producers to federal, state, and local governmental interests.

Blue Ridge and Guernsey (hereinafter jointly referred to as Blue Ridge Team or Team) consider the hallmark of our consulting practices to be our ability to deliver comprehensive results on a timely basis. To that end, we carefully plan our consulting engagements and select only experienced team members. Our approach ensures that our clients receive the most cost effective solution and not bear the cost of educating less experienced consultants that many larger firms assign to projects. We have the flexibility to adapt to changing circumstances that may result from the proceedings before Commissions. Our Team is thorough, reliable and, most importantly, will provide an independent and objective assessment and develop positions that are defendable and supported by the facts and verifiable analysis.

Blue Ridge has selected a team that is very capable of providing the range of services and a strong bench to ensure that the audit of Con Edison's emergency response is effectively and efficiently managed and the committed deliverables are delivered timely, accurately

and completely. In addition to its own professionals, the Blue Ridge team includes contract consultants, including our commercial relationship with Guernsey that provides specific complementary experience and subject matter expertise. By mutual agreement, each member of the team is contractually committed to provide the expert consulting services needed to fulfill the Blue Ridge Team's obligation under this solicitation. This contractual commitment is stronger and more stable than an employee-employer relationship, thereby, providing a more efficient team over the term of this contract.

The Blue Ridge Team brings extensive background knowledge, best practices, skills, and experience to exceed expectations. Each team member's resume has been provided in Section 7.

The Blue Ridge Team intends to achieve two primary goals through this proposal. First, we will demonstrate our understanding of the scope of services requested by describing the tasks, inputs, outputs, and interrelationships among the tasks that may develop throughout the engagement. Second, we will demonstrate the benefits that our unique combined experience provides to the Commission and its Staff.

Our methodology and audit work plan will achieve the Commission's objectives for this project in a cost-effective and efficient manner. Once finalized and then executed, the results from our comprehensive emergency outage audit will indicate actions that Con Edison can take to improve its emergency outage planning, preparation, management, outreach and public communication, and restoration efforts throughout its service territory. It is our goal to offer a fair, balanced, and thorough assessment for the parties to ensure that effective preparation for major storms, communication with customers, and prompt restoration of service are maintained in keeping with their nature as essential components of a utility's responsibility to provide safe and adequate service to its customers.

Our proposed methodology includes steps tailored to assessing the following aspects of Con Edison's management and operations, as stated in the RFP:

1. Effectiveness of the Company's overall emergency response planning, response to outages, and service restoration efforts, including an organizational assessment of the Company's internal structure for managing service restoration;

2. Adequacy of the Company's resources available by major operating areas, including personnel and equipment, to respond aggressively to large-scale outage emergencies and the Company's effectiveness in deploying and managing these resources in an optimal manner;

3. Planning and preparation for responding to multiple and simultaneous large-scale outages occurring in different operating areas;

4. Effectiveness of procedures for determining the extent of outages, including the number of customers affected, and in providing accurate estimates of the timing of service restorations;

5. Effectiveness of plans and procedures for obtaining assistance from other utilities and contractors, and ability to effectively deploy and manage these additional resources; and

6. Proper procedures to assure effective outreach efforts on a regular basis, including accuracy of information and frequency of communication with local officials, state agencies, and the public throughout the event.

We would like to point out that in addition to the comprehensive tasks and activities proposed to complete our assessment of Con Edison's planning, performance and effectiveness, we will engage the services of Cooperative Consultants Inc. (Carrollton, GA) [1]to conduct a series of focus groups to help us determine customer, community leader and service provider, and other interested stakeholder perceptions of the Company's performance at providing safe and adequate service.

Based on our review of the scope combined with our experience in completing similar projects and audits, the Blue Ridge Team is pleased to offer the following ***Not to Exceed*** fee proposal for work related to the review of Con Edison's electric emergency outage program and determination of recommended actions for its improvement.

Professional Services:	**$446,047.20**
Travel, Materials, Supplies and Other Project costs:	**129,537.69**
Total Not to Exceed	**$575,584.89**

We will hold our professional services hourly / daily rates constant for any additional support that may be required, such as a submitting or defending testimony related to the audit if required by the Commission, assisting with implementation of any of our recommendations, or follow-up audit activities.

The contact person for responses to any inquiries you may have is:

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[1] See Exhibit 2 - Cooperative Consultants, Inc.'s proposed offer of focus groups services dated November 16, 2006.

Introduction

Blue Ridge Consulting Services, Inc. and C. H. Guernsey and Company (hereinafter together referred to as Blue Ridge Team or Team) are jointly proposing to assist the New York State Public Service Commission (Commission) in its evaluation of Consolidated Edison Company of New York, Inc.'s (Con Edison or Company) Electric Emergency Outage Program. Blue Ridge will serve as the prime/lead firm to the engagement and have overall project responsibility to ensure compliance with all contract provisions and terms of the engagement.

On September 8, 2006, the Commission issued an order in Case 06-M-1078 initiating a proceeding and directing an independent audit of Con Edison's system-wide operations, practices, and procedures as they relate to emergency planning, response to outages, and restoration of service. Prompting this action were several outage emergencies that had occurred in the 2006 calendar year, including a Westchester outage from January 18 through 23 caused by high winds, the Westchester and Queens outages in July caused by heat/humidity, underground fire, and equipment failures, and the September 2 through 8 outage caused by the high winds of tropical storm Ernesto.

Among a utility's essential responsibilities in safely and adequately providing electric power service are solid emergency planning, prompt restoration of customer service after an outage, and effective communication with stakeholders during the outage event. The Company's customers, community leaders and governmental agency complaints arising from Con Edison's actions during this year's outages, and especially during the July outages, have engendered concern for the Company's ability to act and communicate swiftly, comprehensively, and accurately. For example, in regard to the July Queens outage, Joseph Bruno, Commissioner of the City's Office of Emergency Management, stated at a City Council committee hearing that the lack of information delivered by Con Edison on the scope of the crisis slowed the city's response to assist residents and businesses.

These complaints along with the Commission's previous concerns prompted the Commission to order Staff of the Department of Public Service (Staff) to investigate the Queens outage and to review the January and September outages as well. Beyond the immediate causes for the outages, however, root cause analysis may point to programmatic issues that have compromised Con Edison's ability to perform as needed. Any systemic faults in operational, procedural, or practical performance in the areas of emergency planning, response to outages, and restoration of service must be identified and rectified. To that end, this audit for a system-wide evaluation of those areas will ensure the adequacy of the Company's management of its emergency outage responses and preparedness by either confirming the capability and sufficiency of current practices or by exposing problematic elements and proffering corrective recommendations.

The Blue Ridge Team is well-suited to fulfill the requirements of independent third party examiner and provide the Commission with the full confidence necessary in adherence to

its mission of ensuring "safe, secure, and reliable access to energy, telecommunications, and water services for New York State's citizens and businesses." As this proposal will demonstrate, the Team possesses the experience and expertise to excel in performance of an audit of this nature, having probed the managerial, operational, and procedural functions of numerous energy organizations in relation to emergency planning and action.

The Blue Ridge Team also has a stellar and verifiable record for proper management discipline of project schedule and cost. Furthermore, based on its own effective communication management, the Team has always enjoyed the best of working relationships with commission staffs in projects both in New York and across the country.

Our regulatory and utility audit experience brings significant efficiencies to this project. We will minimize the start up time and costs that a less experienced consulting firm would incur. As regulatory affairs and rate case consultants, it is our business to be aware of and familiar with general utility regulatory policy. Understanding the background behind every case we work on is a core activity for our firms and is done at our expense.

The Blue Ridge Team looks forward to a successful project and relationship with the Commission and its Staff on this audit of Con Edison's Electric Emergency Outage Program.

2.0 Scope and Objectives

In this section of the proposal the consultant is to confirm in its words its understanding of the scope and objectives. The consultant should demonstrate the process the consultant intends to use to evaluate Consolidated Edison's Electric Emergency Outage Program. Proposals should identify specific tasks and activities that the consultant would perform. At a minimum, the proposal should address the methods and procedures to be employed and the criteria to be used in reviewing Consolidated Edison's Electric Emergency Outage Program. The consultant's proposal should describe the underlying approach to be utilized in performing this evaluation to allow Staff to understand fully how the consultant would perform the evaluation.

In its September 8, 2006, Order, the Commission outlined in broad strokes the scope of this audit—to review Con Edison's "system-wide operations, practices, and procedures as they relate to emergency planning, response to outages, and restoration of service" (Case 06-M-0178). Staff has further refined this scope to cover the areas of Planning/Preparedness, Performance/Effectiveness, and Best Practices.

In Planning/Preparedness, proper emergency management requires identification of potential problems. Risks and their associated mitigations are an integral part of planning. Response roles and duties must also be planned to ensure thorough preparedness. From coordination efforts with outside organizations to communication and control among Company personnel, an emergency plan must include the complete scope of anticipated events and associated response. Once an actual event occurs, the Company must perform effectively according to its plan. While no emergency plan can anticipate every possible detail of a significant and intricate emergency, the plan should have its objectives and goals defined well enough to provide direction for any unforeseen complexities. Effective performance is judged not only by how well the Company executes the delineated steps of a plan, but also by how well the principles for safety, communication, and coordination dictate its restoration activity. Whether at the end of a drill or an actual event, the lessons learned should be incorporated into the plan to ensure that it constantly contains the rigor necessary to meet all events, scenarios, and complications. And, just as information from drill and event experience serves to enhance emergency planning, industry best practices will also provide additional improvements that can be incorporated. Best practices, therefore, must be diligently sought after rather than depending on chance to learn of them. These best practices, then, knit together efficiencies and effectiveness both in planning and performance.

The following discussion of Planning and Preparedness, Performance and Effectiveness, and Best Practices provide the Blue Ridge Team's understanding and directional focus for the audit.

2.1 Planning and Preparedness

This element centers on the Company's 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.

The overall preparedness of management and employees and their transparent implementation of emergency response plans are critical to the successful and timely return to service of any outage component. While the preparation of an emergency response plan is a formal process and usually concludes with a notebook of steps to follow during an emergency, the overall success of response planning begins with considerable "full scale" training and testing exercises. It also requires a total commitment by Con Edison to refine the plan as failures or issues are identified during the plan exercises.

The Blue Ridge Team will conduct a thorough review of the plan document itself. We will place ourselves in the positions of Con Edison management, Storm Center management, and field personnel as we run a "mock" walk-through to determine if the basic structure of the plan provides the necessary "backbone" to respond to incidents successfully. Our Team will examine procedures for identification of the onset of an emergency, the classification of the type of emergency, the adjudication of damage possibility, and the determination of probable location of damage. We will look at the Storm or Emergency Center staffing requirements, staffing mix, qualifications, and readiness. We will also examine the staffing procedures for emergency field duty assignments. Another critical link, but often weak point, in execution of a plan is the marshalling of equipment supplies and rolling stock. We will examine the procedures for determining the necessary "stores" and rolling stock and determine whether they can be assembled and relocated to impacted areas in a timely and efficient manner. We will examine the "critical path" issues for relaying timely data between field crews and the Emergency Center and from the Emergency Center to the field crews.

An extremely important issue in an outage emergency is the identification of critical circuits that must be addressed in a high priority manner. These include circuits that feed first responder teams such as fire, rescue, and law enforcement. They also include medical facilities and communications centers. Circuit maps that include in-home patients with dialysis, oxygen, and other life saving equipment must be up-to-date and easily identified so as to minimize stress on these patients.

In meeting the needs of the public and other agencies that are involved in a particular emergency, we must examine the communications channels between Con Edison, the press, law enforcement, emergency management, and the public. A significant attribute of an emergency action plan is to minimize the anxiety of the public while keeping first responders "in the loop" with identification of impacted areas and timing for repairs. We will examine Con Edison's communications plan and staffing.

Proper planning and preparedness involve all these issues as well as several others. In order for the Blue Ridge Team to gain a comprehensive understanding of Con Edison's commitment to its Plan, we will also review Con Edison's historical performance. We will determine whether the appropriate employees have been included in the practice drills, whether the appropriate "stress" has been injected into the drill so that weaknesses and breaks can be identified prior to actual implementation? No plan is fool-proof; however, any good plan includes provisions that acknowledge its limitations. It also details who, what, when, where and how deviations are to be managed, implemented and resolved. It further provides proper review and examination after the drill or actual incident is resolved and system conditions have returned to normal operations.

The details of our audit of the Planning and Preparedness Section will focus on the specifics identified in the Order and listed below. However, the Blue Ridge Team will not limit our review to these items. Our experience is extensive and includes, major flooding, hurricanes, tornadoes, ice and snow storms, major heat-related stresses, and terrorist actions. We will draw on our combined experience to provide a comprehensive review of the Con Edison Plan.

Audit details include the following:

- Identification of Emergency Type & Pre-Emergency Planning/Preparedness
- Initiation of Emergency Plan and Staffing Emergency Center
- Personnel Requirements & Notification Procedures
- Inventory of Supplies and Rolling Stock
- Identification of Outages Conditions
- SCADA Capabilities & Determination of Outage Extent
- Assignment of Work Details, Work Orders and Priorities
- On-going System Operations and Minimization of Additional Outage Influences
- Timing and Capability to Coordinate with Surrounding Utilities for Additional Crews and Stores
- Field to Emergency Center Communications
- Emergency Center Communications to Public and First Responders

2.2 Performance and 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 restoration activities encompassing its ability to function effectively within the Incident Command System or similar framework and protocols.

Most people expect the lights to come on with a "flick of the switch." When they don't, the reaction may cover the sweep of emotions and expectations from anxiety, worry, and concern to anger, frustration, and even fear. If an outage is widespread, public and personal safety, especially in an urban environment, become paramount. It is estimated that the blackout of 1977 caused over $300 million in damages and stolen property. The 1999 Washington Heights blackout left 70,000 customers without power for two days. The resulting settlement between Con Edison, Staff, and intervening parties, including New York City, cost Con Edison's shareholders nearly $2 million.[2] Thus, blackouts, regardless of size and duration, are costly and can be dangerous to the health and welfare of a community.

How Con Edison responded to the outages in 2006, and in particular, the July and September events in Long Island City, NY, is the focus of the audit in the instant proceeding, Case No. 06-E-1078. However, the scope of the Company's response includes those actions taken by Con Edison to correct past deficiencies and to take advantage of improvement opportunities that were identified by Staff, other intervening parties, and the Company itself dating back to the 1999 Washington Heights outage.

The Blue Ridge team will conduct a comprehensive, field based operational audit to review the Company's performance and effectiveness in restoring power to customers, in mitigating the immediate effects of the outage, and in incorporation of remedies to past issues and concerns in such a manner that eliminated them from any negative influence on the 2006 outages.

Our review in evaluating the performance and effectiveness of the Company's restoration efforts will focus on the following objectives:

- Determine whether the Company was adequately prepared to deal with the emergencies that occurred in 2006, focusing on the Company's performance related to the Long Island City outages.
- Determine if the Company's response plans were executed in a timely and effective manner, including whether the voltage reduction/load shedding actions were in compliance with the response plan.
- Determine how the Company responded to contingencies as it implemented the response plans.
- Determine whether past deficiencies were properly corrected and those corrective actions were properly implemented as part of the response plans in 2006.
- Determine whether the Company's communication with its customers, community leaders, emergency management and the public in general were effective.
- Determine via focus groups customer, community leader and service providers, and other stakeholders perceptions of the Company performance in restoring service.
- Determine whether field crews (both internal and external) were effectively deployed and utilized to meet the restoration planning criteria and priorities.

[2] Commission Order approving settlement in Case 99-E-0930

- Determine whether sufficient materials, supplies and equipment were available to crews and whether any lack thereof impacted the speed or restoration of power services.
- Determine whether outage data and resulting reports were accurate, contain sufficient detail and structure to be an effective management tool, and were distributed to the appropriate managers who are in a position of authority to use and act on the information in timely application.
- Determine if additional technology could be applied to track outages, minimize impact and/or reduce restoration time.

Our approach and methods for conducting the review are more clearly defined below in *Section 3 – Approach, Methods, Procedures and Audit Management*. The specific task and activities including the individual consultant assignments, for each of the objectives, the evaluation criteria and the specific tasks and activities areas associated with arriving at the overall conclusions regarding Con Edison's performance are described in *Section 4 – Areas and Issues for Review* below.

2.3 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 should identify best practices that the Company is or should consider employing in the area of electric emergency outage response, as well as opportunities for improvement.*

Our goal is to provide the Commission and, ultimately, Con Edison with a document with findings and recommendations that can be incorporated directly into the existing Con Edison Plan. After the Blue Ridge Team establishes how the Company accomplishes its outage planning and restoration activities, the Team will review whether and how the Company employs "best practices" in its electric emergency outage program. The Team will review industry "best practices" to identify any significant differences in electric emergency response planning, response, restoration, and communications that exist between Con Edison and "best practices" and will determine the underlying differences for any variances.

By comparing the Company's operations to best practices, opportunities for improvement in the Company's practices and procedures will be identified that can mitigate the effects of storms and other events and reduce the magnitude of such outages and the duration of the subsequent emergency response and service restoration efforts.

As former utility managers and employees, several members of the Blue Ridge Team have had extensive firsthand experience with outages and outage response, having participated in outage response activities during such catastrophic events as Hurricane Andrew in South Florida, Hurricane Opal in South Carolina, the Oklahoma City Bombing, Hurricane Iris and Daniel in the Gulf Region, and ice and snow storms that

have paralyzed the Southeast. Our team will examine and compare Con Edison's planning and restoration activities not only to current industry "best practices," but also to the best practices experience of our group.

Each emergency action plan must be developed and maintained according to its own unique operating elements, including employment levels, experience, system configuration, system load demands, response capabilities, etc. While the overall "skeleton" of a plan may be similar to a common template, the "flesh" of the plan will be dramatically different depending on the utility characteristics. For this reason, it is extremely important that the Commission retain a Consultant with the "hands on" operational skill and experience necessary to determine "best practices" for Con Edison.

There is continuing interest in the use of benchmarking to evaluate utility operating performance. Over the last several years, Con Edison has participated in a number of industry "best practices" and benchmarking studies. The Company was one of 40 utility member sponsors that funded the Electric Power Research Institute (EPRI) Reliability Initiative in cooperation with the North American Electric Reliability Council (NERC). The initiative's goal was to identify root causes of power reliability problems, share this information among utilities, and develop new methods for improving performance of the electric distribution system. Separate projects were conducted for both transmission and distribution. The initiative resulted in the completion of the first comprehensive database of electricity distribution practices across the nation in 2002.

Con Edison is a member of the Electric Utility Benchmarking Association (EUBA™), which is an association of electric utility companies that conducts benchmarking studies to identify the practices that improve the overall operations of the members. EUBA™'s Mission statement is to "To identify "Best in Class" business processes, which, when implemented, will lead member companies to exceptional performance as perceived by their customers." Subdivisions of EUBA™ include:

- The International Association for Benchmarking Electric Distribution (IABED™). Its objectives include the following:

  - To conduct benchmarking studies of important electricity distribution management processes.
  - To create a cooperative environment where full understanding of the performance and enablers of "best in class" electricity distribution management processes can be obtained and shared at reasonable cost.
  - To use the efficiency of the association to obtain process performance data and related best practices from regarding electricity distribution management.
  - To support the use of benchmarking to facilitate electricity distribution management process improvement and the achievement of accuracy, timeliness and efficiency.

- The Electric Power Transmission Benchmarking Association (EPTBA™), an organization dedicated to providing its members with an opportunity to identify, document and establish best practices through benchmarking to increase value, efficiencies, and profits. The EPTBA™ objectives include the following:

  - To conduct benchmarking studies of important electric transmission management processes.
  - To create a cooperative environment where full understanding of the performance and enablers of "best in class" electric transmission management processes can be obtained and shared at reasonable cost.
  - To use the efficiency of the association to obtain process performance data and related best practices from regarding electric transmission management.
  - To support the use of benchmarking to facilitate electric transmission management process improvement and the achievement of accuracy, timeliness and efficiency.

The Team will review how Con Edison uses the wealth of “best practices” information it has available in setting strategic direction, developing performance targets, supporting process improvement initiatives, and identifying and implementing best practices.

Additionally, the Team will explore best practices within the gas distribution and water utility industries to determine if any practices are transferable to an electric utility. Just as the incident command system has been adopted from the U.S. Forest Service, best practices from the gas and water utility industry may provide additional opportunities for improvement.

3.0 Approach, Methods, Procedures, and Project Management

An explanation of the process the consultant intends to use to demonstrate its compliance with the required scope of work must be provided. It should contain how the review will be planned, implemented, supervised and managed by the consultant's staff, as well as the philosophy and approach to these steps. The methods and procedures to be employed and the criteria to be used in its evaluations should also be addressed to allow Staff to fully understand how the consultant will perform the review.

The scheduling and project management systems to manage and control the project are to be described in this portion of the proposal.

To complete the project, the Blue Ridge Team has assembled a highly experienced group of professionals whose combined team experience covers every aspect of the functional requirements to satisfy the Commission's concern about the effectiveness of Con Edison's Electric Emergency Outage Program. Our goal is to offer a fair, balanced, and thorough assessment for the Commission and its Staff, determining Con Edison's program efficiencies and deficiencies, identifying risks and mitigations, and providing recommendations to improve effectiveness in planning, preparedness, and performance.

Our approach uses a standardized methodology to ensure efficiency, effectiveness, and proper control for our client. Our workplan will provide a multi-leveled approach from the broad categories of planning and response down to the specific detailed issues and tasks required to determine effective operation.

As mentioned in the RFP, the consultant's responsibilities in this engagement include (but are not limited to):

- Development of an initial and final workplan by which the consultant will deploy its services in meeting the detailed scope of the engagement
- Review of Con Edison's electric emergency outage restoration capabilities from the following perspectives:
  - Planning/Preparedness
  - Performance/Effectiveness
  - Best Practices
- Delivery of briefings to Staff on the progress and related issues of the review
- Creation of an initial draft report providing the results of the review and detailed, supportable recommendations concerning findings
- Revision of the draft report, taking into consideration comments of Staff, for delivery to Con Edison for factual verification
- Presentation of the draft report (at Staff's direction) in a formal hearing on the report

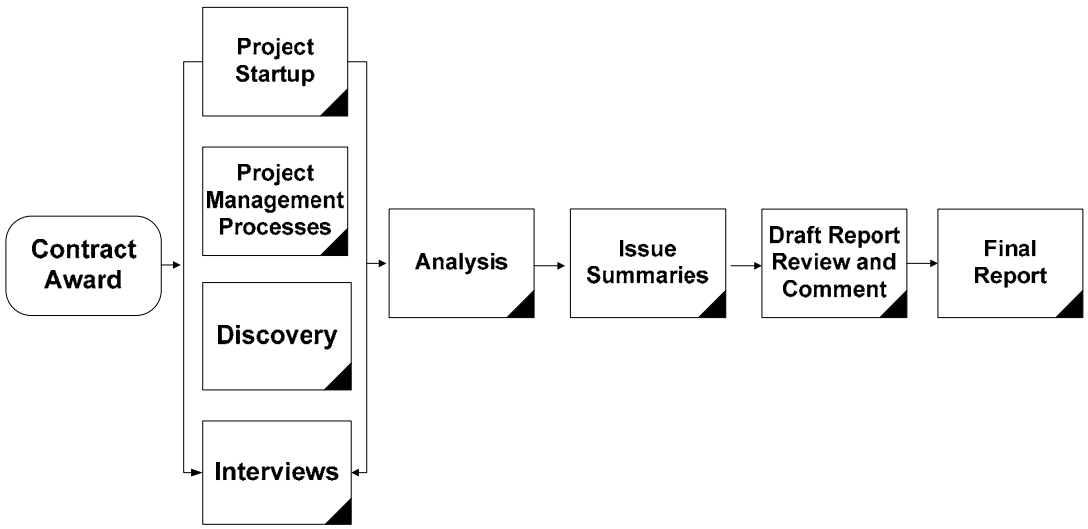
- Production of a final report in consultation with Staff, taking into consideration specific hearing comments

The approach and methodology to be employed by the Team in satisfying the requirements of this outage will meet the Commission's purpose and objective for this adequacy audit. Furthermore, the goals for this project will be realized in a cost-effective and efficient manner. Once the work plan is finalized and executed, the results from our comprehensive review will provide the Commission, its Staff, and all stakeholders with the confidence that those results may be utilized to ensure a safe, secure, and reliable access to Con Edison's energy services for New York State's citizens and businesses.

To complete this engagement, the Blue Ridge Team will follow a developed methodology that leverages our understanding of the emergency planning and response process. It also provides Con Edison with an opportunity to explain their current processes fully. This methodology also reduces time and expenses by arranging the information flow before required travel thus making on-site visits more efficient. The Blue Ridge methodology includes eight (8) major and distinct phases. These phases allow us not only to streamline and manage the work plan but also to identify overlap and critical path areas for the project's success. The phases include:

- Project Start-up
- Project Management Processes
- Discovery
- Interviews
- Analysis
  - Issue Summaries
- Draft Report
- Final Report
- Project Closeout

The work flow of our methodology is summarized in the following illustration.



Each of these phases is included in the preliminary work plan contained below. The Blue Ridge Team includes this preliminary work plan as a reference for discussion with Staff to demonstrate clearly that the Team has identified the major tasks needed to complete the project successfully. This preliminary work plan will form the basis of the detailed work plan that is required as part of the *"consultant responsibilities"* mentioned earlier.

The Blue Ridge Team has used similar processes in other assignments and cases to great success. Our work planning methodology is a proven tool and very familiar to our clients. It is also adaptable to the circumstances as the audit review evolves.

The Team also provides a Quality Assurance process and the Blue Ridge Consulting Services, Inc. and its team of experienced experts are committed to providing quality products and services for our clients. Quality is defined as adherence to specifications. Efficiently creating a work product, timely in its delivery, with accurate and relevant results to meet the client's objectives is paramount. Blue Ridge is committed to ensure that our client receives the highest quality product and service. To that end, we make this commitment.

> *If our client is unsatisfied with any work product such that the work does not meet the client's performance expectations as outlined in the solicitation and defined in an approved Task Assignment Plan, we will either re-do the work for no additional fee or not charge the client for the work.*[3]

Our pledge is simple. We do the right work right, the first time. We believe that our process ensures that the work products and deliverables will exceed the quality standards that the Commission expects from the consultant awarded this contract.

The following includes a description of each phase of the Blue Ridge Team's phased approach along with identification of the specific tasks and task deliverables that we are prepared to complete in order to satisfy the Commission's requirements for this project.

Phase 1: Project Startup

Based on the information contained in the RFP, we are assuming that the contract will be awarded in January 2007. Upon award of this assignment, we will initiate preparation of a data and information request. Based on the intelligence received during the February 2007 orientation meetings, the data and information request will be refined for submittal along with the draft work plan in March 2007. The Team expects significant interaction with Staff in the refinement of both the data and information request and the work plan until final approval in April 2007.

Specific Tasks

- Sign any required non-disclosure and/or confidentiality agreements required by Con Edison and the Commission Staff
- Prepare for and meet with Staff for February 2007 orientation meetings

[3] Any concerns arising out of performance evaluation and quality performance will be first addressed with the Contract Officer and then as outlined in the solicitation.

- Identify key project participants and contact information/roles and procedures for submitting discovery or data requests
- Review objectives and work plan assumptions, and identify any changes desired by Staff
- Review project schedule and milestones and identify any changes desired by Staff
- Develop draft and finalized work plan and schedules
- Submit initial list of data and information requests

Task Deliverables

- Orientation Meeting Presentation
- Non-disclosure and/or confidentiality agreements
- Interview list
- Draft Work Plan
- Initial Data and Information Request

Phase 2: Project Management Processes

As with any major engagement, project management processes represent those underlying activities that help to ensure a successful project. These processes naturally include the team management, oversight, and direction which helps to ensure a smoothly run project. The Blue Ridge Team strives to make these processes as effective as possible and at the same time keep the focus on the other phases of our methodology. As such, the Team monitors project management activities and sets a target of less than 10% of the project total level of effort (consultant hours) associated with project management. This target helps to avoid and/or mitigate any unnecessary overhead activities.

Specific Tasks

- Coordinate distribution, tracking, and management of discovery
- Update status of assigned tasks
- Update status of tasks as reported by team members assigned to each task and load into Microsoft Project
- Create and distribute Issues Management Report Template
- Establish Issues Management Database
- Issue periodic status reports

Task Deliverables

- Periodic Status Reports
- Document Management Tracking reports
- Issue Management Reports

Phase 3: Discovery

During this phase, we will initiate the work plan and commence in-depth review of the Con Edison Electric Emergency Outage Program. We will submit follow-up requests based on our initial assessments of data, interviews, and reviews of documentation.

Specific Tasks

- Establish Document Management Process
- Finalize the structure to be used to catalog and tie documents received or produced in investigation/validation of each area of concern
- Establish nomenclature to identify documents and other artifacts (e.g. interview notes, discovery responses, procedures)
- Set up the document management database
- Receive, enter in project database, and classify documents as they are received (including not only documents received from others, but also interview notes and other products of the investigation)
- Identify organization and management of both emergency planning and emergency response
- Identify initial list of potential areas of concern

Task Deliverables

- List of documents reviewed
- Background statistics for final report

Phase 4: Interviews

Blue Ridge will advise the Staff of topics and what documentation the interviewee should be prepared to have available at the interview. In order to provide the Commission with assurances of the integrity and completeness of the review, Blue Ridge will conduct "spot checks" and "impromptu" interviews to ensure that the appropriate Con Edison employees are well-versed and knowledgeable and that required documentation is complete, comprehensive and contemporaneous.

Specific Tasks

- Prepare list of individuals to be interviewed, develop interview topics, and submit to Staff for coordination with interviewee
- Finalize interview questions
- Conduct interviews
- Review and document interview notes
- Submit notes to Staff and Interviewee for review, comment, and clarification

Task Deliverables

- List of individuals to be interviewed
- Interview topic lists (by interviewee)
- Summary notes from interview

Phase 5: Analysis

The Team will perform qualitative and quantitative analysis and comparisons that are necessary to meet the objectives and responsibilities of this project. In addition, we will perform validity checks as appropriate. Our detailed analysis will form the basis for the

issue summaries which will contain the team's findings, conclusions, and recommendations.

Specific Tasks

- Review Company procedures for planning, preparedness, and performance
- Review industry best practices and compare with Company processes
- Review major outages previous to 2006 for adherence to procedures, lessons learned, and trends
- Review communications plans, procedures, and actual practice
- Review stakeholder comments, complaints, and perceived impact
- Develop Issue Summaries based on knowledge gained from the audit work into a consistent and tightly drawn set of findings, conclusions, and draft recommendations. Issue Summaries will be included in the draft report only after they have passed our Quality Assurance Plan.

Task Deliverables

- Issue Summaries (as appropriate)

Phase 6: Draft Report

A draft report will be prepared for review, comment, and suggestions by Staff and for factual verification by Con Edison. The projected due date will be in August 2007. We intend to incorporate those comments, suggestions, and answers to the extent that they clarify any information in the report. However, in order to protect the integrity of the audit process, we will scrutinize with great care those suggestions that request that we modify/change or remove conclusions we drew as a result of our analysis. We will identify any of these recommendations in the final report.

Specific Tasks

- Finalize draft outline of report
- 1st draft of report
- Review and comment by Staff
- 2nd draft of report for Con Edison factual verification

Task Deliverables

- Draft Report
- If needed, presentation of draft report at formal hearing

Phase 7: Final Report

We will incorporate stakeholder comments and responses to our findings and conclusions into a final report for submission to Staff and the Commission. The projected due date is in October 2007.

Specific Tasks

- Submit final report with appendices and all supporting documentation

Task Deliverables

- Final Report

Phase 8: Project Closeout

We will conclude the project supporting Staff and the Commission in presentation and defense of our report and the findings and conclusions contained therein.

4.0 Areas and Issues for Review

The proposal must include a description of how the scope and issues identified in the Commission Order will be examined during the audit, and show how the consultant's staff will be assigned to complete the scope and meet expected deadlines.

In its Order directing that this audit be undertaken, the Commission stated the following:

> "Effective communication with customers and prompt restoration of service is an essential component of the Company's responsibility to provide safe and adequate service to its customers."[4]

The Order further indicated that as a result of Con Edison's performance in recent outages, especially during the July 2006 Long Island City incident, a need exists to conduct an audit of the Company's operations, practices, and procedures as they related to emergency planning, responses to outages, and restoration of service.

Specifically, the Commission is concerned with the following six primary issues.

Issue No 1 - *Effectiveness of the Company's overall emergency response planning, response to outages, and service restoration efforts, including an organizational assessment of the Company's internal structure for managing service restoration;*

Issue No 2 - *Adequacy of the Company's resources available by major operating areas, including personnel and equipment, to respond aggressively to large-scale outage emergencies and the Company's effectiveness in deploying and managing these resources in an optimal manner;*

Issue No. 3 – *Planning and preparation for responding to multiple and simultaneous large-scale outages occurring in different operating areas;*

Issue No 4 - *Effectiveness of procedures for determining the extent of outages, including the number of customers affected, and in providing accurate estimates of the timing of service restorations;*

Issue No 5 - *Effectiveness of plans and procedures for obtaining assistance from other utilities and contractors, and ability to effectively deploy and manage these additional resources; and*

[4] Order Instituting proceeding and directing audit – dated September 8, 2006, page 3

> **Issue No 6** - *Proper procedures to assure effective outreach efforts on a regular basis, including accuracy of information and frequency of communication with local officials, state agencies, and the public throughout the event.*[5]

The RFP for this project effectively compartmentalizes the issues identified by the Commission into three separate but related areas:

- Planning and Preparedness,
- Performance and Effectiveness, and
- Best Practices.

The following sections outline the Blue Ridge Team's approach to addressing each of the above six issues as outlined in the structure requested in the RFP. This discussion is the foundation of the detailed work plan that will be developed by the Team and reviewed and approved by Staff. It also provides identification of the individual team consultants who will be responsible for leading the review, as well as those who will support the lead consultant in completing the specific tasks and activities and producing the deliverables listed for each specific task.

4.1 Electric Emergency Outage - Planning and Preparedness

Several years ago, Con Edison developed its Emergency Response Plan to prepare for electric outages and to address and communicate to all stakeholders the activities necessary to restore normal system operations. The plan has since been reviewed and modified several times by incorporating the lessons learned in previous outages or emergencies with input from affected parties, regulatory agencies, and Company personnel, as well as with the concepts acquired from other industries and public agencies.

In the RFP for this audit, the Planning and Preparedness area is directed at those issues related to Company actions that should occur long before an actual emergency ever occurs. This area includes all of the planning and preparedness activities needed to mitigate the impact that a significant outage event (caused by nature, mechanical failure, act of terrorism, etc.) will likely have on the Company's customers and its ability to provide safe and adequate service.

In this section, the Blue Ridge Team will address the Company "pre-event" activities, or planning related to the Company's emergency response plan that needs to be completed as part of Con Edison's obligation to provide safe and adequate service. Our review will focus on those emergency response policies and procedures that form the framework of the Company's ability to respond to an outage event.

[5] NY PSC ORDER Case No. 06-E-1078 INSTITUTING PROCEEDING AND DIRECTING AUDIT - Issued and Effective September 8, 2006

Based on our review of the issues outlined above and the specific area identified in the RFP, we propose that this area be broken down into the following sections:

- Electric Emergency Preparation and Response Planning
- Organizational Assessment
- Training
- Emergency Response Plan Criteria, Policies and Thresholds
- Resource and Deployment Planning
- Outage Data Collection, Accuracy and Reporting Systems
- Load Curtailment Planning
- Multi-event planning
- Mutual Aid and Additional Resources
- Community Outreach and Communications

The following discussion outlines those sections, tasks, evaluative criteria, activities, and deliverables that we propose to be incorporated into a detailed work plan to achieve the objectives of the audit and address the issues identified above.

4.1.1 Electric Emergency Preparation and Response Planning

Lead Consultant: **M. Crisp, PE**
Support: **J. Smith, PE, P. Dean, PE**

Specific Task – Review and evaluate Con Edison's Emergency Response Plan (ERP) for weather and non-weather related forced outages.

Evaluation Criteria

- Is the current procedure sufficiently comprehensive, thorough, and detailed, addressing all significant outage events (i.e., weather, mechanical, act of terrorism, etc.)?

Activities

- Examine the current ERP.
- Examine earlier versions of the ERP.
- Review after action reports, drills, and table top exercises.
- Compare current ERP with industry examples.

Preliminary Interview List

- Personnel responsible for development of procedures
  - Operations Management
  - Customer Care Management
  - Incident Commander
  - Incident Team members
  - Operations field personnel
  - Media Relations
  - Government Relations

- Media representatives
- Police and fire media relations

- External stakeholders

Preliminary Data Request
- ERP and all related documentation
- Previous ERPs and drafts

Deliverables
- Flowchart of the ERP development process
- Timeline of the ERP development and improvement
- Variance analysis between ERP and needs of internal and external stakeholders
- Draft section of detail work plan
- Data requests for section
- Interview notes
- Findings, conclusions, and recommendations
- Draft section of report

Specific Task – Review procedures establishing Incident Command Center (ICS)

Evaluation Criteria
- Are the specific procedures for establishing the Incident Command Center consistent with industry standards and in compliance with all previous Commission directives and orders?
- Is the ICS established early enough within the timeline of a potential outage to contribute to an effective restoration effort?

Activities
- Review the procedure and determine the overall "linkage" with the Corporate Outage Procedure.

Preliminary Data Request
- Procedures for establishing the Incident Command Center

Deliverables
- Flowchart of the ICS establishment process
- Timeline of the ICS establishment
- Variance analysis between the ICS establishment and needs of internal and external stakeholders
- Draft section of detail work plan
- Data requests for section
- Interview notes
- Issue summaries and supporting analysis
- Findings, conclusions, and recommendations
- Draft section of report

4.1.2 Organizational Assessment

Lead Consultant: **M. McGarry**
Support: **R. Krizan, PE, J. Smith, PE, P. Dean, PE**

Specific Task – Conduct a comprehensive organizational assessment

Evaluation Criteria

- Has the Company emergency response performance been influenced (positively or negatively) by the Company's internal organizational structure?
- Is Con Edison's Emergency Response Plan properly organized with sufficient management oversight, resources, and staffing?
- Does the Company utilize technology effectively to manage the emergency response plan?
- Is emergency preparedness and emergency restoration considered a priority within the organization or merely an adjunct duty?

Activities

- Request, review, and evaluate organization structures and matrices of Con Edison's normal and emergency response organization (i.e. "incident command system").
- Request, review, and evaluate job and position descriptions of key executives and managers identifying span of control.
- Identify overlapping spans of control (if any) and impact on emergency response organizations.
- Request, review, and evaluate business goals and mission statements for organizations responsible for emergency response.
- Identify competing goals, objectives, and priorities (e.g., mitigating costs vs. ensuring customer service, determination of costs of reducing response restoration times vs. impact on company's financials, etc.) between normal operations and emergency response.
- Develop findings and conclusions related to Con Edison's emergency response testing program.
- Draft issue summaries.
- Validate findings and conclusions.
- Develop recommendation(s) and establish cost benefit (qualifications) of implementation.
- Draft section of report.

Preliminary Interview List

- Select representatives of Senior Management
- SVP of Human Resources
- SVP of Corporate Planning
- SVP of Electric Operations

- Operations Management
- Customer Care Management
- Incident Commander
- Incident Team members
- Operations field personnel
- Media Relations
- Government Relations

Preliminary Field Work
- TBD

Preliminary Data Request
- Company's operational goals and objectives
- Company internal organization studies conduct 1999 through 2006
- List of organizational changes to normal operations and emergency response
- Job descriptions
- Compensation plans
- Career planning programs

Deliverables
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

Specific Task – Review procedures for maintaining inventories of equipment, consumables, and rolling stock during outages.

Evaluation Criteria
- Are the current procedures for maintaining inventories and supporting field operations during outage effective, reflective of industry standards and in compliance with commission directives and orders?
- Are the procedures tailored to emergency response and restoration or just an adjunct of existing operations and maintenance systems?

Activities
- Review logistics procedures
- Determine whether adequate materials are on-hand to make major repairs as a result of catastrophic outage.
- Determine whether vendor relationships and contracts include specific support for emergency restoration
- Determine whether material transportation arrangements are in place specifically for emergency restoration.

- Determine whether warehousing is adequate and response time from warehousing to field is satisfactory.
- Evaluate warehouse locations, functionality, and security.
- Examine the process of direct supply of crews in the field by suppliers.

Preliminary Interviews
- Logistical Management and staff
- Warehousing Staff and Management
  - Operations Management
  - Incident Commander
  - Incident Team members
  - Operations field personnel

Preliminary Data Request
- Logistics procedures
- Inventory list of large ticket items such as transformers, switches, relays, vaults, poles, insulators, etc.

Deliverables
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.1.3 Training

Lead Consultant: **J. Smith, PE**
Support: **P. Dean, PE, M. McGarry, R. Krizan, PE, M. Crisp, PE**

Specific Task – Review the Company's training procedures, drills, exercises, and table top tests to determine whether they are consistent with industry standards, properly planned, appropriately implemented, adequately assessed and scored, and performed frequently enough to be effective.

Evaluation Criteria
- Does the Company test its emergency response level? If so, at what level (e.g., corporate, regional, functional, etc.)?
- Are the tests performed in a manner consistent with industry best practices including frequency and depth of test?
- Are the tests scored by parties independent of the emergency restoration process?
- Is test performance a part of the performance evaluation "package" for relevant employees?

- To the extent that previous studies or assessments recommended changes to tests, were these changes effective?
- Did the occasion of tests (or lack thereof) impact the severity or duration of the 2006 outages and, in particular, the LIC incident?

Activities

- Request, review, and evaluate Company's emergency response testing plan(s).
- Request, review, and evaluate documentation related to testing and post test assessments.
- Determine whether test(s), if performed, were in compliance with the Company's emergency response plan, Commission orders and directives, and industry best practices.
- Determine if tests were properly scored by independent parties.
- Develop findings and conclusions related to Con Edison's emergency response testing program.
- Draft issue summaries.
- Validate findings and conclusions.
- Develop recommendation(s) and establish cost benefit (qualifications) of implementation.
- Draft section of report.

Preliminary Interview List

- Key Senior Executives
- VP's of Operations, Customer Service, Regulatory
- Implementation Managers
- Selected field crews
- Selected employees
- Human resources

Preliminary Field Work

- Field verify testing locations and relevance to test plan.

Preliminary Data Request

- Testing plan and schedules
- Post test briefings and correction action plans
- Compensation and performance plans

Deliverables

- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.1.4 Outage Data Collection, Accuracy and Reporting Systems

Lead Consultant: D. Mullinax, CPA
Support: M. McGarry, H. Solganick, PE, D. Salter

Specific Task – Verify the accuracy of the data collection systems used for determining the extent of outages, including (1) how the data is collected and validated, (2) how the number of customers affected in the outage event is determined, and (3) how the development of an accurate time estimate for service restoration is achieved.

Evaluation Criteria

- Are the Company's various data collection systems adequate to provide the timely, accurate, comprehensive and detailed information needed to estimate the magnitude of a large scale outage as might be measured by the number of consumers and the potential duration for service restoration?

Activities

- Request, review, and evaluate all systems in place that are used to collect information related to the magnitude of large-scale (or potentially large-scale) outages, e.g., number of consumers, estimated impact on system assets, estimated resources needed, potential duration of the outages, etc.
- Request, review, and evaluate the outage event data collections policies and reporting procedures for consistency with accepted industry standards.
- Request, review, and evaluate actual reports from each of these systems for the outages contemplated in this order.

Preliminary Interviews

- Operations Management
- Customer Care Management
- Incident Commander
- Incident Team members and outage analysts
- Operations field personnel and planners
- Media relations
- Government Relations
- Telecommunications management
- Meter management

Preliminary Field Work

- Review the reports with those staff persons responsible for generating the reports and those staff who are responsible for utilizing the information.

Preliminary Data Requests

- Outage data policies and procedures
- A list of all systems (electronic or otherwise) that are in place to accumulate data used to determine the extent of large-scale outages (e.g., Interactive Voice Response (IVR) reports, call center records, energy management systems (dispatch) reports, field recon reports, etc.)

Deliverables

- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.1.5 Load Curtailment Planning

Lead Consultant: **P. Dean, PE**
Support: **J. Smith, PE, M. Crisp, PE**

Specific Task – Assess the incorporation of network supply/load reduction procedures to meet the emergency situation(s).

Evaluation Criteria

- Does the Company have adequate policies and procedures for reducing its load or increasing local distributed generation (DG) sources, if appropriate, during emergencies?
- Does the Company ERP have a module that details the use of load management techniques?
- Does the Company ERP have a module that details the use of distributed generation?
- Did the Company inventory network supply assets such as distributed and emergency generation as part of the ERP?
- Does the Company provide incentives for distributed and emergency generation that include issues of dispatch and control and safe interconnection and operation?

Activities

- Request, review, and evaluate the Company's emergency load reduction policies and procedures.
- Explore the capabilities of load management and distributed and emergency generation and their applications.
- Determine how the capabilities of load management and distributed and emergency generation are used within the Company and the ERP.
- Compare procedures with industry best practices.

Preliminary Interviews
- Operations Management
- Commercial Customer Management
- Incident Commander
- Incident Team members
- Operations field personnel

Preliminary Field Work
- Contact selected customers.
- Review the load reduction orders.

Preliminary Data Requests
- Emergency Response Plan
- Load management and distributed and emergency generation processes and procedures

Deliverables
- Flowchart of the load management and distributed and emergency generation process
- Variance analysis between the ERP and load management and distributed and emergency generation resources, contracts, statistics
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.1.6 Multi-event planning

Lead Consultant: **P. Dean, PE**
Support: **J. Smith, PE, M. Crisp, PE**

Specific Task – Determine whether the Company's Emergency Response Plan was designed to detect and manage two or more simultaneous but discreet outages.

Evaluation Criteria
- Does the Company's outage measurement system have the capability to detect and handle two or more simultaneous and independent outages?
- Does the Company have procedures in place to manage simultaneous and independent outages successfully?
- Can another regional center take control of a second outage outside its geographic area of responsibility?

- Is there sufficient depth within a regional center to cope with two simultaneous outages?

Activities
- Review the ERP.
- Review call center estimates and design values.
- Review call center staffing models.
- Review overflow management specifications and contracts.
- Review telecommunications network specifications and contracts.
- Review telecommunications test procedures.
- Review the Incident Command System training and staffing levels.
- Review regional center design values and overflow procedures.
- Determine if cross training exists between regional centers.

Preliminary Interview List
- Operations Management
- Customer Care Management
- Incident Commander
- Incident Team members
- Media relations
- Government Relations
- Telecommunications management

Preliminary Field Work
- Visit Region Control Centers.
- Visit Call Center.
- Contact telecommunications network providers.
- Visit internal communications support group.

Preliminary Data Request
- Regional center procedures, training and staffing levels
- Outage Measurement Systems specifications
- Call center staffing models and processes and procedures
- Telecommunications network specifications and contracts
- After action reports
- Table top and external drills and analysis

Deliverables
- Simultaneous outage capability analysis
- Variance analysis between the ERP and actual capability

Draft section of detail work plan
Data requests for section
Interview notes
Issue summaries and supporting analysis
Findings, conclusions, and recommendations
Draft section of report

4.1.7 Mutual Aid and Additional Resources

Lead Consultant: J. Smith, PE
Support: P. Dean, PE, R. Krizan, PE, M. Crisp, PE

Specific Task – Assess the effectiveness of the Company's procedures for obtaining assistance from other utilities, contractors, and vendors/suppliers, and assess management and operational procedures used to deploy and manage these additional resources.

Evaluation Criteria

- Does the Company have effective procedures that are consistent with industry best practices and in compliance with Commission directives for requesting mutual aid assistance from other utilities and soliciting additional contract resources?
- Does the Company have adequate mutual aid agreements in place to meet their needs during emergency conditions and especially large-scale outages?
- Does the Company have effective procedures that are consistent with industry best practices and in compliance with Commission directives for deploying and managing mutual aid assistance from other utilities and additional contract resources?
- Has the Company developed a logistical system to meet the requirements of emergency restoration?

Activities

- Request, review, and evaluate Con Edison's Emergency Response Plan and procedures associated with mutual aid and additional contractor requests and vendors/suppliers.
- Request, review, and evaluate the list of mutual-aid contracts and agreements to ensure consistency with procedures.
- Request, review, and evaluate changes to mutual aid procedures in the last five years to ensure consistency with industry standards and compliance with Commission directives and orders.
- Interview those mutual aid responders who have, in the past five years, responded to assist the Company in times of emergencies.
- Review the logistical processes established to support emergency restoration.

Preliminary Interviews

- Operations Management
- Incident Commander
- Incident Team members
- Media relations
- Government Relations

- Logistical management
- Senior management

Preliminary Data Requests
- Mutual aid agreements
- Mutual aid estimates of response performed by the Company
- ERP estimates of mutual aid
- Logistical plans and processes for emergency restoration

Preliminary Field Work
- Visit logistics management.

Deliverables
- Mutual aid capability analysis
- Variance analysis between the ERP and actual mutual aid capability
- Findings, conclusions, and recommendations
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.1.8 Community Outreach and Communications

Lead Consultant: **H. Solganick, PE**
Support: **D. Mullinax, CPA, M. McGarry, R. Krizan, PE, D. Salter**

Specific Task – Evaluate the Company's procedures for ensuring effective outreach efforts 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.

Evaluation Criteria
- Does the Company have an effective outreach program to communicate with the various stakeholders during emergencies and, in particular, large-scale outages?

Activities
- Request, review and evaluate the Company's various policies and procedures that outline its commitment to provide accurate and timely information to the various stakeholders (e.g., community leaders, public, media, etc.).

Preliminary Interviews
- Customer Care Management
- Incident Commander
- Media Relations
- Government Relations
- Media representatives
- Police and fire media relations
- External stakeholders

Preliminary Field Work
- Visit Regional Centers.
- Visit Call Center.
- Contact media.
- Contact police and fire.
- Contact external stakeholders.
- Read letters to Company, media, and external stakeholders.

Preliminary Data Request
- Emergency Response Plan
- Communications and media timelines, logs, recordings, reports, messages, press releases and other communications
- After action reports
- Table top and external drills and analysis
- Press clipping
- Letters and calls to Company executives

Deliverables
- Flowchart of the communications and media process
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.2 Electric Emergency Outage – Performance and Effectiveness

Outage experience has shown that emergency response plans are never perfect when first developed. Invariably deficiencies are discovered when addressing real electric system emergencies. The Blue Ridge team will thoroughly review Con Edison's historical performance in electric outage situations and subsequent assessments and recommendations to ensure that its current plan was properly amended to reflect these elements. We will review Con Edison's emergency drills and exercises to confirm that they are realistically structured and appropriately assessed. Furthermore, in addition to an overall assessment of Con Edison's outage performance, we will assess the extent to

which Con Edison effectively implemented the strategies and practices, which are reflected in its most current Emergency Restoration Plan during the recent 2006 outages.

In this section, we describe how the scope areas, issues identified in the Commission Order, and the related objectives we defined above will be addressed and examined through the course of the audit. This Section brings together the education from the Planning and Preparedness Section and marries it with the actual outage response and history. The deliverables will be an overall assessment of the Company's outage performance with regard to procedures, perceptions, and system response. The work product will also include a post-event critique of what could have happened or should have happened to minimize outage time and impact.

In order to address the effective utilization of all Company personnel involved in service restoration of large scale outages or major network contingencies, we will examine and compare the resources Con Edison dedicated to the various operating departments/areas as a function of time, trouble ticket generation, system status, or other threshold criteria (contingency level, customers out, calls/hr, etc.), against the Company's Emergency Plan or Resource Matrix. Another critically important factor in assessing Con Edison's personnel deployment is its understanding of the magnitude of the problem it was facing.

Once personnel, equipment, and material are deployed to their respective assignments, effective communication and management is essential to ensure that established restoration priorities are being met, or, if not, what is needed. Essentially, Con Edison had to assure itself that it was getting "the best bang for the buck" and was continually assessing its progress against its reported field damage or outages. Con Edison employs an Incident Command structure to address system outages such as were experienced in 2006, which proscribes periodic formal reporting, updating, and assessing.

In order to evaluate the effectiveness of communications, we will examine available communication logs, e-mails, call center tapes (if available), internal status reports, and the Company's analysis of trouble calls for their timeliness, distribution, and accuracy. We will determine whether there were factors that impacted or facilitated this aspect of restoration activity.

In order to gain a fuller understanding of the opinions and concerns of the Company's customers, community leaders and service providers, as well as other interested stakeholders, our proposal includes conducting up to 17 focus groups throughout the Company's service territory, including Westchester and Queens. We have engaged the services of a widely respected focus group facilitator, Cooperative Consultants, Inc. They will facilitate the focus groups to assist the Blue Ridge Team in obtaining the qualitative perspective of these groups so that we can report back with an increased level of assurance and objectivity precisely how customers and other stakeholders believe Con Edison performed in these outages.[6]

[6] See Exhibit 2 - Cooperative Consultants, Inc.'s proposed offer of focus groups services dated November 16, 2006.

All of the above information will be evaluated within the context of not only what Con Edison believed to be the outage level, but also to what the actual level of customer outage was at the time. Our goal will be to produce a report that includes an assessment of Con Edison's ability to effectively utilize in-house and outside personnel, equipment, and material during the outage events and whether this was consistent with its Emergency Plan and actual field conditions. It will also include an assessment of the communication structure and methods employed during the outage and whether the sequence of restoration was impacted by system status information.

Based on our review of the RFP, this section can be broken down into the following sections:

- Outage Performance and History
- Emergency Plan Implementation and Resource Deployment
- Interruption Reporting Systems and Data Collection
- Network Supply and Load Curtailment
- Mutual Aid and Additional Resources Requests
- Community Outreach and Communications

The following discussion outlines those sections, evaluation criteria, activities, and deliverables we propose to be incorporated into a detailed work plan to achieve the objectives of the audit and address the issues identified above.

4.2.1 Outage Performance and History

Co-Lead Consultants: M. McGarry, M. Crisp, PE
Support: Blue Ridge Team

Specific Task – Review the Company's actual electric emergency outage performance, including execution of its Emergency Response Plan for major outages[7] from 1999 through 2006.

Evaluation Criteria

- Are there common factors (i.e., management, operational, customers, communications, etc.) during the evaluation period that indicate that Con Edison's performance in responding to system outages has improved, declined, or remained unchanged?
- Did Con Edison identify the magnitude and respond to the most recent outages in a timely manner (i.e, did they implement the Emergency Response Plan according to the plan and prior Commission directives in the prescribed time frame)?
- Did the Company notify appropriate managers, supervisors, and crew personnel in a timely manner consistent with the emergency response plan?

[7] A major outage in an urban area is defined as one that involves one city block for more than one day or one 24-hour period. It may also be defined as any outage that involves life giving responsibilities such as hospitals, fire and rescue, etc.

- Were there any immediate resource constraints (e.g., personnel, equipment and/or materials/supplies) that impacted the Company's ability to respond to the outages and, in particular, the July Long Island City outage?
- Did Con Edison have an effective "command and control," communication, and workflow process in-place? Did Con Edison follow their communications procedures?
- Are stakeholders' opinions regarding the Company's emergency response performance positive, negative, or indifferent?
- Is the Company aware of these opinions and how are they addressing them?

Activities

- Review all internal and external reports, related conclusions, and recommendations from previous outages for the period 1999-2006.
- Identify factors influencing conclusions in reports and assessments.
- Arrive at findings and conclusions regarding trend of factors.
- Examine the operations logs on a daily and hourly basis from before the emergency started until the Emergency Center declared the emergency over.
- Obtain actual operator logs for each outage.
- Trace outage (event) log in parallel with all outage procedures.
- Trace Company response prior to initiation of outage procedures.
- Trace Company response as outage progressed through the various stages of criticality.
- Prepare a cross-referenced audit of the day to day and hour by hour progress of each outage versus the Company procedures specific to returning the system to full operations.
- Prepare a comprehensive assessment of the communications plan and its effective use during the evolution of each outage.
- Prepare a comprehensive comparison of the inventory, warehousing, and re-supply function that occurred during each outage.
- Conduct up to 17 focus groups of stakeholders, community leaders and randomly selected customers to determine opinions and perceptions concerning Con Edison's performance and ability to provide safe and adequate service.
- Determine what out reach and consumer education programs the Company has undertaken to address stakeholder concerns.

Preliminary Interview List

- Con Edison's Incident Command Team (See Figure 3-1 of Con Edison's Part 105 Filing)
- Operations, Planning, Logistics and Administration Chiefs
- VPs of Customer Service and Call Centers
- Field Personnel and Crews that responded to the emergency

- Stakeholder representatives, including local municipal agencies and government officials

Preliminary Field Work

- Survey affected areas reviewing physical areas in order they were restored to service.
- Visit logistics supply centers.

Preliminary Data Request

- Internal Company assessments of performance for all areas of emergency response plan implementation
- Contemporaneous documentation and reports showing emergency response plan implementation
- Operator and Incident Command System logs for a period pre-dating event through the declaration that the outage is over and the Control Center declares the emergency over

Deliverables

- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

Specific Task – Review and determine whether the recommendations from the previous assessments, reports, and reviews were implemented. This includes, but may not be limited to, 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 Public Service Commission's rules, and Department of Public Service Staff reviews of Con Edison outages from 1999 through 2006.

Evaluation Criteria

- Were the findings and recommendations of Con Edison and the Department of Public Service reports and assessments of previous electric outages from 1999 through 2006 effectively incorporated into subsequent Emergency Response Plans?
- Did Con Edison comply with Commission requirements regarding the amendments of such plans?
- To the extent that prior findings and recommendations were not implemented, did that impact the Company’s ability to restore service in the LIC incident?
- Has Con Edison properly evaluated its response to the 2006 outages?

- To the extent the Company identified any shortcomings or need for alteration of the outage procedures, has the Company made the necessary modifications to the Procedures?

Activities

- Develop an aggregate list of all findings and recommendations for each report (both internal and external) related to major outages from 1999 (Washington Heights) through the present.
- Request, review, and evaluate Con Ed's implementation plan for each finding and related recommendation.
- Interview Company executives and managers on status plans and/or implementation follow ups for each finding and recommendation for their respective areas.
- Develop findings and conclusions related in Con Edison's progress in implementing recommendation and impact on the LIC incident.
- Draft issue summaries.
- Validate findings and conclusions.
- Develop recommendation(s) and establish cost benefit (qualifications) of implementation.
- Draft section of report.

Preliminary Interview List

- Key Senior Executives
- VPs of Operations, Customer Service, Regulatory
- Implementation Managers

Preliminary Field Work

- Visit and observe areas where implementation reported to have occurred.
- Visit and observe call centers.

Preliminary Data Request

- Internal Company assessments of performance for all areas of emergency response plan implementation
- Contemporaneous documentation and reports showing Emergency Response Plan implementation

Deliverables

- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.2.2 Emergency Plan Implementation and Resource Deployment

Lead Consultant: J. Smith, PE
Support: Blue Ridge Team

Specific Task – Evaluate how the Company deployed and managed Company personnel and equipment in the restoration efforts and how it communicated workflow and restoration priorities internally.

Evaluation Criteria

- Did Con Edison deploy its resources according to established procedures?
- Was this deployment timely and assigned according to restoration priorities established by the ICS?
- Did Con Edison understand the magnitude of the outage at the time of deployment of resources? For the LIC event? For the January 2006 wind storm?
- Did Con Edison management and communications systems that were in place at the time work effectively in ensuring restoration priorities were being achieved? If not, why?
- Did Con Edison effectively "check and adjust" or respond as field reports, circumstances, and/or new data suggested priorities needed to be reevaluated and resources redeployed?
- Were communications timely and effective in helping managers understand the magnitude of circumstances in the field and whether restoration priorities and/or redeployment of resources were needed?

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Activities

- Compare the Company's response with respect to mobilization to what was actually happening on the system.
- Review and evaluate various internal communications at key points during the outage.
- Review and evaluate available communication logs, e-mails, call center tapes (if available), internal status reports, and the company's analysis of trouble calls for their timeliness, distribution, and accuracy.
- Determine if there were communication factors that impacted or facilitated restoration priorities.

Preliminary Interview List

- Incident Commander and Chiefs for all shifts
- Shift Managers
- Call Center Supervisor
- Field Supervisors
- Chief Distribution Engineer

Preliminary Field Work
- Examine field logs to confirm information.

Preliminary Data Requests
- Type and number of crews called up or put on standby by shift immediately prior to incident until demobilization
- Trouble tickets for the duration of the outage
- Estimated times for restoration for assigned work
- Crew assignments/ deployment for the duration of the outage
- Crew time sheets (where appropriate)
- Call center statistics
- Repair equipment failures/material deficiencies
- Communication logs
- Crew field reports
- Correspondence
- Internal status reports/assessments
- Communication device failures

Deliverables
- Draft section of detail work plan
- Data requests for section
- Interview summary notes
- Issue summaries and supporting analyses
- Findings, conclusions, and recommendations
- Draft section of report

4.2.3 Interruption Reporting Systems and Data Collection

Lead Consultant: **D. Mullinax, CPA**
Support: **M. McGarry, H. Solganick, PE, D. Salter**

Specific Task – Determine whether the Company's Emergency Response Plan defines how outage measurement data is accumulated, evaluated, disseminated, analyzed, and used to develop an accurate estimate of restoration times.

Evaluation Criteria
- Does the Company have a clearly defined methodology to evaluate outage measurement information, including conflicting sources?
- Does the Company define how, when, and to whom the outage measurement information is distributed?
- Does the Company have the capability to use and does it use external (overflow) outage systems to determine the extent of an outage?
- Does the Company have the capability to use and does it use its telephone network provider's network management and measurement

tools (such as employed by Hydro Quebec) to determine the extent of an outage?
- Does the Company have the capability to use and does it use external "fuzzy" sources such as media reports and evaluation of external agency inputs such as police, fire, borough council, and legislators to determine the extent of an outage?
- Does the Company's outage measurement system have the capability to detect and handle two or more simultaneous and independent outages?
- Taken as a whole did the outage reporting systems provide a true, accurate, and timely picture of the outage and progress toward complete restoration?
- Are the appropriate Company employees trained to review, understand, and then distribute the outage measurement information to internal and external stakeholders?
- Are "lag times" established, reviewed, and used before releasing data to various stakeholders?

Activities
- Review the ERP.
- Trace the data flow.

Preliminary Interview List
- Operations Management
- Customer Care Management
- Incident Commander
- Incident Team members and outage analysts
- Operations field personnel and planners
- Media relations
- Government Relations
- Telecommunications management
- Meter management

Preliminary Field Work
- Visit Region Control Centers
- Visit Operations Centers
- View mobile command center
- Visit Call Center
- Visit AMR and/or meter reading center
- Contact overflow providers
- Contact telecommunications network providers
- Visit internal communications support group

Preliminary Data Request
- Emergency Response Plan
- Outage analysis processes and procedures

- After action reports
- Table top and external drills and analysis

Deliverables
- Flowchart of the outage measurement information analysis and distribution process
- Variance analysis between the ERP and actual outage measurement information analysis and distribution results

Draft section of detail work plan
Data requests for section
Interview notes
Issue summaries and supporting analysis
Findings, conclusions, and recommendations
Draft section of report

4.2.4 Network Supply and Load Curtailment

Lead Consultant: P. Dean, PE
Support: J. Smith, PE, M. Crisp, PE

Specific Task – Assess the incorporation of network supply/load reduction actions taken by the Company to meet the emergency situation(s).

Evaluation Criteria
- Does the Company ERP have a module that details the use of load management techniques?
- Does the Company ERP have a module that details the use of distributed generation?
- Did the Company inventory network supply assets such as distributed and emergency generation as part of the ERP?
- Does the Company provide incentives for distributed and emergency generation that include issues of dispatch and control and safe interconnection and operation?
- Did the Company take all available measures in a timely fashion to curtail load and reduce demand on the network during the critical "contingency" period.

Activities
- Explore the capabilities of load management and distributed and emergency generation and their applications.
- Understand how the capabilities of load management and distributed and emergency generation are used within the Company and the ERP.
- Review load management and distributed and emergency generation statistics, timeline(s), and dispatch decisions and transmittal.

Preliminary Interview List
- Operations Management
- Commercial Customer Management
- Incident Commander
- Incident Team members
- Operations field personnel
- Media relations
- Government Relations

Preliminary Field Work
- Visit Region Control Centers.
- Contact selected customers.

Preliminary Data Request
- Emergency Response Plan
- Load management and distributed and emergency generation processes and procedures

Deliverables
- Flowchart of the load management and distributed and emergency generation process
- Variance analysis between the ERP and load management and distributed and emergency generation resources, contracts, statistics

Draft section of detail work plan
Data requests for section
Interview notes
Issue summaries and supporting analysis
Findings, conclusions, and recommendations
Draft section of report

4.2.5 Mutual Aid and Additional Resources Requests

Lead Consultant: **R. Krizan, PE**
Support: **H. Solganick, PE, D. Salter**

Specific Task - Assess the effectiveness of the Company's procedures for obtaining assistance from other utilities and contractors.

Evaluation Criteria
- Were the Company’s requests for inter-company mutual aid made in a timely manner and consistent the emergency response procedures in effect at the time?
- Was that request hampered or facilitated by any recent changes to the plan?

Activities

- Evaluate the Company's request for mutual aid from neighboring utilities and outside contractors against its Emergency Plan.
- Review the ramp up of outside contractors and utility crews to determine whether it was consistent with system status and workforce requirements as identified in its Restoration Plan.
- Validate request for assistance to other utilities and additional contractor resources.
- Confirm that crews were available and working at the times indicated in Company reports.

Preliminary Interview List

- Logistics or any Special Support Manager
- Neighboring utility and contractor representatives

Preliminary Data Requests

- Listing of all outside forces, time contacted, time reported, location reported, equipment provided, lodging locations

Deliverables

- Comparison of Emergency Plan procedures for outside workforce utilization with that which actually occurred.
- Draft section of detail work plan
- Data requests for section
- Interview notes
- Issue summaries and supporting analysis
- Findings, conclusions, and recommendations
- Draft section of report

Specific Task – Evaluate the Company's effectiveness in deploying and managing outside/external field crews and resources.

Evaluation Criteria

- Did the Company effectively deploy and manage outside resources in responding to its system outages?

Activities

- Review the completed jobs assigned to outside forces.

Preliminary Data Requests

- Trouble tickets assigned to outside workforces
- Supervisors assigned
- Total cost for outside workforces
- Field assessments/evaluations of outside workforce performance

Deliverables

- Determination as to whether the Company effectively utilized its outside workforces in an efficient manner
- Draft section of detail work plan
- Data requests for section
- Interview notes
- Issue summaries and supporting analysis
- Findings, conclusions, and recommendations
- Draft section of report

4.2.6 Community Outreach and Communications

Lead Consultant: **H. Solganick, PE**
Support: **M. McGarry, D. Mullinax, CPA, D. Salter**

Specific Task – Request, review, and evaluate the Company's procedures for ensuring effective outreach efforts on a regular basis, including its policies and procedures for providing accurate and timely information to police, fire, local officials, state agencies, the public and the media throughout an electric emergency outage event.

Evaluation Criteria

- Did the Company have a clear picture regarding the customer impact of its system failures?
- Did the Company provide reasonable restoration estimates for its customers?
- Were both internal and external communications timely, accurate, and consistent with the Emergency Restoration Plan?
- Were outside communications with the media and other agencies timely, accurate, and sufficient in conveying information that would satisfy the concerns of stakeholders?
- Did the Company use the media and various external stakeholders to distribute emergency status and restoration estimates?

Activities

- Review the ERP.
- Trace the outreach timeline(s).
- Compare the ERP to actual events.
- Review the communications and outreach processes, plans and procedures.

Preliminary Interview List

- Operations Management
- Customer Care Management
- Incident Commander

- Incident Team members
- Operations field personnel
- Media Relations
- Government Relations
- Media representatives
- Police and fire media relations
- External stakeholders

Preliminary Field Work

- Visit Region Control Centers.
- Visit Operations Centers.
- Visit Call Center.
- Contact media.
- Contact police and fire.
- Contact external stakeholders.
- Read letters to Company, media, and external stakeholders.

Preliminary Data Request

- Emergency Response Plan
- Communications and media timelines, logs, recordings, reports, messages, press releases, and other communications
- Restoration estimate distribution timelines, logs, recordings, reports, messages, press releases, and other communications
- Media buy plans
- Prerecorded messages
- After action reports
- Table top and external drills and analysis
- Press clippings
- Letters and calls to Company executives

Deliverables

- Flowchart of the communications and media process
- Variance analysis between the communications and outreach processes, plans and procedures and actual performance

Draft section of detail work plan
Data requests for section
Interview notes
Issue summaries and supporting analysis
Findings, conclusions, and recommendations
Draft section of report

4.3 Best Practices

Lead Consultant: **D. Mullinax, CPA**
Support: **H. Solganick, PE, D. Salter**

To review "best practices" in relation to Con Edison's electric emergency outage program, the Blue Ridge Team will, first, determine whether a focus on "best practices" is incorporated into their program, and, second, how the focus is implemented. The specific evaluation criteria below provides the direction the Team will follow both to identify any significant differences in electric emergency response planning, response, restoration, and communications that exist between Con Edison and "best practices" and also to determine the underlying differences for any variances.

Evaluation Criteria

- Does the Company have a defined process and program to identify industry "best practices" related to its electric emergency outage program?
- Does the Company have a program to identify any significant differences in electric emergency response planning, response, restoration, and communications that exist between Con Edison and "best practices"?
- Does the Company have a program to determine the underlying reasons for differences between its practices and industry "best practices"?
- Does the Company have a process to distribute "best practices" information to its operating and planning units?
- Does the Company use "best practices" information in corporate planning in the formulation of strategies, goals, objectives and budgets?
- Are Company managers evaluated and compensated in part based on their adoption and implementation of best practices?
- How is "best practices" information used in reviewing and revising policy and procedures?

Activities

- Obtain a list of "best practice" information sources to which the Company has access.
- Request that the Company obtain and provide a list of industry "best practices" from the sources identified above related to:
  - Tree trimming
  - Undergrounding
  - Rerouting
  - Technical innovations
  - Weather and storm mitigation
  - Emergency response
  - Crew communications
  - Service restoration efforts
  - Customer communications
  - Other areas to be determined based on Scope elements 1 and 2

- Contact emergency response councils to obtain additional 'best practices" information and to confirm information provided by Con Edison
- Prepare interview guides and conduct interviews
- Prepare summaries of interviews
- Review actual Company practices against "best practices" for each of the major subject areas
- Identify and document variances between actual practices and "best practices"
- Determine whether the variance from "best practices" is appropriate for the Company
- Prepare and issue summaries for each major variance area with supporting documentation
- Draft report of findings and recommendations
- Obtain and incorporate comments from Staff, the Company, and others, as appropriate
- Submit final report of findings and recommendations

Preliminary Interview List

This list is based upon the Company's Incident Command System. Additional interviews will be made to ensure coverage across the Company. This list includes "generic" titles that will be adjusted during workplan development.

- Senior operations management
- T&D Vice President
- Incident Commander
- Liaison Officer
- EH&S Officer
- Information Officer
- Customer Operations Officer
- Public Affairs Media Relations
- Operations Chief
- Planning Chief
- Logistics Chief
- Administration /Finance Chief
- Overhead Lines Superintendent
- Underground Lines Superintendent
- T&D Engineering Manager
- T&D System Planner
- Construction Superintendent
- Tree Trimming Supervisor
- System Forester
- Maintenance Engineering Superintendent
- Operations and Maintenance Superintendent
- Trouble Dispatcher
- Disaster or Emergency Restoration Manager
- Customer Contact manager
- Emergency response crews

Preliminary Field Work

- Visit and observe regional control centers.
- Randomly select and interview operations personnel to compare actual execution against 'best practices."

Preliminary Data Request

- Provide a list of "best practice" information sources in which the Company has access
- Provide industry "best practices" from those sources related to:
  - Incident Command
  - Regional Control Center
  - Weather and storm mitigation
  - Customer communications
  - Service restoration efforts
  - Crew communications
  - Emergency response
  - Tree trimming
  - System and network operations
  - Technical innovations
  - Other areas to be determined based on Scope 1 and 2
- Provide an organization map detailing responsibility and assignments between regular operations and the incident command system
- Provide an organization chart for each regional control center

Deliverables

- Initial listing of applicable best practices
- Comparison of Company practices to best practices
- Initial variance listing
- Draft section of detail work plan
- Data requests for section
- Interview notes
- Issue summaries and supporting analysis
- Findings, conclusions, and recommendations
- Draft section of report

5.0 Consultant Staff Organization

The proposal must include the organizational structure for the engagement and the resources that will be involved in the review. The organizational structure should identify personnel who will work on each aspect of the evaluation, their expected time commitment, and relevant credentials. The consultant should note which resources in this organizational structure will be dedicated to which aspects of the project and which resources will be shared. Each of the consulting staff members who will be assigned to the specific task areas must be designated in the proposal and what percentage of that consultant's time would be allocated to the project must be specified. A resume which focuses on experience directly related to his or her areas must be included for each individual. Descriptions of an individual's experience should include his or her responsibilities in previous assignments which are relevant to the scope and objectives of the review, whether that experience was gained during the period of employment with the proposing consulting firm, and whether the proposed team has worked together on previous assignments. For those individuals proposed who are not employees of the firm, the nature of their commercial relationship with the firm is to be described, including the number of previous assignments undertaken on behalf of the firm. Each consultant should be prepared to discuss his or her experience in the area of electric emergency outage programs. No other personnel can be assigned to the review without prior written approval of Staff. If the consulting firm is selected as a finalist, personnel should be available for finalist interviews.

5.1 Blue Ridge Organizational Structure

To our best knowledge, Blue Ridge, Guernsey, and each independent contractor do not have any existing contracts or other agreements with Consolidated Edison of New York, Inc. and/or its affiliates. Furthermore, none of the Blue Ridge Team is doing or has done any work for Consolidated Edison of New York, Inc. and/or its affiliates in the past two years.

As noted in section 1.0 Introduction, the Blue Ridge Team is composed of Blue Ridge Consulting Services, Inc., C.H. Guernsey and Company, and independent consultants working for them. Since the spring of 2005, Blue Ridge and Guernsey have teamed together on a number of proposals offering our combined set of unique experience and expertise to public utilities commissions in other states.

The hallmark of our consulting practices to be our ability to deliver comprehensive results on a timely basis. To that end, we carefully plan our consulting engagements and select only experienced team members. Our approach ensures that our clients receive the most cost effective solution and not bear the cost of educating less experienced consultants that many larger firms assign to projects. We have the flexibility to adapt to changing circumstances that may result from the proceedings before Commissions. Our

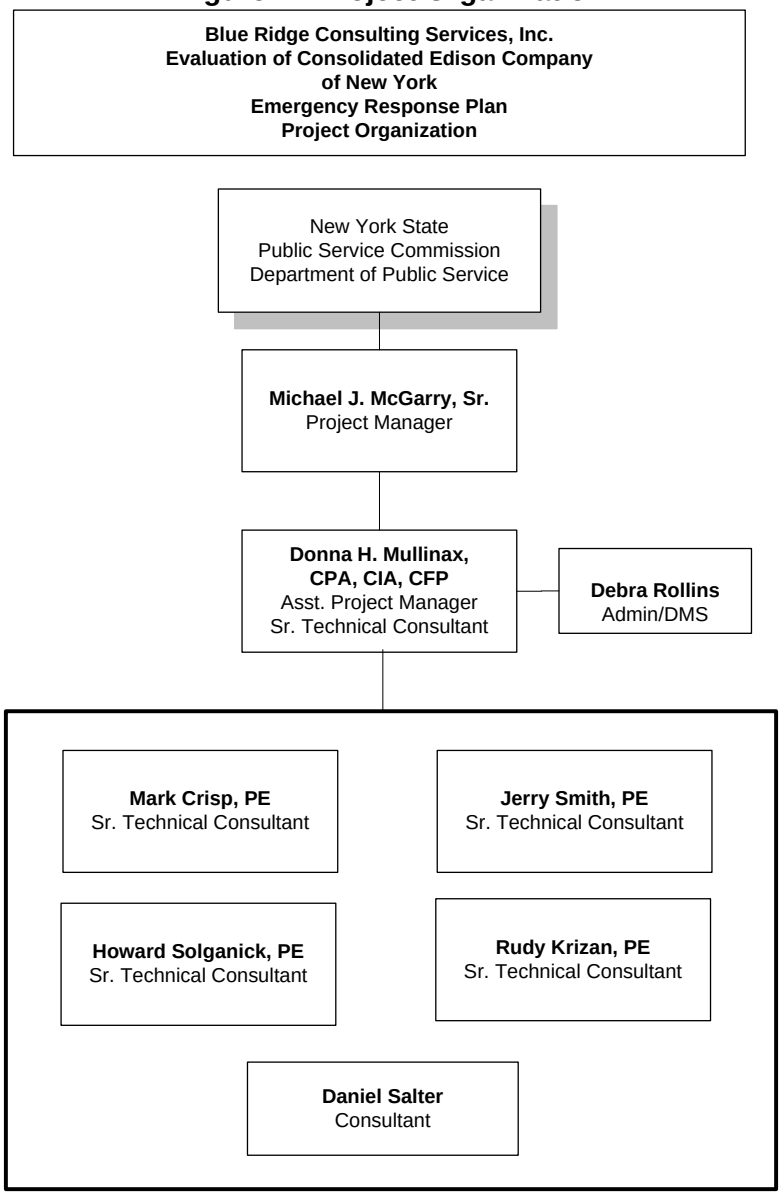
Team is thorough, reliable and, most importantly, will provide an independent and objective assessment and develop positions that are defendable and supported by the facts and verifiable analysis.

Blue Ridge has selected a team that is very capable of providing the range of services and a strong bench to ensure that the audit of Con Edison's emergency response is effectively and efficiently managed and the committed deliverables are delivered timely, accurately and completely. In addition to its own professionals, the Blue Ridge team includes contract consultants, including our commercial relationship with Guernsey that provides specific complementary experience and subject matter expertise. By mutual agreement, each member of the team is contractually committed to provide the expert consulting services needed to fulfill the Blue Ridge Team's obligation under this solicitation. This contractual commitment is stronger and more stable than an employee-employer relationship, thereby, providing a more efficient team over the term of this contract.

The Blue Ridge Team brings extensive background knowledge, best practices, skills, and experience to exceed expectations. Each team member's resume has been provided in Section 7 below.

The following organization chart illustrates the Blue Ridge Team organization.

Figure 1 - Project Organization



Project Manager - Mr. Michael McGarry is Blue Ridge's President / CEO. His experience includes over twenty five years in utility consulting, including twelve years with the New York Department of Public Service. Mr. McGarry will serve as the overall lead for the engagement. He will be responsible for managing the day-to-day activities of the team and be the liaison with the Commission, Staff, the Company, and any other parties involved in this project. Mr. McGarry has extensive project management experience and has testified (or prepared testimony) in a number of jurisdictions. He is knowledgeable and well versed in the issues facing the utility industry with respect to operations, emergency planning and response, communications, and regulatory affairs.

Assistant Project Manager and Senior Technical Consultant - Mrs. Donna Mullinax, CPA, CFP is Blue Ridge's Executive Vice President and CFO. She has twenty-seven years of experience. She has been intimately involved with financial, operational, and management audits, cost prudence reviews, economic viability studies, system implementation and various regulatory and litigated proceedings. She has testified before the Colorado Public Utilities Commission to the findings of a transaction audit of PSCo's electric commodity trading operations.

Mrs. Mullinax has excellent analytical capabilities. She is a skilled financial analyst and routinely develops dynamic, integrated spreadsheets models for use in her assignments. She understands that complex models mean nothing if they can not be effectively communicated. She has the proven ability to distill large amounts of information into a clear and concise written document. As a senior financial analyst she has reviewed financial information and budget projections, performed risk identification and industry benchmarking. Her extensive professional experience allows her to effectively analyze and evaluate methods and procedures and to thoroughly document her findings. She has successfully testified to her findings.

Senior Technical Consultant - Mr. Mark Crisp, PE is a senior consultant and region manager with Guernsey. He has worked in or with utility operations for the past twenty-eight years. While employed with Georgia Power Company and Southern Company, Mr. Crisp was involved with the Storm Evaluation and Restoration Program (SERP). Mr. Crisp developed policy and procedures for the company's Storm and Catastrophic Incident response program. He also was called on to respond to hurricanes, ice storms, and other related system failures. His responsibilities included first responder evaluation of transmission, distribution, and substation failures, critical path "avenues" to system repair, staffing and crew assignments, and post-failure evaluation of success of SERP procedures and policies. Mr. Crisp continues to provide assistance to utilities in his consulting capacity in the area of system failure analysis, management structure, and best practices.

Senior Technical Consultant - Mr. Howard Solganick, PE has a long relationship as an independent consultant with Blue Ridge. He brings over thirty years of utility experience. His experience includes operating responsibility and expert testimony in utility planning and operations, including generation, transmission, distribution and customer service operations, performance measurement, capacity and system planning, and regulatory issues. He has developed and/or directed studies and provided testimony for rate design, cost allocation, load research, DSM and a full range of PURPA mandated issues. Mr. Solganick has also held the position of regulatory manager for a utility and was responsible for regulatory liaison and rate design for all customer classes including cost of service and tariff design, providing expert testimony on rate design, economic impacts, and all PURPA issues.

Senior Technical Consultant - Mr. Rudy Krizan, PE is an independent Senior Technical Consultant with Blue Ridge. Mr. Krizan's experience includes auditing of utility construction, operations and management, rates, quality assurance, and safety. Mr.

Krizan has over thirty-three years in the utility regulatory field working for the New York State Department of Public Service. During that time he has reviewed, and audited, in the context of rate requests and comprehensive operational and management audits, utility construction program planning for gas, electric, steam, and water companies. Mr. Krizan has been involved in over twenty-five comprehensive management and operational audits. His experience reflects a broad-based knowledge and auditing of utility construction, operations and management, rates, quality assurance, and safety. Mr. Krizan has testified in numerous rate proceedings and has addressed topics such as steam system planning, performance incentives and measurement, rate design, revenues, depreciation, capital construction budgets, and operation and maintenance expenses.

Senior Technical Consultant - Mr. Jerry Smith, PE, is a senior consultant with Guernsey. Mr. Smith brings his 30 years of experience in rural electric generation, transmission and distribution programs as engineer, manager and consultant to assist clients in finding solutions to problems in generation and transmission planning, strategic planning, management training, cost of service and rate design, and financial forecasting.

Mr. Smith was the manager of a distribution utility in northwest Florida with responsibility for all aspects of planning, engineering, installation, construction, operations and maintenance of overhead and underground distribution lines, including the development of the first ever emergency restoration plan for electric operations and a business continuity plan for data processing. During that time, the utility experienced two major hurricanes – Hurricane Kate in 1985 and Hurricane Opal in 1995.

Senior Technical Consultant – Mr. Philip Dean, PE, is a senior consultant with Guernsey and has over thirty years of utility experience. During his tenure as engineering manager and process leader for an Oklahoma utility, his responsibilities included planning, design, budgeting, and prioritization of new or upgraded transmission lines, substations, and distribution facilities, including the underground network in downtown Oklahoma City. With Oklahoma known for its tornadoes, engineering activities associated with storm restoration were also included with these responsibilities. Engineering activities included a process for triggering each activity associated with assessment, prioritizing work activities to restore maximum number of customers, procuring necessary material, and coordinating with construction to rebuild the system.

Consultant – Mr. Dan Salter is an independent consultant with Blue Ridge and will assist with the analysis related to the review and will serve as editor for the final report. Mr. Salter brings over twenty-five years of professional experience in project management and project controls in the energy and engineering/construction industries. Mr. Salter's experience includes planning, scheduling, cost, and resource control of utility construction and operating projects including operations, outages, modifications, and design engineering. He has performed project management functions in nuclear plant outages, due diligence reviews, decommissioning activities, power plant economic viability analysis, and performance assessment/forecasting. He has also evaluated the project management activity at construction and operating projects in support of litigation proceedings.

Administrative Assistant/Document Management – Ms. Debra A. Rollins is an employee of Blue Ridge and will be responsible for administrative audit support and maintenance of the document management system. Ms. Rollins has over twelve years of professional experience in the areas of Internet management, project management, financial projects, logistics, training and human resources.

5.1.1 Assignment of project personnel to Project and Evaluation Aspects of the review

Based on the review of the RFP, Blue Ridge has identified two project aspects along with the three evaluation aspects of this review. These include:

- Project Aspect 1 – Project Management including scheduling, resource coordination, client relationship
- Project Aspect 2 – Administration and Data Management
- Evaluation Aspect 1 – Preparedness and Planning
- Evaluation Aspect 2 – Performance and Effectiveness
- Evaluation Aspect 3 – Best Practices

The following table matches Blue Ridge team members with the above Evaluation and Project Aspects of this review in which they will participate. The table includes the committed time for each member to the project and the percentage of that commitment devoted to each particular aspect.

Table 1 - Percent of Time Devoted

Blue Ridge Team Member	Days	Percent to Project	Project		Evaluation		
			1	2	1	2	3
Michael McGarry	45.13	33%	33%	2%	19%	45%	0%
Donna Mullinax	32.25	24%	16%	12%	10%	45%	18%
Mark Crisp	27.63	20%	18%	0%	35%	47%	0%
Howard Solganick	38.63	29%	0%	0%	14%	80%	7%
Rudy Krizan	29.13	22%	0%	0%	32%	68%	0%
Jerry Smith	36.5	27%	0%	0%	54%	46%	0%
Phil Dean	40.75	30%	0%	0%	51%	49%	0%
Dan Salter	55.75	41%	0%	7%	15%	69%	9%
Debra Rollins	26	19%	0%	100%	0%	0%	0%
Total	**332**	29%	8%	11%	26%	52%	4%

5.2 Specific project personnel credentials

The following table specifies the associated experience of Blue Ridge team members related specifically to this project's requirements.

Table 2 – Specific Associated Experience

Audit/Project	Description
MICHAEL J. MCGARRY	
Assist Staff of the DC Public Service Commission with investigation of reasonableness of base rates of Potomac Electric Power Company Docket/Case: FC1032	Mr. McGarry was the project manager and led the consulting team that provided rate case support to the Staff of DC Commission to review PEPCO's base rates. Commission approved a settlement of the issues in the case.
Investigation into proposed $35 Million capital program to replace Northern Utilities, Inc. small diameter cast iron pipe Docket/Case: 2004-813	Litigated proceeding and led a consultant team to assist the State of Maine Public Advocate to investigate the need for the program and the company's management of the repair or replacement of its cast iron facilities. McGarry was the project manager and a testifying witness.
Investigation into the Energy Trading Practices of Public Service of Colorado Docket/Case: 04A-050E	Focused operational audit within the bounds of a litigated proceeding to determine if ratepayers were subsidizing or negatively impacted by PSCo's energy trading function. Mr. McGarry was the project manager and supervised all aspects of the project
Assist Staff of the DC Public Service Commission with investigation of reasonableness of base rate increase by Washington Gas Light Company Docket/Case: FC1016	Mr. McGarry was the project manager and led the consulting team that provided rate case support to the Staff of DC Commission to review WGL's $18 million dollar request to increase base rates. Commission approved a Staff recommended increase of $5.8 million
Management audit of Duke Power Company's storm restoration and right of way management practices	Advised South Carolina State Senator on regulatory process for requesting State's Public Service Commission for a comprehensive review of Duke Company's storm restoration and right of way management. Reviewed and advised Senator of results of report findings.
e-Procurement Implementation for Entergy, Inc.	Mr. McGarry was a Senior Consultant on this $31 million project to implement an e-procurement system with the Shared Services organization of the company. Mr. McGarry was responsible for strategic sourcing and total cost modeling initiatives along with project managements and savings validation. Company achieved 1st year target savings of $11 million dollars
Update compliance filing for Delivery Service Tariffs for AmerenUE	Revenue requirement analysis in preparation of Missouri Public Service Commission compliance filing to un-bundle utility's rate tariffs. Mr. McGarry part of a consultant team to prepare the filing requirements and all support schedules analysis to justify allocations of generation, transmission and distribution.

Audit/Project	Description
Update compliance filing for Delivery Service Tariffs for Illinois Power Company	2001 required update filing for the Illinois Commerce Commission compliance filing to un-bundle utility's rate tariffs. Mr. McGarry part of a consultant team to prepare the filing requirements and all support schedules analysis to justify allocations of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller
Delivery Service Tariff Filing for Illinois Power Company	Illinois Commerce Commission mandated compliance filing to un-bundle utility's rate tariffs. Mr. McGarry part of a consultant team to prepare the filing requirements and all support schedules analysis to justify allocations of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller
Management Audit of Southern Connecticut Gas	Comprehensive management audit of the management and operations of the Company. Mr. McGarry was a senior consultant assigned to complete the capital budgeting area of the project
NYNEX Cost Onset Docket/Case: 94-C-0657	Proceeding to evaluate the compliance of NYNEX with Commission rules and orders related to operational support system costs to competitors. Mr. McGarry part of staff panel to facilitate discussion between company and potential competitors (i.e., users of operational support systems) and report back to Commission.
Evaluation of the preparedness for competition of Rochester Gas and Electric Company and Consolidated Edison of New York	Focused review of the preparedness of RG&E and ConEd for competition in the electric industry. Mr. McGarry evaluated all aspects of the company's management actions to prepare for competition including strategic planning, goals and objectives and senior management's attention to the company operations in a de-regulated industry
Proceeding to evaluate the LILCO/Brooklyn Union Gas Merger Docket/Case: 97-M-0567	Litigated proceeding to determine the benefits of a proposed merger of the two companies. Mr. McGarry part of staff team that analyzed the proposed synergy savings.
Show Cause Proceeding regarding rate relief for ratepayers of Long Island Lighting Company Docket/Case: 96-E-0132	Litigated proceeding where Staff proffered testimony containing a benchmark study showing that the Company's operations and maintenance expenses were excessive compared to a peer group of 24 utilities. Mr. McGarry testified as part of staff panel to the findings and conclusions resulting from the benchmark study.
Prudence investigation into the scrap handling practices in the western division of Niagara Mohawk Power Company Docket/Case: 96-M-0858	Litigated proceeding as a result of allegations of bribery and corruption in company practices related to a specific vendor who purchased company scrap metal. Mr. McGarry lead a team of 10 staff examiners to quantify the extent to which the Company paid excessive rates to this vendor. Mr. McGarry testified to the findings of the analysis. Case settled with ratepayers receiving a credit to bills
Operational audit of the outside plant construction and rehabilitation program of New York Telephone Company Docket/Case: 91-C-0613	Comprehensive operational audit of the company's management and implementation of a $150 million capital program to rehabilitate the outside plant distribution network. Mr. McGarry was a staff examiner responsible for crew supervision, goals monitoring, contractor oversight, and report preparation.
Prudence Proceeding regarding the operations and management of Jamaica Water Docket/Case: 92-W-0583	Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive costs to rate payers. Mr. McGarry testified on a Staff panel to the excessive costs associated with management's inattention to sound business practices related to the design, purchase and installation of the Company customer information system.

Audit/Project	Description
Operational Audit of Jamaica Water Company operations and management Docket/Case: 92-W-0030	Comprehensive management audit of company operations. Mr. McGarry had direct responsibility for workplan development, and specific topics areas including engineering, contracting, and information technology. Findings led to prudence proceeding
Management audit of Rochester Gas and Electric Docket/Case: 92-M-0973	Comprehensive management audit of company operations. Mr. McGarry had direct responsibility for workplan development, supervision of staff and specific topics areas including purchasing and internal controls
Operational Audit of the demand side management function at Rochester Gas and Electric Docket/Case: 93-E-0918	Comprehensive operational audit of the demand side management function including program planning, management and energy savings verification. Mr. McGarry developed and supervised the , implemented of the work plan for this project
Operational Audit of the materials and supply function at National Fuel Gas Docket/Case: 88005	Comprehensive operational audit of the materials and supplies function including warehouse operations, inventory control and procurement. Mr. McGarry developed and implemented the workplan for this project
Operational audit of the fuel procurement and contracting of Long Island Lighting Company	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry provided research and data evaluation expertise to the project
Operational audit of the fuel procurement and contracting of Consolidated Edison Co. of NY	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry provided research and data evaluation expertise to the project
Operational audit of the fuel procurement and contracting of Central Hudson Gas and Electric Docket / Case: 90007	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry provided research and data evaluation expertise to the project
Operational audit of the fuel procurement and contracting of Orange and Rockland Utilities	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry provided research and data evaluation expertise to the project
Operational audit of the fuel procurement and contracting of Rochester Gas & Electric	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on nuclear fuel. Mr. McGarry provided research and data evaluation expertise to the project
Prudence proceeding to investigate the construction costs associated with the Homer City Coal Cleaning Plant Docket/Case: 89-E-115	Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive construction charges related to the Homer City Coal Cleaning Plant. Mr. McGarry testified on a Staff panel to the fuel price differential costs resulting from the failure of the coal cleaning plant to function as designed as well as surrebuttal testimony on the cost of a flu-gas de-sulfurization plant and ancillary equipment and facilities. Case settled with customers receiving $125 million credit
Operational audit of the Homer City Coal Cleaning Plant Docket/Case: 87003	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on the construction of the Homer City Coal Cleaning Plant jointly owned by NYSEG and Penelec. Mr. McGarry was responsible for fuel and construction costs analysis, benchmarking costs and alternative methods for meeting EPA Clean air restrictions, contracting practices and report preparation.
Operational audit of the fuel procurement and contracting of New York State Electric and Gas Docket/Case: 87003	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry was responsible for fuel cost analysis, benchmarking costs, contracting practices and report preparation.

Audit/Project	Description
Operational audit of the field crew supervision and utilization of New York State Electric and Gas Company Docket/Case: 86007	Comprehensive operational audit to determine effectiveness of field crew utilization and supervision. Mr. McGarry was a staff examiner responsible for verifying supervisor activities, reporting, goals attainment and report preparation.
Prudence proceeding to investigate the fuel procurement and contracting practices at Niagara Mohawk Power Company Docket/Case: 86005	Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive fuel charges to customers. Mr. McGarry was responsible for fuel cost analysis and benchmarking costs, contracting practices and testimony preparation. Case settled with customers receiving $66 million credit.
Operational audit of the fuel procurement and contracting of Niagara Mohawk Power Company Docket/Case: 86005	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Mr. McGarry was responsible for fuel cost analysis and benchmarking costs, contracting practices and report preparation.
Operational Audit of the Research and Development Function of Consolidated Edison Company of New York Docket/Case: 85001	Comprehensive operational audit to determine effectiveness of ratepayer funds spent on R&D activities. Mr. McGarry was a staff examiner on the project responsible for reviewing projects documentation and control, outside contracting a report preparation.
DONNA H. MULLINAX	
Before the Public Service Commission of the District of Columbia In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service Docket FC1016	Mrs. Mullinax was a consultant to the DCPSC Commissioners and Staff on the investigation of the reasonableness of a base rate increase by Washington Gas Light Company. Supported Staff on the review of nearly 30 pro forma adjustments including labor, construction work in progress, cash working capital, depreciation, amortization, and weather normalization.
Before the Public Service Commission of the District of Columbia In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service - Docket FC1016	Mrs. Mullinax was a consultant to the DCPSC Commissioners and Staff. Project manager for the review and evaluation of Washington Gas Light's (WGL) depreciation study filed with the DC Commission. Provided analysis and recommended adjustments to the DCPSC Staff on WGL's proposed increase to base rates. Advised the Commission during deliberations on party positions and possible recommendations.
Before the Public Service Commission of the District of Columbia In the Matter of the Investigation Into Potomac Electric Power Company's Distribution Service Rates Docket FC1032	Mrs. Mullinax served as a consultant to Commission and Staff. Review and evaluation of Potomac Electric Power Company compliance filings for class cost of service and revenue requirements for distribution service pursuit to a settlement approved in May 2002. Assistant project manager on the analysis of Pepco's filings. Provided analysis and recommended adjustments to Staff. Provided analysis and recommended adjustments to Staff on 23 designated issues and 13 Company proposed adjustments. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.
Before the Public Utilities Commission of the State of Colorado, Review of the Electric Commodity Trading Operations of Public Service Company Docket 04A-050E of Colorado	Mrs. Mullinax was an expert witness to Commission Staff and performed a transaction audit of PSCo's electric commodity trading operations to determine if ratepayers were subsidizing or negatively affected by PSCo's energy trading function. She provided testimony describing the process used to conduct the investigation, a summary of the audit findings, and discussion on the significance of the findings.

Audit/Project	Description
Assisted the Oregon Public Utilities Commission with a management audit in Docket No. UP 205/UM 1148 – Examination of NW Natural's Rate Base and Affiliated Interests Issues	Mrs. Mullinax served as subject matter expert and oversaw a team that conducted a management audit of NW Natural Gas' rate base for financial instruments (gas and financial hedging), deferred taxes, tax credits, securities issuance costs, and AFUDC calculations.
HOWARD SOLGANICK	
Atlantic Electric, December 1980	On an emergency assignment, Mr. Solganick managed and reviewed the information provided to Media Relations by the System Operations and Generations Departments. Using his experience in generation and power pool operations, he was responsible for validating information and then translating this information into understandable and concise language for the Media Relations group to provide to external stakeholders. The emergency was caused by multiple generating unit failures at an oceanside generating station that caused a first contingency on a major east west transmission line.
Hydro Quebec, Fall-Winter 1996-97	As part of a call center review and optimization project, Mr. Solganick reviewed and optimized the design for multiple but fully virtual call centers. As part of this assignment he reviewed and integrated the existing emergency outage call center into the virtual call center network. Using the utility's telecommunications network provider, the utility was able to respond to overflow calls within the telecommunications network, thus avoiding lost/dropped calls. These network capabilities were also designed to detect and handle simultaneous but unrelated outages and appropriately adjust respective call flows.
PECO Energy, July 2006	On a personal basis Mr. Solganick recently experienced a 43 hour outage that affected his home and home-office. This outage was characterized by an automated utility outage management system that first reported optimistic restoration estimates, then realistic restoration estimates and finally withdrew all restoration estimates to customers. The utility's response was totally reactionary with little information provided to local media and no outward delivery of restoration estimates to customers.
Before the Commissioners of the New Jersey Board of Public Utilities Docket # 7911-951	Mr. Solganick provided rate case testimony covering cost of service, rate design and the impact of new hotel casinos on the Company's costs. He was responsible for transitioning the Company from a coincident peak allocation methodology, which was inappropriate for a company making large expenditures to reduce energy costs.
Before the New Jersey Division of Administrative Law (at the request of the New Jersey Board of Public Utilities) Cogeneration and Alternate Energy Docket # 822-116	Mr. Solganick provided rate case testimony covering cost of service, rate design, load forecasting, load research, capacity planning and demand side management in the Atlantic Electric Rate Case – Phases I & II. He installed new rate forms to reduce costs for customers by sharing savings inherent in those rate designs.
Michigan Public Service Commission Consumers Energy Company Case U-14347	Mr. Solganick provided rate case testimony covering cost of service modeling, the need for a generation allocator less weighted toward peak demand, considerations needed when equalizing rate of return between classes and other issues.

Audit/Project	Description
Before the New Jersey Division of Administrative Law (at the request of the New Jersey Board of Public Utilities) Cogeneration and Alternate Energy Docket # 8010-687	Mr. Solganick provided PURPA Rate Design and Lifeline Rate testimony covering all PURPA required aspects. He successfully defended rate forms designed to increase efficiency of use, appropriate discounts for electric heating customers, stopped a lifeline rate proposal which would have adversely impacted low income customers and installed SPP purchase rate schedule and interconnection standards.
Before the New Jersey Division of Administrative Law (at the request of the New Jersey Board of Public Utilities) Cogeneration and Alternate Energy Docket # 2755-89	Mr. Solganick provided power supply contract testimony regarding a proposed cogenerator as a potential supplier. He was successful in defending the company's position not to offer a contract to that cogenerator while implementing contracts with five other firms.
Assisted the Oregon Public Utilities Commission with a management audit in Docket No. UP 205/UM 1148 – Examination of NW Natural's Rate Base and Affiliated Interests Issues	Mr. Solganick served as subject matter expert for a management audit of NW Natural Gas' rate base for AFUDC calculations. The overall project included an audit of both rate base (financial instruments, deferred taxes, tax credits, costs for a distribution system, securities issuance costs, and AFUDC calculations) and affiliate transactions (cost allocations and transfer pricing, labor loadings, segregation of regulated rate base and subsidiary investments and properties, and validation of tax paid from/to affiliates are proper).
RUDY KRIZAN	
Operational Audit of the Research and Development Function of Consolidated Edison Company of New York Docket/Case: 85001	Mr. Krizan participated in a comprehensive operational audit to determine effectiveness of ratepayer funds spent on R&D activities. Mr. Krizan was a audit reviewer prior to report issuance.
Report on the Safety of Manholes for the Consolidated Edison Company of New York	Mr. Krizan served as Project Manager for a comprehensive operational audit to review the Company's activities in maintaining subsurface structures.
Operational Audit on the Fuel Procurement Practices of Consolidated Edison.	Mr. Krizan served as Project Manager for a comprehensive operational audit to determine the effectiveness and efficiency of Consolidated Edison's fuel purchasing.
Operational audit of the Lovett Plant Coal Re-Conversion of Orange and Rockland Utilities.	Mr. Krizan served as Project Manager for a comprehensive operational audit to monitor the re-conversion of Orange and Rockland's Lovett Plant for tri-fuel capability.
Operational audit of the fuel procurement and contracting of Long Island Lighting Co. of New York	Mr. Krizan served as Project Manager for a comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel.
Operational audit of the Re-conversion of Central Hudson's Danskammer Plant	Mr. Krizan participated in a comprehensive operational audit to monitor and review the re-conversion to coal burning capability of Central Hudson Gas and Electric's Danskammer facility.
Operational Audit on the Residential Collection and Termination Practices of Consolidated Edison Company of New York	Mr. Krizan served as Project Manager for a comprehensive operational audit on the implementation of collection and service termination practices of Consolidated Edsion.
Operational audit of the Construction Bidding and Contracting Practices of the Consolidated Edison Company of New York.	Mr. Krizan served as Project Manager for a comprehensive operational audit to investigate the construction bidding and contracting activities of Consolidated Edison.

Audit/Project	Description
Operational audit of the fuel procurement and contracting of Orange and Rockland Utilities	Mr. Krizan served as Project Manager for a comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel.
Operational Audit on the Bidding and Contracting Practices of the Long Island Lighting Company of New York	Mr. Krizan served as Project Manager for a comprehensive operational audit to review the Purchasing function of the Long Island Lighting Company.
Operational Audit on the Demand Side Management Practices of Long Island Lighting Company of New York	Mr. Krizan served as Project Manager for a comprehensive review to determine the effectiveness of the Company's DSM program.
Operational Audit on the Demand Side Management Practices of the Consolidated Edison Company of New York.	Mr. Krizan served as Project Manager for a comprehensive review to determine the effectiveness of the Company's $80 million DSM program.
Operational Audit on the Demand Side Management Audit of Orange and Rockland Utilities Inc	Mr. Krizan served as Project Manager for a comprehensive review to determine the effectiveness of the Company's DSM program.
Operational Audit of the demand side management function of Central Hudson Gas and Electric.	Mr. Krizan served as Project Manager for a comprehensive operational audit of the demand side management function including program planning, management and energy savings verification.
Management audit of Portchester Water Works Corporation.	Mr. Krizan was the lead auditor for a comprehensive management audit of company operations.
Operational Audit of Jamaica Water Company operations and management Docket/Case: 92-W-0030	Comprehensive management audit of company operations. Mr. Krizan had direct responsibility for workplan development, and specific topic areas including engineering, contracting, operations, and manpower resources.
Prudence Investigation of the Management and Operations of Orange and Rockland Uitilites	Investigation into management improprieties of this utility. Mr. Krizan was responsible for the fuel procurement aspect of this investigation.
Comparative Statistical Analysis and Benchmarking Study of the Consolidated Edison Company of New York.	A statistical study to determine the relative cost performance of Consolidated Edison with a peer group of electric utilities. Mr. Krizan was responsible for investigation areas of cost performance in electric and gas operations.
Proceeding to evaluate the LILCO/Brooklyn Union Gas Merger Docket/Case: 97-M-0567	Litigated proceeding to determine the benefits of a proposed merger of the two companies. Mr. Krizan was part of staff team that analyzed the proposed synergy savings.
Proceeding to evaluate the Proposed Merger of Consolidated Edison and Orange and Rockland Utilities	Litigated proceeding to determine the benefits of a proposed merger of the two companies. Mr. Krizan was part of staff team that analyzed the proposed synergy savings Litigated proceeding to determine
Investigation into proposed $35 Million capital program to replace Northern Utilities, Inc. small diameter cast iron pipe Docket/Case: 2004-813	Mr. Krizan litigated proceeding and led a consultant team to assist the State of Maine Public Advocate to investigate the need for the program and the company's management of the repair or replacement of its cast iron facilities.
MARK W. CRISP	
Before the Georgia Public Service Commission, Docket 17687-U Audit of Georgia Power Company's 2003 Filed Integrated Resource Plan	Mr. Crisp was Project Director for the GUERNSEY Team that provided technical and operational review of the Georgia Power Company 2003 IRP. The IRP is a complete plan by the Company to meet the needs of generation, transmission and distribution throughout the GPCo system,

Audit/Project	Description
Before the Georgia Public Service Commission, Docket 17688-U Audit of Savannah Electric & Power Company's 2003 Filed Integrated Resource Plan	Mr. Crisp was Project Director for the GUERNSEY Team that provided technical and operational review of the Georgia Power Company 2003 IRP. The IRP is a complete plan by the Company to meet the needs of generation, transmission and distribution throughout the GPCo system,
Before the Maryland Public Service Commission, Case 9035 Audit of Washington Gas & Light's issues with detrimental impacts of LNG.	Mr. Crisp leads a Team of experts analyzing the impact of LNG on the WGL distribution system within specific areas of the WGL system.
Before the Federal Energy Regulatory Commission, Dockets CP05-130-000, CP05-131-000, CP05-132-000 & CP05-395-000 Review of the Dominion Energy's request to expand Cove Point, LLC LNG Terminal	Mr. Crisp leads a team of experts that represented the Maryland Office of People's Counsel in the FERC case to expand the LNG terminal located at Cove Point, Maryland.
JERRY W. SMITH	
Emergency Restoration Plan template for the NRECA, the national trade association for electric cooperatives in Washington, DC	The template includes emergency restoration sections for electric operations and business continuity. Elements of the plan include: command and control structure; contact lists for workers, mutual-aid, vehicles, equipment, supplies, and materials; logistics planner; threat-impact analyses; recovery strategies; detailed action plans; check lists, training; annual exercises
Emergency Restoration Plans (electric operations and business continuity)	Emergency Restoration Plans were developed for distribution utilities in California, Texas, Wyoming, and Florida. These plans were developed using the elements listed above.
Emergency Exercise for Department of Homeland Security	Planned and implemented a functional exercise for the Center for Domestic Preparedness in Anniston, AL
PHILIP M. DEAN	
Restoration following May 3, 1999 F5 Tornado which hit Oklahoma City	On May 3, 1999, a total of 77 confirmed tornadoes (one rated F5 and two rated F4) caused significant damage across the State of Oklahoma. Coordinate efforts to restore 100 miles of transmission line and approximately 10,000 distribution poles which were destroyed. The effort included assessment and prioritization of work, coordinating marshalling yards for material and crews brought in from various parts of the country, coordinating material requirements and deliveries.
Oklahoma City Murray Building Bombing, April 19, 1995	Coordinated engineering efforts to restore power to parts of underground network system in downtown Oklahoma City.
Oklahoma Ice Storm of 2003	A new process was initiated from lessons learned in previous storms resulting in faster assessments, crews dispatched based on priority, improved coordination of materials and supplies from the warehouse to the field, and quicker response deploying crews from the outside.

6.0 Schedules and Budgets

The proposal is to include a schedule/timeline showing dates for all important milestones such as project start, time on-site, and draft and final reports for the project. The proposal must also contain a not-to-exceed cost in which the costs of professional services and out-of-pocket expenses are separately stated, and the criteria for each defined for billing purposes. The current professional fee (billing) rates for each individual must also be stated.

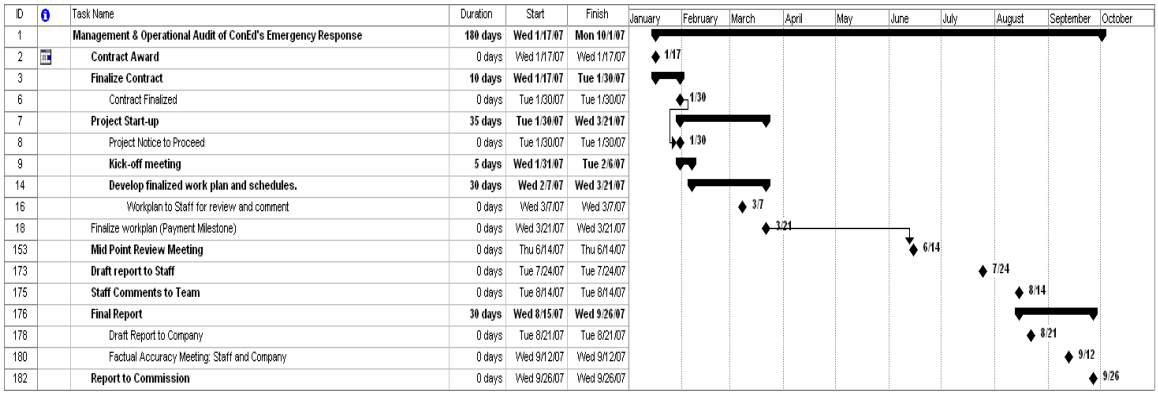
6.1 Project Schedule

The follow charts illustrate Blue Ridge's estimate of the project schedule based on the information contained in the RFP. We will complete the evaluation and project as prescribed by the Commission and Staff and have endeavored to provide as much information as possible to show the thoroughness of our project plan.

The dates, durations and specific deliverables to be generated through the course of the engagement will be finalized in the detailed work plan process that is part of this project. Therefore, the information provided here as well in Section 4 above, should be only considered a preliminary work plan and schedule.

The following chart (Figure 2) illustrates the milestone schedule along with the inter-relationship of those milestones.

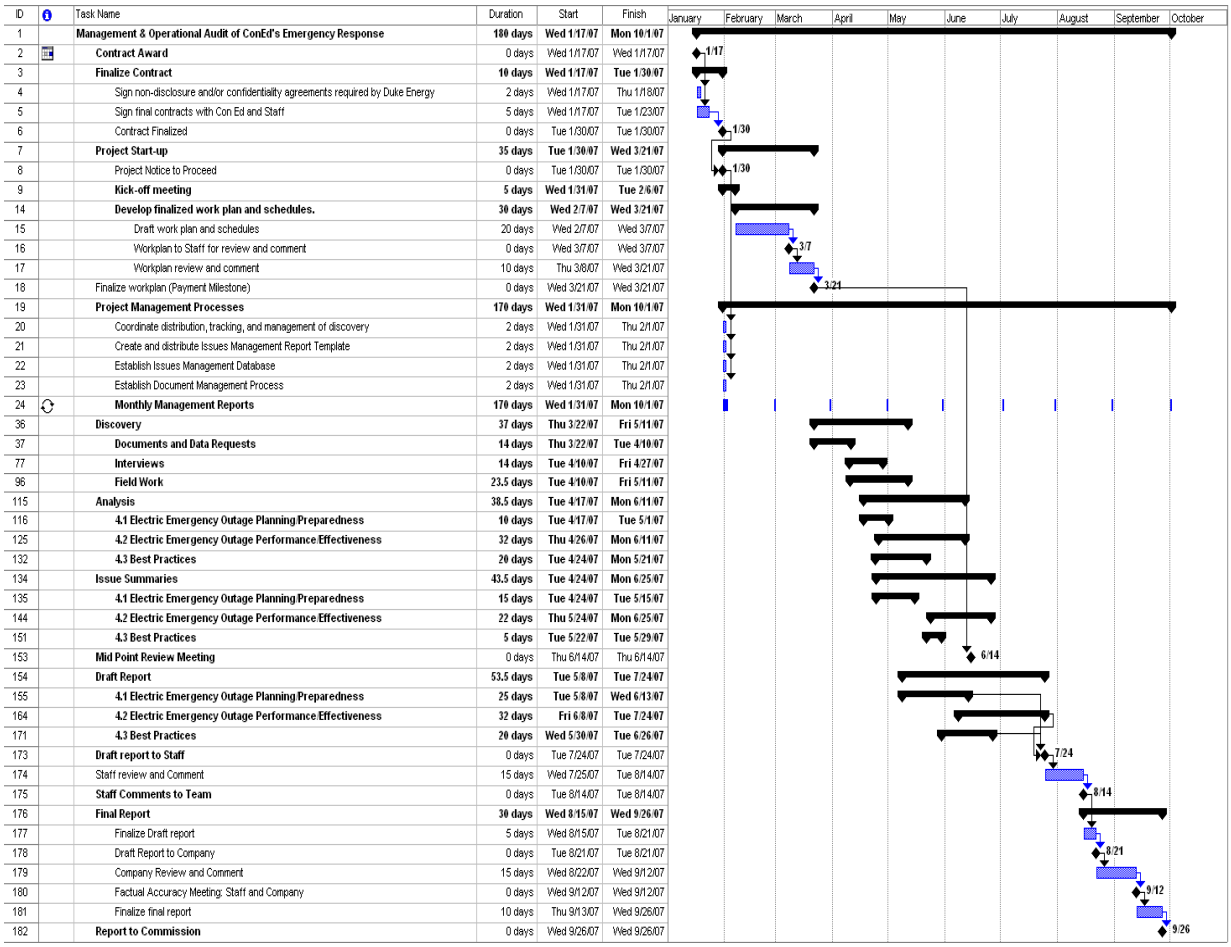
Figure 2 - Proposed Milestone Schedule



ID	Task Name	Duration	Start	Finish
1	**Management & Operational Audit of ConEd's Emergency Response**	**180 days**	**Wed 1/17/07**	**Mon 10/1/07**
2	**Contract Award**	0 days	Wed 1/17/07	Wed 1/17/07
3	**Finalize Contract**	**10 days**	**Wed 1/17/07**	**Tue 1/30/07**
6	Contract Finalized	0 days	Tue 1/30/07	Tue 1/30/07
7	**Project Start-up**	**35 days**	**Tue 1/30/07**	**Wed 3/21/07**
8	Project Notice to Proceed	0 days	Tue 1/30/07	Tue 1/30/07
9	**Kick-off meeting**	**5 days**	**Wed 1/31/07**	**Tue 2/6/07**
14	**Develop finalized work plan and schedules.**	**30 days**	**Wed 2/7/07**	**Wed 3/21/07**
16	Workplan to Staff for review and comment	0 days	Wed 3/7/07	Wed 3/7/07
18	Finalize workplan (Payment Milestone)	0 days	Wed 3/21/07	Wed 3/21/07
153	**Mid Point Review Meeting**	0 days	Thu 6/14/07	Thu 6/14/07
173	**Draft report to Staff**	0 days	Tue 7/24/07	Tue 7/24/07
175	**Staff Comments to Team**	0 days	Tue 8/14/07	Tue 8/14/07
176	**Final Report**	**30 days**	**Wed 8/15/07**	**Wed 9/26/07**
178	Draft Report to Company	0 days	Tue 8/21/07	Tue 8/21/07
180	Factual Accuracy Meeting: Staff and Company	0 days	Wed 9/12/07	Wed 9/12/07
182	**Report to Commission**	0 days	Wed 9/26/07	Wed 9/26/07

Figure 3 on the following page provides an overview of the project plan including all major tasks as described in Section 4 above.

Figure 3 - Overview of Proposed Schedule



ID	Task Name	Duration	Start	Finish
1	**Management & Operational Audit of ConEd's Emergency Response**	**180 days**	**Wed 1/17/07**	**Mon 10/1/07**
2	**Contract Award**	0 days	Wed 1/17/07	Wed 1/17/07
3	**Finalize Contract**	**10 days**	**Wed 1/17/07**	**Tue 1/30/07**
4	Sign non-disclosure and/or confidentiality agreements required by Duke Energy	2 days	Wed 1/17/07	Thu 1/18/07
5	Sign final contracts with Con Ed and Staff	5 days	Wed 1/17/07	Tue 1/23/07
6	Contract Finalized	0 days	Tue 1/30/07	Tue 1/30/07
7	**Project Start-up**	**35 days**	**Tue 1/30/07**	**Wed 3/21/07**
8	Project Notice to Proceed	0 days	Tue 1/30/07	Tue 1/30/07
9	**Kick-off meeting**	**5 days**	**Wed 1/31/07**	**Tue 2/6/07**
14	**Develop finalized work plan and schedules.**	**30 days**	**Wed 2/7/07**	**Wed 3/21/07**
15	Draft work plan and schedules	20 days	Wed 2/7/07	Wed 3/7/07
16	Workplan to Staff for review and comment	0 days	Wed 3/7/07	Wed 3/7/07
17	Workplan review and comment	10 days	Thu 3/8/07	Wed 3/21/07
18	Finalize workplan (Payment Milestone)	0 days	Wed 3/21/07	Wed 3/21/07
19	**Project Management Processes**	**170 days**	**Wed 1/31/07**	**Mon 10/1/07**
20	Coordinate distribution, tracking, and management of discovery	2 days	Wed 1/31/07	Thu 2/1/07
21	Create and distribute Issues Management Report Template	2 days	Wed 1/31/07	Thu 2/1/07
22	Establish Issues Management Database	2 days	Wed 1/31/07	Thu 2/1/07
23	Establish Document Management Process	2 days	Wed 1/31/07	Thu 2/1/07
24	**Monthly Management Reports**	**170 days**	**Wed 1/31/07**	**Mon 10/1/07**
36	**Discovery**	**37 days**	**Thu 3/22/07**	**Fri 5/11/07**
37	**Documents and Data Requests**	**14 days**	**Thu 3/22/07**	**Tue 4/10/07**
77	**Interviews**	**14 days**	**Tue 4/10/07**	**Fri 4/27/07**
96	**Field Work**	**23.5 days**	**Tue 4/10/07**	**Fri 5/11/07**
115	**Analysis**	**38.5 days**	**Tue 4/17/07**	**Mon 6/11/07**
116	**4.1 Electric Emergency Outage Planning/Preparedness**	**10 days**	**Tue 4/17/07**	**Tue 5/1/07**
125	**4.2 Electric Emergency Outage Performance/Effectiveness**	**32 days**	**Thu 4/26/07**	**Mon 6/11/07**
132	**4.3 Best Practices**	**20 days**	**Tue 4/24/07**	**Mon 5/21/07**
134	**Issue Summaries**	**43.5 days**	**Tue 4/24/07**	**Mon 6/25/07**
135	**4.1 Electric Emergency Outage Planning/Preparedness**	**15 days**	**Tue 4/24/07**	**Tue 5/15/07**
144	**4.2 Electric Emergency Outage Performance/Effectiveness**	**22 days**	**Thu 5/24/07**	**Mon 6/25/07**
151	**4.3 Best Practices**	**5 days**	**Tue 5/22/07**	**Tue 5/29/07**
153	**Mid Point Review Meeting**	0 days	Thu 6/14/07	Thu 6/14/07
154	**Draft Report**	**53.5 days**	**Tue 5/8/07**	**Tue 7/24/07**
155	**4.1 Electric Emergency Outage Planning/Preparedness**	**25 days**	**Tue 5/8/07**	**Wed 6/13/07**
164	**4.2 Electric Emergency Outage Performance/Effectiveness**	**32 days**	**Fri 6/8/07**	**Tue 7/24/07**
171	**4.3 Best Practices**	**20 days**	**Wed 5/30/07**	**Tue 6/26/07**
173	**Draft report to Staff**	0 days	Tue 7/24/07	Tue 7/24/07
174	Staff review and Comment	15 days	Wed 7/25/07	Tue 8/14/07
175	**Staff Comments to Team**	0 days	Tue 8/14/07	Tue 8/14/07
176	**Final Report**	**30 days**	**Wed 8/15/07**	**Wed 9/26/07**
177	Finalize Draft report	5 days	Wed 8/15/07	Tue 8/21/07
178	Draft Report to Company	0 days	Tue 8/21/07	Tue 8/21/07
179	Company Review and Comment	15 days	Wed 8/22/07	Wed 9/12/07
180	Factual Accuracy Meeting: Staff and Company	0 days	Wed 9/12/07	Wed 9/12/07
181	Finalize final report	10 days	Thu 9/13/07	Wed 9/26/07
182	**Report to Commission**	0 days	Wed 9/26/07	Wed 9/26/07

6.2 Project Cost-out

Included in this section are Blue Ridge's proposed daily time and rates by individual to complete the scope of work as outlined in the RFP.

Based on our review of the scope combined with our experience in completing similar projects and audits, Blue Ridge is pleased to be able to offer the following ***Not to Exceed*** fee proposal for work related to the review of Con Edison's electric emergency outage program:

Professional Services:	**$446,047.20**
Travel, Material, Supplies and Other Project Costs:	**129,537.69**
Total Not to Exceed	**$575,584.89**

Table 3 - Professional Services Daily Billing Rate

Consultant	Position / Role	Hourly Rate
Michael J. McGarry	Project Manager	$200.00
Donna H. Mullinax, CPA, CFP	Asst. PM and Senior Consultant	195.00
Howard Solganick, PE	Senior Technical Consultant	185.00
Rudy Krizan, PE	Senior Technical Consultant	185.00
Mark W. Crisp, PE	Senior Technical Consultant	185.00
Jerry W. Smith, PE	Senior Technical Consultant	185.00
Philip M. Dean, PE	Senior Technical Consultant	185.00
Daniel W. Salter	Consultant	125.00
Debra A. Rollins	Administrative/DMS	60.00

The table on the following page contains the detailed daily time and rates by consultant by major work task and issue.

Table 2 - Breakdown of Project Cost

New York State Public Service Commission
Management and Operations Audit
of
Consolidated Edison Company of New York
Case No. 06-M-1078
Blue Ridge Consulting Services, Inc. Proposed Not to Exceed Fees, Costs and Expenses

Personnel Costs

	Name	Title	Days	Rate per Day	Dollars
	Michael McGarry	Project Manager	45.00	$ 1,600.00	$ 72,000.00
	Donna Mullinax	Asst Project Manager	32.25	$ 1,560.00	$ 50,310.00
	Mark Crisp, P.E.	Senior Consultant	27.63	$ 1,480.00	$ 40,892.40
	Howard Solganick, P.E.	Senior Consultant	38.63	$ 1,480.00	$ 57,172.40
	Rudy Krizan, P.E.	Senior Consultant	29.13	$ 1,480.00	$ 43,112.40
	Jerry Smith, P.E.	Senior Consultant	36.50	$ 1,480.00	$ 54,020.00
	Phillip Dean, P.E	Senior Consultant	40.75	$ 1,480.00	$ 60,310.00
	Dan Salter	Consultant	55.75	$ 1,000.00	$ 55,750.00
	Debra Rollins	Administrative Assistant	26.00	$ 480.00	$ 12,480.00
Subtotal			331.64	$ 1,344.97	$ 446,047.20

Personnel Expenses		Count	Rate per item	Dollars
Hotel	(count: number of nights x consultants)	166	$ 165.30	$ 27,439.80
Per Diem	(count: number of travel status days x consultants)	249	$ 50.00	$ 12,450.00
Air Transporation	(count: number of round trips x consultants)	83	$ 340.61	$ 28,270.39
Ground Transportation	(count: number of car days - # of cars x days)	39	$ 75.00	$ 2,925.00
Miscellaneous Expenses	(count: number of days)	249	$ 25.00	$ 6,225.00
Subtotal				$ 77,310.19

Materials, Supplies and other Project costs		Count	Rate per item	Dollars
Word Processing	(Count: hours of admin time)	150	$ 35.00	$ 5,250.00
Focus Groups	Fees	17	$ 1,437.50	$ 24,437.50
	Logistics: Meeting space, etc	17	$ 1,252.35	$ 21,290.00
Copying				
Documents and Data	(Count: cost per copy at copying service)	10000	$ 0.10	$ 1,000.00
Final Report & workpapers				TBD
Miscellaneous				$ 250.00
Subtotal				$ 52,227.50
Total Not to Exceed Costs				$ 575,584.89

The following table is an illustrative example of a billing schedule that will be finalized and agreed to as part of the contract award. It includes those payment milestones that Blue Ridge would consider as part of a payment schedule. All billings will be based on actual hours worked by the team along with the accompanying expenses.

Table 5 – Estimated Billing Schedule

Month	Approximate Billings Professional Fees	Expenses and Administrative		Retainage (on Professional Fees)	Approximate Billings Total	Percent of Project Total	Cummulative Percentage	Milestone
Jan	$ 2,639.33	$ 1,295.38	1%	$ 263.93	$ 3,670.78	0.6%		Monthly Project Report (MPR)
Feb	50,147.32	12,953.77	10%	5,014.73	58,086.36	10.1%	11%	Orientation Meetings and MPR
Mar	58,065.32	6,476.88	5%	5,806.53	58,735.67	10.2%	21%	Approved Workplan and MPR
April	55,425.98	12,953.77	10%	5,542.60	62,837.15	10.9%	32%	Interview, Field schedule and MPR
May	58,065.32	32,384.42	25%	5,806.53	84,643.21	14.7%	47%	Field Work and MPR
June	55,425.98	32,384.42	25%	5,542.60	82,267.81	14.3%	61%	Mid-point status meeting and MPR
July	55,425.98	19,430.65	15%	5,542.60	69,314.04	12.0%	73%	Draft report and MPR
August	60,704.65	6,476.88	5%	6,070.46	61,111.07	10.6%	84%	Factual Accuracy Meeting and MPR
Sept	50,147.32	5,181.51	4%	5,014.73	50,314.09	8.7%	92%	Final Report and MPR
Oct					44,604.72	7.7%	100%	Project Completion
Total	**$ 446,047.20**	**$ 129,537.69**	**100%**	**$ 44,604.72**	**$ 575,584.89**	**100.0%**		

7.0 Qualifications

Proposals should include a discussion of the following: A) qualifications of the individual consultants to be assigned; and, B) qualifications of the firm.

7.1 Qualifications of Individual Consultants

Provide a detailed description of the experience and qualifications for all consultants who will be assigned to the project. The proposal should identify the lead consultant and the name and credentials of each consultant team member who will be involved and the specific area(s) to which they will be assigned and responsible.

7.1.1 Resume - **Michael J. McGarry, Sr.**

Michael McGarry's professional experience spans twenty-five years within the private and public sectors. Expertise includes: regulatory and rate case management, project management and supervision, expert testimony, witness preparation, electric industry restructuring and deregulation as well as extensive experience in utility management and operations.

Project Management

Mr. McGarry's experience includes management of multi-discipline teams for a wide range of client engagements, development and implementation of detailed work plans and project schedules. He has analyzed and planned interdivisional resource utilization, supervised, developed and coached interdivisional team members and created numerous executive reports, briefings, and presentations.

Regulatory and Rate Case Management

He has worked with clients to manage all aspects of the regulatory and rate case process. He has developed efficient processes to prepare supporting analyses and testimony for submission to the regulatory bodies and interveners. He is a seasoned project manager and has analytical expertise to respond to interrogatories and data requests from all rate case interveners in a timely manner. He has developed rate structure and billing determinant information analyses, time of day and interruptible rates analyses, fuel and purchased power reports and annual wholesale rates for member cooperatives.

He has assisted a number of clients in preparing revenue requirement and cost of service analyses. He has proffered and /or supported testimony in Michigan, Illinois, New York and Colorado. He has developed complex revenue requirement models to support rate request.

Testimony and Witness Preparation

He has proffered and / or supported expert testimony in a number of proceedings before commissions including New York State Public Service Commission, Illinois Commerce Commission, Michigan Public Service Commission and Colorado Public Utilities Commission. These proceedings included testimony involving management decision and prudence impacts, operations and maintenance expenses, capital investments, revenue requirements, project management and others.

Utility Management and Operational Audits

He has conducted over twenty five comprehensive management and operational audits of investor-owned energy and telecommunications utilities. These audits have included capital and operating budget process and practices; operations and maintenance expenses; crew operations; rate case pro forma adjustments; affiliates transactions; commodity trading; and rate base.

Restructuring, Unbundling, and Cost Allocation

Mr. McGarry has developed the supporting analyses and regulatory filing requirements needed to support unbundling rates for utilities. This has included detailed studies where the company's plant-in-service and depreciation reserve was allocated to each unbundled function. He has assessed utility management actions to prepare the company for competition, including the processes and practices used by the utility to prepare to enter new markets and offer new services.

Background

Education

- Potsdam College, B.A., Economics, 1981
- University at Buffalo School of Management, MBA, 1996

Associations

- National Association of Purchasing Management

Regulatory Experience

- Before the Illinois Commerce Commission
  Case: 05-0597 On behalf of the Illinois Citizens Utility Board, Cook County States Attorney's Office and City of Chicago
  Project Manager and Testifying Witness. Provided analysis and recommended adjustments in the general rate increase of 20.1% or $320 million filed by ComEd.
- Before the Michigan Public Service Commission
  Case No. 14547 *In the matter of the application of Consumer Energy Company for authority to increase rates for the distribution of natural gas and for other relief*

Expert Witness and Project Manager. Provided analysis, recommended adjustments and filed testimony for the Michigan Attorney General on Consumers Energy proposed increase to base rates.

- Oregon Public Utilities Commission
  Docket No. UP205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues*
  Co-sponsored between NW Natural, Staff, Northwest Industrial Gas Users, Citizens Utility Board. August 2005-January 2006
  Project Manager. Led a team that conducted a management audit of NW Natural Gas that included an evaluation of rate base issues for Financial Instruments (gas and financial hedging) Deferred Taxes, Tax Credits, Cost for a Distribution System, Security Issuance Costs and AFUDC calculations as well as Affiliate Transactions for Cost Allocations and Transfer Pricing, Labor Loading, Segregation of Regulated Rate Base and Subsidiary Investments and Properties, and validation of tax paid from / to affiliates are proper. Audit was to ensure Company compliance with orders, rules and regulations of the OPUC, with Company policy and with Generally Accepted Accounting Principles.
- Before the Public Service Commission of the District of Columbia
  Case No. 1032 *In the Matter of the Investigation into Potomac Electric Power Company's Distribution Service Rates*
  On Behalf of the DCPSC, January 2005-March 2005
  Project Manager and Consultant to Commission and Staff. Review and evaluation of Potomac Electric Power Company compliance filings for class cost of service and revenue requirements for distribution service pursuit to a settlement approved in May 2002. Provided analysis and recommended adjustments to Staff on 23 designated issues and 13 Company proposed adjustments. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.
- Before Maine Public Utilities Commission
  Case No 2004-813 *Maine Public Utilities Commission Investigation into Maintenance and Replacement Program for Northern Utilities Inc.'s Cast Iron Facilities*
  On behalf of Maine Public Advocate
  Project Manager and Testifying Witness. Litigated proceeding and led a consultant team to assist the State of Maine Public Advocate to investigate the need for the program and the company's management of the repair or replacement of its cast iron facilities.
- Before the Public Utilities Commission of the State of Colorado
  Docket No. 04A-050E *Review of the Electric Commodity Trading Operations of Public Service Company of Colorado*
  On behalf of the COPUC Staff, March 2004-September 2004
  Project Manager. Focused operational audit within the bounds of a litigated proceeding to determine if ratepayers were subsidizing or negatively impacted by PSCo's energy trading function.
- Before the Public Service Commission of the District of Columbia

Case No. 1016 *In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service*
On Behalf of the DCPSC, June 2003-December 2003
Project Manager and Consultant to Commissioners and Staff. Project Manager for the analysis of WGL's rate filings. Provided analysis and recommended adjustments to the DCPSC Staff on WGL's proposed increase to base rates. Advised the Commission during deliberations on party positions and possible recommendations.

- South Carolina State Senator
  Advised Senator on regulatory process for requesting States Public Service Commission for a comprehensive review of Duke Power Company's storm and restoration and right of way management. Reviewed and advised Senator of results of report finding.
- Before the Missouri Public Service Commission
  Consultant to Ameren UE. Conducted revenue requirement analysis in preparation of Missouri Public Service Commission compliance filing to un-bundle utility's rate tariffs. Prepared the filing requirements and all support schedules analysis to justify allocations of generation, transmission and distribution.
- Before the Illinois Commerce Commission
  Consultant to Illinois Power Company. Prepared 2001 required update filing for the Illinois Commerce Commission compliance filing to un-bundle utility's rate tariffs. Prepared filing requirements and all support schedules analysis to justify allocation of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller.
- Before the Illinois Commerce Commission
  Consultant to Illinois Power Company. Conducted mandated compliance filing to un-bundle utility's rate tariffs. Prepared filing requirements and all support schedules analysis to justify allocation of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller.
- Southern Connecticut Gas
  Consultant. As part of a team that conducted a comprehensive management audit of the management and operations of the Company, completed the capital budgeting area of the audit.
- Before the New York Public Service Commission
  Case: 94-C-0657
  Commission Staff. Proceeding to evaluate the compliance of NYNEX with Commission rules and orders related to operational support system costs to competitors. Part of staff panel to facilitate discussion between company and potential competitors (i.e., users of operational support systems) and report back to Commission.
- Rochester Gas and Electric Company and Consolidated Edison of New York
  Focused review of the preparedness of RG&E and ConEd for competition in the electric industry. Evaluated all aspects of the company's management actions to prepare for competition including strategic planning, goals and objectives and

senior management's attention to the company operations in a de-regulated industry

- Before the New York Public Service Commission
  Case: 97-M-0567
  Commission Staff. Litigated proceeding to determine the benefits of a proposed merger of LILCO / Brooklyn Union Gas. Analyzed the proposed synergy savings.
- Before the New York Public Service Commission
  Case: 96-E-0132 *Show Cause Proceeding Regarding Rate Relief for Ratepayers of Long Island Lighting Company*
  Commission Staff and Testifying Witness. Litigated proceeding where Staff proffered testimony containing a benchmark study showing that Long Island Lighting Company's operations and maintenance expenses were excessive compared to a peer group of 24 utilities. Panel testimony concerning the findings and conclusions resulting from the benchmark study.
- Before the New York Public Service Commission
  Case: 96-M-0858 *Prudence Investigation into the Scrap Handling Practices in the Western Division of Niagara Mohawk Power Company*
  Commission Staff and Testifying Witness. Litigated proceeding as a result of allegations of bribery and corruption in company practices related to a specific vendor who purchased company scrap metal. Lead team of 10 staff examiners to quantify the extent to which the Company paid excessive rates to this vendor. Testified to the findings of the analysis. Case settled with ratepayers receiving a credit to bills
- Before the New York Public Service Commission
  Case: 91-C-0613 *Operational Audit of the Outside Plant Construction and Rehabilitation Program of New York Telephone Company*
  Commission Staff. Comprehensive operational audit of the company's management and implementation of a $150 million capital program to rehabilitate the outside plant distribution network. Served as Staff Examiner responsible for crew supervision, goals monitoring, contractor oversight, and report preparation.
- Before the New York Public Service Commission
  Case: 91-W-0583 *Prudence Proceeding Regarding the Operations and Management of Jamaica Water*
  Commission Staff and Testifying Witness. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive costs to rate payers. Testified on a Staff panel to the excessive costs associated with management's inattention to sound business practices related to the design, purchase and installation of the Company customer information system.
- Before the New York Public Service Commission
  Case: 92-W-0030 *Operational Audit of Jamaica Water Company Operations and Management*
  Commission Staff. Comprehensive management audit of company operations. Responsible for workplan development, and specific topics areas including

engineering, contracting, and information technology. Findings led to prudence proceeding.

- Before the New York Public Service Commission
  Case: 92-M-0973 *Management Audit of Rochester Gas and Electric*
  Commission Staff. Comprehensive management audit of company operations. Responsible for workplan development, supervision of staff and specific topics areas including purchasing and internal controls.
- Before the New York Public Service Commission
  Case: 93-E-0918 *Operational Audit of the Demand Side Management Function at Rochester Gas and Electric*
  Commission Staff. Comprehensive operational audit of the demand side management function including program planning, management and energy savings verification. Developed and supervised the implementation of the work plan.
- Before the New York Public Service Commission
  Case: 88005 *Operational Audit of the Materials and Supply Function at National Fuel Gas*
  Commission Staff. Comprehensive operational audit of the materials and supplies function including warehouse operations, inventory control and procurement. Developed and implemented the workplan for this project.
- Before the New York Public Service Commission
  Operational Audit of the Fuel Procurement and Contracting of Long Island Lighting Company
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project.
- Before the New York Public Service Commission
  Operational Audit of the Fuel Procurement and Contracting of Consolidated Edison Company of New York
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project
- Before the New York Public Service Commission
  Case: 90007 Operational Audit of the Fuel Procurement and Contracting of Central Hudson Gas and Electric
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project
- Before the New York Public Service Commission
  Operational Audit of the Fuel Procurement and Contracting of Orange and Rockland Utilities
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project
- Before the New York Public Service Commission

Operational Audit of the Fuel Procurement and Contracting of Rochester Gas and Electric
Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on nuclear fuel. Provided research and data evaluation expertise to the project

- Before the New York Public Service Commission
  Case: 98-E-115 *Prudence Proceeding to Investigate the Construction Costs Associated with the Homer City Coal Cleaning Plant*
  Commission Staff and Testifying Witness. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive construction charges related to the Homer City Coal Cleaning Plant. Testified on a Staff panel to the fuel price differential costs resulting from the failure of the coal cleaning plant to function as designed as well as surrebuttal testimony on the cost of a flu-gas de-sulfurization plant and ancillary equipment and facilities. Case settled with customers receiving $125 million credit.
- Before the New York Public Service Commission
  Case: 87003 *Operational Audit of the Homer City Coal Cleaning Plant*
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on the construction of the Homer City Coal Cleaning Plant jointly owned by NYSEG and Penelec. Responsible for fuel and construction costs analysis, benchmarking costs and alternative methods for meeting EPA Clean air restrictions, contracting practices and report preparation.
- Before the New York Public Service Commission
  Case: 87003 *Operational Audit of the Fuel Procurement and Contracting of New York State Electric and Gas*
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Responsible for fuel cost analysis, benchmarking costs, contracting practices and report preparation.
- Before the New York Public Service Commission
  Case: 86007 *Operational Audit of the Field Crew Supervision and Utilization of New York State Electric and Gas Company*
  Commission Staff. Comprehensive operational audit to determine effectiveness of field crew utilization and supervision. Staff examiner responsible for verifying supervisor activities, reporting, goals attainment and report preparation.
- Before the New York Public Service Commission
  Case: 86005 *Prudence Proceeding to Investigate the fuel Procurement and Contracting Practices at Niagara Mohawk Power Company*
  Commission Staff. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive fuel charges to customers. Responsible for fuel cost analysis and benchmarking costs, contracting practices and testimony preparation. Case settled with customers receiving $66 million credit.
- Before the New York Public Service Commission
  Case: 86005 *Operational Audit of the Fuel Procurement and Contracting of Niagara Mohawk Power Company.*

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Responsible for fuel cost analysis and benchmarking costs, contracting practices and report preparation.

- Before the New York Public Service Commission
  Case: 85001 *Operational Audit of the Research and Development Function of Consolidated Edison Company of New York*
  Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on R&D activities. Staff examiner on the project responsible for reviewing projects documentation and control, outside contracting a report preparation.

7.1.2 Resume - **Donna H. Mullinax, CPA, CIA, CFP**

Donna Mullinax has over twenty-seven years of financial, management and consulting experience. She has held the position of Vice President and Chief Financial Officer for the last 12 years and served on various Boards of Directors. She has extensive experience in project management; regulatory and litigation support; financial, administration, and human resource management; financial and management audits; analysis; and systems implementation.

Project Management

Her ability to handle and resolve various viewpoints and establish and maintain effective working relationships has resulted in her being assigned to manage numerous cross-functional teams. She has been project manager or assistant project manager with the responsibility of controlling cost, schedule and scope for most of the projects that she has been involved. These projects included management, financial, and compliance audits, M&A due diligence reviews, economic viability studies, prudence reviews, and litigation/regulatory support for construction claims and regulatory proceedings.

Regulatory and Litigation Support

She testified before the Colorado Public Utilities Commission to the findings of a transaction audit of PSCo's electric commodity trading operations. In addition, Mrs. Mullinax led the review of WGL's depreciation study and proposed rates and provided recommendations to the District of Columbia Public Service Commission on the company's proposal in FC1016. She filed testimony before the Michigan Public Service Commission related to Consumers Energy Company request to increase gas rates in Case No. U-14547 on behalf of the Michigan Attorney General. She has worked with expert witnesses to draft pre-filed testimony of factual findings and calculated damages, and she has developed questions and answers to support counsel during depositions and trial. She has been responsible for the development of various cost analyses in connection with civil litigations. She has supported expert witnesses in analyzing and calculating damages related to extended outages, analysis of budget vs. actual financial performance, detail cost accounting analysis including re-estimation of actual and reasonable cost for expenses not specifically reported.

A list of the proceedings in which she has been involved is provided at the end of this document.

Financial, Administration, and Human Resource Management

As Chief Financial Officer and Vice President Mrs. Mullinax is responsible for all aspects of financial, administration and human resources. Her responsibilities include accounting, cash management, tax planning and preparation, fixed assets, human resources and benefits. Records under her control have been subject to an IRS compliance audit with no findings.

Financial and Management Auditing

She is a skilled financial and management auditor. She has performed financial and compliance audits for county governments, utilities, and non-public businesses. She served as project manager for numerous due diligence reviews in connection with various mergers and/or acquisitions. As a senior financial analyst she has reviewed financial information and budget projections, performed risk identification and industry benchmarking. Her extensive professional experience allows her to effectively analyze and evaluate methods and procedures and to thoroughly document her findings. She has successfully testified to her audit findings.

Financial Analysis

Mrs. Mullinax has excellent analytical capabilities. She is a skilled financial analyst and routinely develops dynamic, integrated spreadsheets models for use in her assignments. She understands that complex models mean nothing if they can not be effectively communicated. She has proven ability to distill large amounts of information into a clear and concise written document.

System Implementation

Mrs. Mullinax has worked with various business and local governmental entities to design and implement accounting and business systems that addressed real world problems and concerns. She has developed accounting policy and procedure manuals for county governments, a library, and a water utility.

Background

Education

- Clemson University, B.S. in Administrative Management with honors – 1978
- Clemson University, M.S. in Management – 1979
- College for Financial Planning - 1994
- NARUC Utility Rate School, 32nd Annual Eastern – 2004
- Continuing education required to maintain CPA, CFP, and CIA licenses

Professional Certification

- Certified Public Accountant (CPA), State of South Carolina – 1993
- Certified Financial Planner (CFP) – 1994
- Certified Internal Auditor (CIA) – 2006

Professional Affiliations

- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the South Carolina Association of Certified Public Accountants (SCACPA)
- Member of the Institute of Internal Auditors (IIA)

Regulatory Experience

- Maryland Public Service Commission
  Case No. 9062 *In the matter of the application of Chesapeake Utilities Corporation for authority to increase its existing natural gas rates and services*
  On Behalf of the Maryland Office of People's Counsel, May 2006-Present
  Expert witness, filed testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements of Chesapeake Utilities Corporation. Currently participating in settlement negotiations. Project is on-going.
- Michigan Public Service Commission
  Case No. U-14547 *In the matter of the application of Consumer Energy Company for authority to increase rates for the distribution of natural gas and for other relief*
  On Behalf of the Michigan Attorney General, December 2005-April 2006
  Expert witness, filed testimony offering adjustments for the Commission consideration related to the revenue requirements of Consumers Energy Company.
- Oregon Public Utilities Commission
  Docket No. UP205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues*
  Co-sponsored between NW Natural, Staff, Northwest Industrial Gas Users, Citizens Utility Board, August 2005-January 2006
  Assistant Project Manager and audit lead for the examination of NW Natural's Financial Instruments, Deferred Taxes, Tax Credits, and Security Issuance Costs to ensure Company compliance with orders, rules and regulations of the OPUC, with Company policy and with Generally Accepted Accounting Principles.
- Before the Public Service Commission of the District of Columbia
  Case No. 1032 *In the Matter of the Investigation into Potomac Electric Power Company's Distribution Service Rates*
  On Behalf of the Staff of the District of Columbia Public Service Commission, January 2005-March 2005
  Assistant Project Manager and Consultant to Commission and Staff. Review and evaluation of Potomac Electric Power Company compliance filings for class cost of service and revenue requirements for distribution service pursuit to a settlement approved in May 2002. Provided analysis and recommended adjustments to Staff on 23 designated issues and 13 Company proposed adjustments. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.
- Before the Public Utilities Commission of the State of Colorado
  Docket No. 04A-050E *Review of the Electric Commodity Trading Operations of Public Service Company of Colorado*
  On behalf of the Colorado Public Utilities Commission Staff, March 2004-September 2004
  Expert Witness and Assistant Project Manager. Performed a transaction audit of PSCo's electric commodity trading operations and provided answer testimony describing the process used to conduct the investigation, a summary of the audit findings, and discussion on the significance of the findings.

- Before the Public Service Commission of the District of Columbia
  Case No. 1016 *In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service*
  On Behalf of the Staff of the District of Columbia Public Service Commission, June 2003-December 2003
  Consultant to Commissioners and Staff. Project Manager for the review and evaluation of Washington Gas Light's (WGL) depreciation study filed with the DC Commission. Assistant Project Manager on the analysis of WGL's rate filings. Provided analysis and recommended adjustments to the DCPSC Staff on WGL's proposed increase to base rates. Advised the Commission during deliberations on party positions and possible recommendations.
- Before the New York Public Service Commission
  Case No. 00-E-0612 *Proceeding on Motion of the Commission to Investigate the Forced Outage at Consolidated Edison Company of New York, Inc.'s Indian Point No. 2 Nuclear Generation Facility*
  On behalf of Consolidated Edison Company of New York, Inc., October 2000-September 2003
  Project Manager supervising cross functional teams to assist scheduling and nuclear engineering experts with responses to interrogatories and the development of three comprehensive rebuttal testimonies on the prudence of extended outages at the Indian Point 2 nuclear power plant. The proceeding settled prior to filing of testimony.

Civil Dispute Experience

- ADF Construction vs. Kismet
  On Behalf of ADF Construction, December 2003-February 2004
  Assistant Project Manager for a delay and disruption construction claim related to a large hotel complex in North Carolina. Worked with scheduling experts to determine schedule delay and disruption and calculated related damages.
- New Carolina Construction vs. Atlantic Coast
- New Carolina Construction vs. Acousti
  On behalf of New Carolina Construction, July 2002-January 2003
  Project Manager for a delay and disruption claim related to construction of a large high school complex in South Carolina. Worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.
- State of Nevada Bureau of Consumer Protection
  September 2003-December 2003
  Assistant Project Manager for damage assessment project related to potential litigation regarding the Western Market Manipulation.
- Oakwood Homes
  On behalf of Oakwood Homes, February 1999-May 2000
  Assistant Project Manager for a delay and disruption claim related to the construction of a large manufacturing facility in Texas. Worked with scheduling

experts to determine schedule delay and disruption and calculated related damages. Dispute was settlement through mediation.

- McMillan Carter
  On behalf of McMillan Carter, June 2002-September 2002
  Project Manager for a delay and disruption claim related to construction of a large high school complex in North Carolina. Worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.
- Fluor Daniel Inc. vs. Solutia, Inc.
  On behalf of Fluor Daniel, May 2000-August 2001
  Assistant Project Manager for a delay and disruption construction claim related to large chemical processing facility in Texas. Worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Dispute proceeded through mediation.
- First National Bank of South Carolina vs. Pappas
  On Behalf of First National Bank of South Carolina, 1991-1992
  Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Supported counsel and expert witnesses during civil proceeding.
- First Union vs. Pappas
  On Behalf of First Union, 1991-1992
  Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Dispute was settled out of court.

7.1.3 Resume – **Mark Crisp, PE**

Mark Crisp has worked in or with utility operations for the past twenty-eight years. While employed with Georgia Power Company and Southern Company, Mr. Crisp was involved with the Storm Evaluation and Restoration Program (SERP). Mr. Crisp participated in and developed policy and procedures for the company's Storm and Catastrophic Incident response program. He also was called on to respond to hurricanes, ice storms, and other related system failures. His responsibilities included first responder evaluation of transmission, distribution, and substation failures, critical path "avenues" to system repair, staffing and crew assignments, and post-failure evaluation of success of SERP procedures and policies. Mr. Crisp continues to provide assistance to utilities in his consulting capacity in the area of system failure analysis, management structure, and best practices.

Utility Management and Operations

For the past several years, Mr. Crisp has been a senior consultant and region manager for C.H. Guernsey & Company in Atlanta, Georgia. In this capacity his responsibilities include utility operations, management audits, rate designs and cost of service studies, development of acquisition strategies, mergers, acquisitions, planning, and system forecasting for capital and O&M budgets.

Mr. Crisp has been involved in a significant number of domestic and international utility acquisitions, management and operations audits, and environmental projects. Mr. Crisp has provided consulting services to electric, utilities, local, state, federal and foreign governments, domestic, and international power developers.

Mr. Crisp has extensive experience with the utility sector, especially in that area of operations, management audits, regulatory assistance, cost of service and rate designs and their influence on the financial integrity of the utility while maintaining a balanced perspective on ratepayer impacts. His expertise ranges from planning and operations to utility financing and project development.

From 1996 to 2001, Mr. Crisp directed the Utility Consulting service function as a Senior Project manager for a major utility consulting firm based in Marietta, Georgia, and was responsible for developing extensive capabilities in financial and economic decision-making, pro forma analysis, and acquisition strategies to support utility management requirements. Mr. Crisp evaluated complex technical issues related to the electric utility, environmental, and water utility markets and rendered them into a specific set of logical and responsive recommendations.

Mr. Crisp has been integrally involved in the privatization of utilities on military bases since the issuance of DRID #9. His experience includes testimony before the Office of Secretary of Defense, numerous industry focus meetings and the development of military utility inventories, asset valuations, and acquisitions analysis.

In addition to military privatizations, Mr. Crisp has completed a number of private sector privatizations and assisted utilities with "re-engineering" their utility to avoid privatization, cost of service analysis, rate design and O&M budget evaluations.

From 1978 to 1996, Mr. Crisp held various engineering and operations positions in Georgia Power Company and Southern Company. His experience includes participating on numerous Storm Evaluation and Restoration ("SERP") Task Forces both in the development of policy and procedures and implementation during actual storm events. His assignments during these events included Hurricane Andrew in South Florida, ice storms during the late 1980s and 1990s, Hurricane Opal in South Carolina, and Hurricane Alberto in Georgia.

Mr. Crisp has filed testimony before the Georgia and Maryland Public Service Commissions and the Federal energy Regulatory Commission.

Background

Education

- MBA, Finance & Accounting, University of Arkansas at Little Rock, 1980
- BS, Civil Engineering, Georgia Institute of Technology, 1978

Registrations

- Registered Professional Engineer – Georgia
- Registered Professional Engineer - Florida

Professional Activities / Honors

- Member, Rickey Medal - American Society of Civil Engineers
- Member, American Water Works Association
- Member, Water Environment Federation
- Member, Rural Water Association
- Member, National Hydropower Association
- Member, IEEE

7.1.4 Resume – **Howard Solganick, PE**

Howard Solganick has been actively engaged in the utility industry for 30 years. His experience spans consulting engagements, business development, and significant utility operating positions. As a Principal at Energy Tactics & Services, Inc. he is responsible for business development, engagement management, and execution. He has led and/or participated in consulting projects to develop, design, optimize and implement both traditional utility operations and e-commerce businesses. Mr. Solganick has structured operating elements and business ventures, negotiated high value medium and long-term contracts, and implemented business systems, operating functions and profit centers. He has assisted new entrants to develop products and services for introduction to the utility and energy marketplace. He has also acted as an expert witness and arbitrator in a number of utility and regulatory areas and has extensive experience in regulatory relations.

Key Areas of Expertise

- Operating responsibility and expert testimony in utility planning and operations including rate design and cost of service, tariff administration, generation, transmission, distribution and customer service operations, capacity and system planning, and regulatory issues
- Regulatory relations and management for high profile situations – transmission line siting and approvals, powerplant siting and certificate of need processes and potential mass outages
- Management consulting for utilities, energy trading and production companies, contact (call) center providers, financial institutions, manufacturers, software providers and retailers
- Customer relationship and negotiation services for utilities and vendors to the industry
- Purchase and sale of long and short term bulk energy and capacity for utilities, independent power producers and end users under both regulated and competitive marketplaces
- Arbitration and mediation for high dollar value energy dispute resolution
- Conceptualization, development, negotiation, implementation and operation of high value business to business and retail ventures
- Pre-audit counseling, management audit planning and implementation and post audit tracking and regulatory relations
- Development of the *Translator* process to introduce new products to the utility and energy industries

Operations and Customer Service

On an emergency assignment he acted as special liaison between system operations and customer communications to avert significant customer disruptions due to a potential system failure.

On special assignment he structured and performed distribution operations analyses including an evaluation of emergency operating and response capabilities.

On special assignment, he led a team generating key performance indicators for over 60 utility operating areas and integrated the KPI into a new compensation and performance enhancement package.

For a million+ customer North American public power company, he managed (and acted as a subject matter expert) a call center performance review leading to a major consolidation of 28 sites into 4 physical call centers. During a follow-on engagement he developed the implementation plan covering emergency response issues, human resources, customer care, new infrastructure, and network integration.

Business Planning and Implementation

For two utility clients acted as project manager and subject matter expert on a joint client-consultant team comprised of 40 people. The engagement included customer management systems, contact (call) centers, new products and services, technology planning, and financial modeling of the venture. This project resulted in the creation of a new business entity for the energy industry.

For an unregulated utility affiliate acted as an advisor to review the conceptual business plan, financial model, and operating assumptions for a planned entry into the New Jersey retail energy market. Major issues included ISO operations, tariff interpretations, customer service performance and expected market penetration.

For a high volume energy retailer investigated various business models to enhance profitability. A number of scenarios, including both traditional improvement opportunities and various e-business arrangements, were generated and evaluated. Extensive investigation and evaluation were structured with potential vendors/suppliers to reduce costs and raise profitability. A customer profitability concept was created to evaluate the retailer's portfolio.

For an energy conservation company assisted the internal staff in defining their business model, implementing their Internet based marketing and service delivery platform, defining the relationship with key allies, negotiating performance contracts and performing design reviews as needed. Key issues included a timely implementation plan.

Rates & Regulatory

As a utility's operational planner coordinated and had significant impact on load forecasting, demand side management, customer generation and its application to utility operations, utility owned and independent generation, transmission and distribution planning, and customer service performance levels. Consulted and provided expert testimony on these interrelated areas.

As an operating manager for a New Jersey utility obtained regulatory approvals for a 230 kV transmission line and three major substations during a period of high public concern over EMF.

As a utility's special projects manager created the utility's process for responding to the state's first legislatively mandated management audit. Developed a series of processes to coordinate, track, document, and respond to sensitive issues on an expedited basis.

As a consultant to the Public Advocate of a New England state analyzed the economic impact and operational aspects of a cast iron gas main replacement program including the development of an economic model and participation in a technical conference proceeding.

As part of a management audit team for the regulatory commission of a Northwestern state investigated the issues of AFUDC and distribution system development and construction management.

As a utility's project manager led the filing of New Jersey's first Notice of Intent for a Certificate of Need for a combined cycle powerplant. Working with the regulatory commission, the utility developed its filing as the commission was simultaneously developing its procedures and processes.

Energy Supply

For a commercial real estate management company performed an evaluation of a distributed generation proposal including a site survey, cost benefit analysis and detailed operational and contract review.

For a major power trading company advised the operational team on the interrelationship of existing assets and PJM (Pennsylvania-New Jersey-Maryland, also includes Delaware, DC and now expanding to other states) power pooling operations.

As an operating manager for a utility managed PJM Interconnection power purchase (interchange) pricing, performance testing of power plants and contract management of the company's unregulated cogeneration contract with the DuPont Company.

As operating manager for a New Jersey utility negotiated over 800 MW of power purchase agreements with an aggregate value of over $9 billion, including developing significant dispatchability provisions. Obtained required regulatory approvals in record time.

Working in conjunction with a major energy producer and refiner acted as project manager for a cogeneration facility study for a major refinery, which led to the construction of a 60 MW facility.

Arbitration

As the sole arbitrator presided over an issue of energy price escalation with a value of over $1,000,000 annually. The arbitration included case management, discovery,

depositions, extensive document exchange, six witnesses and a full briefing process. As defined in the parties' initial power purchase agreement, the arbitrator had to render a fully detailed decision in order for the parties to continue their business relationship for the eight years remaining under the agreement.

As chairman of a panel of three arbitrators was instrumental in the parties resolving a landlord tenant dispute over electrical submetering. The amount in question exceeded $750,000.

Vendor Services

For a major call center provider acted as the liaison with energy retailers seeking to outsource their call and contact center function. Also established business models, performance standards, fulfillment arrangements, pricing, emergency operating response and contractual arrangements.

For a software provider developed a conceptual framework and prospective applications for the utility marketplace. Structured and assisted the client with initial utility sales calls.

For the export development agency of a European government developed and presented a symposium on the North American utility industry and means and methods to approach and succeed in the marketplace.

For the wireless subsidiary of a major telecommunications company prepared and presented a program to assist Data Account Managers to approach the utility marketplace. In conjunction with the client a number of possible service offerings were developed.

For a high technology transmission and distribution equipment supplier supported an effort to accelerate market acceptance of the product. Analyzed the technology, application and marketing approach. Results included an in-depth analysis of a key stumbling block inhibiting early entry into a key candidate utility.

Background

Education

- Master of Science--Engineering Management (minor Law)
  Drexel University (evening program)
- Bachelor of Science--Mechanical Engineering (minor Economics)
  Carnegie Mellon University
- Planning, Zoning and Land Use Courses—Rutgers University, PA Govenor's Center for Local Government Services and Lorman Education Services
- Arbitration and Mediation Training Courses—American Arbitration Association

Professional Credentials and Activities

- Professional Engineer in Pennsylvania (inactive in New Jersey)
- Past member of New Jersey Board of Regulatory Commissioners Advisory Council on Electricity Planning and Procurement
- Commercial Arbitrator - American Arbitration Association
- Past President of the Mid Atlantic Independent Power Producers, a trade organization
- Past member of the Electric Power Research Institute's Planning Methods Committee
- Vice-Chairperson Middletown Township (PA) Planning Commission
- Professional Planner (Land Use) in New Jersey (inactive)
- Chairman (past), Egg Harbor Township (NJ) and member (past), Raritan Township (NJ) Zoning Board of Adjustment
- Author, Energy Pulse Article – Why Won't You Listen to the Actresses?

Testimony

- Before the Public Service Commission of Maryland
  - Chesapeake Utilities Corporation (2006) Case No. 9062
  - Baltimore Gas & Electric's capacity procurement plans (1993)
- Before the Pennsylvania Public Utilities Commission
  - York Water Company (2006) Docket No. R-00061322
- Before the Michigan Public Service Commission
  - Consumers Energy Company (2006) Case No. U-14981
  - Consumers Energy Company (2005) Case No. U-14347
- Before the Maine Public Utilities Commission
  - Northern Utilities, accelerated cast iron replacement program (2005) Docket No. 2005-813
- Before the New Jersey Division of Administrative Law (at the request of the New Jersey Board of Public Utilities)
  - Cogeneration and Alternate Energy (1981) Docket # 8010-687
  - PURPA Rate Design and Lifeline (1981) Docket # 8010-687
  - Atlantic Electric Rate Case - Phases I & II (1982) Docket # 822-116
  - Atlantic Electric Rate Case (1983)
  - Power Supply Contract Litigation – Wilmington Thermal Systems (1989) Docket # 2755-89
- Before the Commissioners of the New Jersey Board of Public Utilities
  - NJBPU Atlantic Electric Rate Case - Phase II (1980-81) Docket # 7911-951

7.1.5 Resume – **Rudy Krizan, PE**

Rudy Krizan's professional experience spans thirty-three years in the utility regulatory field working for the New York State Department of Public Service. During that time he has reviewed and audited, in the context of rate requests and comprehensive operational and management audits, utility construction program planning for gas, electric, steam, and water companies.

Auditing

Mr. Krizan has been involved in over twenty-five comprehensive management and operational audits. His experience includes auditing of utility construction, operations and management, rates, quality assurance, and safety. He has testified in numerous rate proceedings and addressed topics such as steam system planning, performance incentives and measurement, rate design, revenues, depreciation, capital construction budgets, and operation and maintenance expenses. He has also received extensive training in pipeline operations from the Federal Department of Transportation.

Utility Management and Operations

Mr. Krizan directed the New York City Office of Utility Efficiency and Productivity and was the project manager and lead auditor for several comprehensive management and operation audits. A list of the audits in which he has been involved is provided at the end of this document.

Quality Assurance

Mr. Krizan functioned as lead in the development of a systematic program to evaluate and report on quality assurance programs/activities present in major gas utilities in New York State. This program led to the development of a quantitative performance measure for quality assurance programs.

Main Replacements

He testified in three formal cases where main replacement issues were litigated and resolved while in the Gas Safety Section at the New York Commission. Specifically, Con Edison- Case 00-G- 1456; O&R - Case 99-G-1695 and; O&R Case 02-G-1553. (In total these main replacement programs dealt with over a 100 miles of pipe and established performance levels with significant penalties if targets are not achieved.)
Prior to retirement from state service, Mr. Krizan dealt with the Northeast Gas Association regarding a research and development program for the lining of cast iron pipe as an alternative for replacement under certain conditions.

Rate and Expense Analysis

Mr. Krizan spent 15 years in the NYS Public Service Commission's Water Division. During this time, he prepared testimony and exhibits on virtually every aspect of water utility regulation. Such areas include: revenue analysis; cost of service studies for rate design and fire service rates; depreciation and mortality studies; weather normalization; billing analyses; metering program development and financing; capital construction programs and budgeting; and extensive experience on the review and analysis operating and maintenance expenses.

Background

Education

- Manhattan College, Bachelor of Mechanical Engineering – 1970

Professional Certification

- Licensed Professional Engineer – New York State

Project Manager Experience in Utility Management and Operations

- *Con Edison – Manhole Safety Audit.* This audit focused on the inspection and maintenance procedures associated with subsurface gas and electric structures.
- *Con Edison – Fossil Fuel Procurement* - An in-depth review of fuel procurement strategy, processes, procedures, and contracting.
- *Con Edison – Procurement Audit* - An extensive and in-depth audit of Con Edison's entire procurement function including construction contracting and bidding.
- *Con Edison – Demand Side Management - An* operational audit to determine the effectiveness of this initiative.
- *Con Edison – Residential Collection and Termination Practices* - An in-depth operational audit to determine the uniform implementation of the company's policies and practices.
- *Orange & Rockland Utilities --- Fuel Procurement* - An in-depth review of the company's strategies procedures and contracting.
- *Orange & Rockland Utilities Lovett Plant Coal Re-conversion* - An operational audit on the construction and monitoring procedures and their subsequent implementation for this power plant project.
- *Central Hudson Gas & Electric Danskammer Plant Coal Re-conversion* - Construction procedures and monitoring audit for this project.
- *Central Hudson Gas & Electric - Demand Side Management* - An operational audit on all aspects of this function.
- *Long Island Lighting Company - Construction Bidding and Contracting* - An extensive operational audit on the procurement and bidding procedures for major capital projects.
- *Long Island Lighting Company -- Demand Side Management* - A comprehensive audit on the development and implementation of this program.

Other Key Experience in Utility Management and Operations

- *Portchester Water Works* - Comprehensive management audit
- *Jamaica Water Supply Company* - An extensive management and operational audit
- *Orange & Rockland Utilities* - Special investigation to determine alleged management wrongdoing
- *Orange & Rockland Utilities* - Special investigation on the bidding and contracting for computer system development
- *Con Edison* - Inter-Utility Comparative Statistical Analysis - An extensive benchmarking study to determine the cost performance of Con Edison in all operational areas
- *Con Edison* - Whistle Blower Investigations - Part of a team to investigate alleged improprieties on customer rebate programs, construction contracting, and other ethical concerns
- *Long Island Lighting Company/ Brooklyn Union Gas Merger* - An operational review to determine potential synergies associated with the merger
- *Con Edison/Orange & Rockland Acquisition* - A review to determine potential operational savings associated with this acquisition

7.1.6 Resume – **Jerry W. Smith, PE**

Jerry Smith has been in the utility and energy consulting industries for thirty-four years. For twelve years, Mr. Smith was a system planning engineer for a large generation and transmission cooperative in the southeast. Responsibilities included planning and operations of high-voltage transmission networks across four states and actual operational and emergency restoration responsibilities.

For another twelve years, Mr. Smith was the manager of a distribution utility in northwest Florida with responsibility for all aspects of planning, engineering, installation, construction, operations and maintenance of overhead and underground distribution lines, including the development of the first ever emergency restoration plan for electric operations and a business continuity plan for data processing. During that time, the utility experienced two major hurricanes – Hurricane Kate in 1985 and Hurricane Opal in 1995.

For ten years, Mr. Smith was a consultant to the electric utility industry. He developed a template for emergency restoration planning for a national trade association that is used by utilities across the U.S. to prepare comprehensive emergency restoration and business continuity plans. Although the actual template is proprietary to the trade association who commissioned it, the methods and procedures developed as the basis for the template are available to other utilities and are scalable from the smallest public utility to the largest investor-owned utility.

He has provided support to various clients in the development of emergency restoration plans and in exercising those plans. One particular exercise of note recently conducted was for the Center for Domestic Preparedness of the Department of Homeland Security in Anniston, Alabama.

Consulting Experience

As a senior consultant for C. H. Guernsey & Company, Mr. Smith brings his 30 years of experience in rural electric generation, transmission and distribution programs as engineer, manager and consultant to assist clients in finding solutions to problems in generation and transmission planning, strategic planning, management training, cost of service and rate design, and financial forecasting.

From 1996 through 2002, Mr. Smith was a senior utility consultant for Thornton Utility Group. Mr. Smith worked with electric cooperatives and municipals, trade associations, telecommunications providers, and natural gas districts in the areas of strategic planning, cost of service and rate design, financial forecasting, organizational development, human resources, management training, and other management consulting services. Mr. Smith served as Executive Vice President of Continuum Education & Training, LLC (CET), a wholly-owned subsidiary of Jackson Thornton. As well as managing CET, Mr. Smith was a principal instructor and continues to teach classes for CET across the United States in the following areas:

- Strategic Planning – A New Approach
- Enhancing Distribution Operations
- Benchmarking and Best Practices Process Analyses for Electric Cooperatives
- Fundamentals of Operations for Electric Cooperatives
- The ABC's of Electric Utility Operations for Non-Technical Employees
- Serving the Twenty-first Century Cooperative Consumer
- Collections and Disconnects for Rural Utilities
- Power Quality – A Non-Technical Approach
- Electric Power Systems Product Knowledge for Non-Technical Managers
- Operations & Controls System Manuals for Power Systems
- The Seven Cooperative Principles
- Managing Multiple Projects and Priorities
- Emergency Preparedness
- Fundamentals of Finance for Cooperatives
- Developing Cost of Service and Rate Design Studies
- Utility Engineering Certification (UEC) Workshop
- Activity-Based Costing for Electric Cooperatives

Utility Experience

From 1984 through 1996, Mr. Smith worked for West Florida Electric Cooperative Association. For twenty-one of those years, he was Executive Vice President and General Manager. He was responsible for the management of a 22,000 member electric cooperative with 4,300 miles of distribution line and 120 employees. He worked to develop a professional staff in all key areas of the cooperative's operation. Major accomplishments include establishment of two new full-service district offices; a functioning marketing, public relations, and economic development department; a functioning human resources, safety and loss control department including a major rewrite of the board and personnel policies; several new member programs such as budget billing, bank drafts, Project Share, Good Cents home program, Rural TV, DBS, ERC loans, sales of appliances, grills, surge protection devices, and other retail items; 24-hour dispatch center using computer-assisted outage response system. He also implemented apprentice training for linemen, meter and substation technicians, and established an employee meter-reading program using hand-held computers.

Prior to becoming General Manager of the cooperative, Mr. Smith served as District Manager – Bonifay, where he was responsible for managing a 7,000-member district office with 25 employees. He was project manager of the construction of the Bonifay office and warehouse complex.

From 1972 to 1984, Mr. Smith was employed by Alabama Electric Cooperative (AEC), a generation and transmission cooperative providing wholesale power to cooperatives, municipals, and two large industrial customers located in central and south Alabama as well as the Florida panhandle. He was responsible for all system generation and transmission planning, including wholesale rate design.

While at AEC, Mr. Smith held the positions of Project Engineer, Planning Engineer, and Manager of System Planning. He established the cooperatives' first database for system studies; was project manager for the design, purchase, and installation of the cooperative's first Energy Control Center in 1979; testified before the Florida Public Service Commission; served as chairman of an NRECA ad hoc committee for establishment of a G&T database; served on the Conservation Subcommittee of the Florida Electric Coordinating Group; and was a member of the Southeastern G&T Regional Planning Task Force.

Mr. Smith has testified before the Florida and Georgia Public Service Commissions.

Background

Education

- Bachelor of Electrical Engineering, Auburn University, Auburn, Alabama, 1972
- NRECA Management Certificate, 1990
- Additional supervisory and management training through Auburn University-Montgomery and NRECA

Registrations

- Registered Professional Engineer - Alabama and Florida

Energy Consulting Experience

Strategic Planning and Analysis

- West Florida Electric Cooperative Association, Inc.
  While manager of WFECA, Mr. Smith conducted the Cooperative's first strategic plan that resulted in significant improvements in internal performance. The plan was considered so innovative, that Glenn English, President of NRECA, profiled it in his monthly column in the Rural Electrification magazine.
  Concepts used in the Plan that made it unique were:
  - All employees, supervisors, managers and trustees were participants in the process through focus group meetings, interviews and surveys.
  - A 12-month action plan was developed that assigned specific, measurable and time-oriented goals and objectives. A weighting system was established allowing for monthly progress reports to track the cooperative's performance.
  - An incentive plan for all employees was tied to the completion of action items.
- Glades Electric Cooperative
  As senior consultant for Jackson Thornton, Mr. Smith conducted several strategic planning sessions for Glades, a cooperative with a new general manager and considerable employee and member unrest due to a failed merger with an adjacent cooperative.
  The overall approach to their Plan was similar to that at WFECA; however, adoption of an employee incentive plan based on performance was not feasible for Glades. During the second planning engagement, Glades adopted

the Balanced Scorecard as a way of measuring and reporting corporate performance.

- Pea River Electric Cooperative

  As senior consultant for Jackson Thornton, Mr. Smith conducted several strategic planning sessions for Pea River. The overall approach to their Plan was similar to that at Glades. Pea River was undergoing significant unrest due to miscommunications between the board of directors and management. Pea River EC did adopt an employee incentive plan based on performance

- Mr. Smith conducted the first strategic planning session for the following publicly- and privately-owned communications organizations:
  - Alabama-Mississippi Telephone Association
  - Tennessee Telecommunication Association
  - Mon-Cre Telephone Cooperative
- While a senior consultant for Jackson Thornton, Mr. Smith conducted strategic planning sessions with the following organizations:
  - Continuum Education & Training, LLC
  - Jackson Thornton Technologies
  - Jackson Thornton Benefit Resources
  - Jackson Thornton Healthcare Consulting Group
  - Jackson Thornton Business Valuation and Litigation Group

<u>Bundled and Unbundled Cost of Service and Rate Design Studies</u>

- Electric cooperative Clients
  - Pioneer Electric Cooperative
  - South Alabama Electric Cooperative

<u>Bundled Cost of Service and Rate Design Studies</u>

- Electric Cooperative Clients
  - Pea River Electric Cooperative
  - Dixie Electric Cooperative
  - Tallapoosa River Electric Cooperative
  - Baldwin Electric Cooperative
  - Sand Mountain Electric Cooperative
  - Central Alabama Electric Cooperative
  - Coosa Valley Electric Cooperative
  - Escambia River Electric Cooperative
  - Clarke Washington Electric Membership Corporation
- Municipal Electric Utilities
  - Andalusia Utilities, Andalusia, Alabama
  - Ocala Electric Utilities, Ocala, Florida
- Natural Gas Distribution Companies
  - Clarke Mobile Counties Gas District
  - DeKalb Cherokee Counties Gas District
  - Cullman Jefferson Counties Gas District

- Wilcox County Gas District

Financial Forecasting

- Coosa Valley Electric Cooperative
- Baldwin Electric Cooperative
- Joe Wheeler Electric Cooperative

Budgeting and Financial Performance

- Joe Wheeler Electric Cooperative

7.1.7 Resume – **Philip M. Dean, PE**

Philip Dean has over thirty years of utility experience. During his tenure as engineering manager and process leader for an Oklahoma utility, his responsibilities included planning, design, budgeting, and prioritization of new or upgraded transmission lines, substations, and distribution facilities, including the underground network in downtown Oklahoma City. With Oklahoma known for its tornadoes, engineering activities associated with storm restoration were also included with these responsibilities. Engineering activities included a process for triggering each activity associated with assessment, prioritizing work activities to restore maximum number of customers, procuring necessary material, and coordinating with construction to rebuild the system.

Utility Management and Operations

Mr. Dean was responsible for the design of electrical facilities for overhead and underground distribution, transmission lines, substation facilities, and other specialized projects. He also performed on-site inspection during construction of an electrical power substation designed by C. H. Guernsey & Company.

During the years 2005 through 2006, Mr. Dean was also an adjunct instructor in the Engineering Technologies department at Oklahoma State University. He taught courses associated with the Transmission and Distribution Technology A.A.S. degree (a new degree program for people desiring to become linemen in the electric utility industry).

For Oklahoma Gas & Electric, Mr. Dean served as Leader for training, safety, and project management. His responsibilities included technical and craft training; focus on safety; project management activities for capital budget exceeding $106 million; environmental reporting and inspections; creation and publication of Construction Standards, Engineering Guides, Operating Practices, Approved Work Methods and Material Specifications; inspection of work completed by contract crews; and engineering computer-based design tools oversight.

For the same company, Mr. Dean functioned as Process Leader to Expand and Upgrade the System. His responsibilities included review of existing processes associated with the planning, restoration, design, construction and in-service activities of Transmission Lines, Substations and large Distribution projects. He redesigned the process to eliminate gaps and redundancy while improving the design by adding new, appropriate procedures including software, if applicable.

While in his role as Manager for Power Delivery Engineering, Mr. Dean oversaw and directed T&D Engineering activities (including technical R&D and personnel development) associated with transmission, substation, system protection, and distribution design. He also was responsible for planning, standards, and engineering design tools. He developed and prioritized the capital projects included in the budget. He was also responsible for engineering activities associated with storm restoration.

As Director of Corporate Planning, Mr. Dean had responsibilities that included financial modeling and corporate strategy development, including development of a companywide Continuous Improvement Program focusing on team building, decision-making and interpersonal skills development.

Background

Education

- Bachelor of Science, Electrical Engineering, Oklahoma State University, Stillwater, Oklahoma 1974

Registrations

- Registered Professional Engineer – Oklahoma No. 11248; Arkansas No. 9607

Professional Activities / Honors

- IEEE
- NSPE/OSPE

7.1.8 Resume – **Dan Salter**

Mr. Salter has over twenty-five (25) years of professional experience in project management and project controls in the energy and engineering/construction industries. His experience includes planning, scheduling, cost, and resource control of utility construction and operating projects, including operations, outages, modifications, and design engineering. He has performed project management functions in nuclear plant outages, due diligence reviews, decommissioning activities, power plant economic viability analyses, and performance assessment/forecasting. He has also evaluated the project management activity at construction and operating projects in litigation support.

Nuclear

Mr. Salter has performed as Project Manager for operational monitoring effort of US commercial nuclear plants. He has provided forecast modeling, planned and forced outage evaluation, and assessment of plant management and regulatory interaction.

He has also provided support in due diligence reviews for several US commercial nuclear plants. He participated in the evaluation of management activities, equipment reliability and needs, financial strengths and weaknesses, regulatory conformance and relationships, operational risk analysis, and performance statistics. In addition, he provided background research, statistical organization, and final draft reporting for all phases of reviews.

Litigation

In both the energy and construction industries, Mr. Salter participated in litigation support involving energy plant management contracts, construction contracts, and engineering contracts. Evaluated project management capability including scheduling, cost control, and resource management. Produced written and graphical reports used as exhibits in litigation.

Project Management

Mr. Salter performed as project manager on a number of assignments in which he prepared budgets, maintained and coordinated project cost and scheduling functions, served as client liaison, and directed the project tasks and activities.

On a number of assignments, Mr. Salter performed as Project Controls Engineer, responsible for Cost and Schedule research and system development for use in a variety of projects related to fields in planning; program and project management; economic decision modeling; technical audits, studies, and assessments; information management systems development and support; organizational and productivity enhancement studies, litigation support, and risk analysis.

He provided planning and scheduling support for both home office and project planners, assisted in the computerization of scheduling networks, trained home office and client

personnel in scheduling and graphic systems, and developed standards and procedures for planning and scheduling system data.

Programming

Mr. Salter was responsible for the development and enhancement of programs written in COBOL and RPG II that provided accounting, inventory control, payroll, and other business related functions. He was responsible for development and correction of inventory and production computer programs and systems written in RPG II and COBOL for company plant operations. He developed and implemented computer programs written in FORTRAN on a VAX 11/780 to facilitate outage efforts for nuclear power plant. He also developed several FORTRAN and COBOL computer programs for company planning efforts.

Background

Education

- Bob Jones University, B.S. in Accounting with Computer Science minor

Regulatory Experience

- Oregon Public Utilities Commission
  Docket No. UP205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues*
  Co-sponsored between NW Natural, Staff, Northwest Industrial Gas Users, Citizens Utility Board, August 2005-January 2006
  Supported the examination of NW Natural's Financial Instruments, Deferred Taxes, Tax Credits, and Security Issuance Costs to ensure Company compliance with orders, rules and regulations of the OPUC and with Company policy.
- Public Utilities Commission of the State of Colorado
  Docket No. 04A-050E *Review of the Electric Commodity Trading Operations of Public Service Company of Colorado*
  On behalf of the Colorado Public Utilities Commission Staff, March 2004-September 2004
  Project Controls Manager. Performed project management and project controls functions in a transaction audit of PSCo's electric commodity trading operations, including support of summarizing and reporting audit findings.

Additional Project Management Experience

- V.C. Summer Nuclear Plant. Responsible for the design and implementation of the Design Engineering scheduling program including the database, coding structures, resource library, custom reports/graphics, and schedule update. Assisted in the integration of the budget/cost data with the scheduling database. Interfaced with site engineers and contract organizations in building and maintaining the schedule. Provided oral and written reports to all levels of plant management including Design Engineering Manager, General Managers, and SCE&G Vice President of Nuclear Operations.

- Georgia Power's Vogtle Nuclear Plant. Developed resource constrained networks for outage schedules using the PROJECT/2 scheduling system. Participated in the development, planning, and reporting of network activities and logic. Developed and produced reports and plotted bar chart schedules using the P/2 plotter software and graphic report writer. Provided training, both one-on-one and classroom, on PROJECT/2 usage, resource constraining, and report generation.
- TVA's Colbert Steam Plant. Team coordinator responsible for the creation of an integrated network schedule for maintenance and modification outages. Extensive use of Primavera's Finest Hour in development and integration of schedules from the Plant Major contractor, and Power Service Shop. Used Finest Hour capabilities in Import/Export functions, batch and interactive input, resource leveling, target creation, and report and graphic output generation. Created coding structure for management reporting. Updated and maintained the integrated schedule during outages.
- TVA's Browns Ferry Nuclear Plant. Performed both scheduling and cost control applications using PROJECT/2 and PCP for resource and manhour control of a major plant modifications outage. Created PCP network, including work breakdown structures, CRQs, and reports. Prepared timely reports for plant engineering management. Maintained the PCP network.
- TVA's Sequoyah Nuclear Plant. Performed scheduling applications using P/2 for a major modifications outage. Extensive critical path analysis of engineering schedules. Prepared reports and graphics for management. Provided coordination among outage departments.
- TVA's Browns Ferry Nuclear Plant. Performed scheduling applications using P/2 for the modifications department during a major modifications outage. Provided resource/cost reporting using PCP. Coordinated engineering and modifications outage work.
- Pennsylvania Power & Light's Susquehanna Steam Electric Station. Performed scheduling applications using PROJECT/2 for the Outage Management organization during a refueling and inspection outage. Developed PROJECT/2 schedules for plant system logic. Provided reports and graphics using TAG and RAMIS systems for plant management throughout the outage.
- Georgia Power's Hatch Nuclear Power Plant. Performed coordination and scheduling of outage work activities using PROJECT/2 for the Outage Management department during several scheduled refueling outages, forced outages, and a major recirculation pipe replacement outage. Developed integrated schedules coordinating plant department schedules.

7.1.9 Resume – **Debra A. Rollins**

Mrs. Rollins is a Consultant and one of the Principals of Blue Ridge. She will support the team in document management and information analysis. Ms. Rollins has assisted the Blue Ridge team on numerous consultant projects including tracking nuclear and trending energy segments with focus on nuclear, assisting in Document Management Production for legal projects, litigation support, and support for discovery, hearings and deliberation. She has over twelve years of professional experience in the areas of Internet management, project management, financial projects, logistics, training and human resources.

Financial Management

Mrs. Rollins has assisted the Chief Financial Officer in administration and financial responsibilities. She developed and implemented an intranet site for an integrated logistics company to monitor financial activity. She has reviewed and analyzed regional P&L's ($43M) for cost savings opportunities.

Litigation Support

As a project team member, Mrs. Rollins supported expert witness in analyzing and calculating damages related to extended power plant outages. She supported the team with document management, draft testimony, and exhibits.

Regulator Affairs / Rate Case Management

She was also a member of a team that assisted the District of Columbia Public Service Commission in the evaluation for the accounting and depreciation aspect and revenue requirements of a rate case filed by a gas company.

Supply Chain Management / Logistics

Mrs. Rollins has extensive experience in supply chain management, having developed operational design, warehouse layout, material flow, process flow/improvement, and supplier trouble shooting for a premier automotive manufacturer. She has flowcharted all procedures involved in implementation and trained associates on the new system. She conducted time studies, cost analysis, route optimization, site selection, facility design, layout design, statistical analysis, load planning, and scheduling. She provided logistics analysis for a Business to Business / Business to Consumer (B2B/B2C) e-commerce company. She has also assisted in developing logistical strategy for new business model. Additionally, Mrs. Rollins has conducted freight analysis that resulted in revamping freight damage procedures, recouping lost revenue.

System Implementation

Mrs. Rollins implemented an automated Warehouse Management System that included sequencing of parts. She also conducted training for various logistics, warehouse management and financial programs.

Background

Education

- Limestone College, BS in Business Management, Magna Cum Laude – 1998
- NARUC Utility Rate School - 32nd Annual Eastern

7.2 Qualifications of the Consulting Firm

The proposal should discuss the firm's specific experience in electric emergency outage programs. Previous engagements of a similar nature should be identified and client references for those engagements should be included in the proposal. The firm must clearly demonstrate its prior experience in protecting confidential/sensitive information, including, but not limited to the methods, processes and procedures which will be employed. The principal participants of the engagement must be in the employ of the firm(s) submitting the proposal.

7.1.1 Blue Ridge Qualifications

Blue Ridge is a women-owned small business located in Greenville, South Carolina. Our principals have served a wide range of clients during their careers, including utilities, utility affiliates, suppliers and vendors, and regulatory commissions. Additionally, we have consulted for a wide range of commercial and industrial customers.

Our consulting practice[8] has evolved into two distinct areas covering a variety of applications:

- Management consulting, including management and operational auditing, process review, implementation planning, and monitoring; and
- Regulatory support and intervention, including testimony, revenue requirements, rate base determinations and cost of service.

The hallmark of our consulting practice is our ability to deliver comprehensive results on a timely basis. To that end, we carefully plan our consulting engagements and select only experienced team members. Our approach ensures that our clients receive the most cost effective solution and do not bear the cost of educating less experienced consultants that many larger firms assign to projects. We have the flexibility to adapt to changing circumstances that may result during the project. Our team is thorough and reliable. Most importantly, we will provide an independent and objective assessment and develop positions that are defendable and supported by the facts and verifiable analysis.

Blue Ridge has selected a team that is very capable of providing the necessary range of services and a strong bench to ensure that the in-depth analysis and evaluation of the emergency planning and outage response organization of Con Edison are effectively and efficiently managed and that the committed deliverables are submitted timely, accurately, and completely.

[8] Our web site (www.BlueRidgeCS.com) contains a full description of our services and past clients.

The Blue Ridge team includes consultants who have significant regulatory and operational audit experience. Two of the leads in this project, including the project manager, have testified to the prudency of millions of dollars of capital investment by utilities. One member was the lead auditor of the review of Long Island Lighting Company's response to hurricane Gloria which caused millions of dollars in damage to that company's transmission and distribution system in 1986.

Our team also has significant and extensive field operations experience, including distribution operations, customer service, supply chain and management oversight. We also have experienced practitioners and CPAs in purchased power analysis, management and operational auditing, demand side management and conservation, regulatory accounting and tax issues, cost allocation, forecasting, modeling, cost of service, rate design, cost of capital, revenue requirements, and rate base. Our team includes individuals that have worked with or for state and federal regulatory agencies, utility holding companies and their regulated and non-regulated affiliates, non-utility energy service providers, energy consumers, and consumer advocates. We have successfully conducted management, operational, fuel adjustment and supply chain audits, rate cases, merger settlements, and cost allocation proceedings, many of which included transaction auditing, procedure testing, analysis, and affiliate transactions and processes. Our team exceeds the minimum requirements as outlined in the request for proposal.

In summary, we know what to look for, where to look, and how to find it and are then able to recommend how to improve or resolve the issues at hand. The diverse practical experience of the Blue Ridge team will bring a unique perspective to this project. The Blue Ridge team has both the breadth and depth of experience to render an independent and objective audit that will be defensible.

Experience Overview

The Blue Ridge Team of management audit professionals has performed numerous management and operational audits. These audits cover most aspects of utility operations in the electric, gas, telecommunications, and water and sewer industries. Specific topic areas include:

- Prudency cases involving electric utilities capital investments
- Post hurricane response review of Long Island Lighting Company
- Supply chain audits of gas and electric utilities
- Field crew and management oversight
- More than ten years of experience conducting fuel procurement audits of several of the largest utilities in the continental US, including Consolidated Edison of New York, Niagara Mohawk Power Company, and New York State Electric and Gas Corporation.
- Numerous internal controls and financial audits of governmental, not-for-profit, and non-publicly traded entities
- Numerous supplier audits

- More than 25 operational audits as a member of Staff of the New York State Department of Public Service in areas such as:
  - Capital and Budget Process
  - Operations and Maintenance Expenses
  - Purchasing and Contracting
  - Policy and Procedure Effectiveness and Compliance
  - Internal Control and Ethics

Statement of Confidentiality

Blue Ridge Consulting Services, Inc. will comply with all rules, regulations, and directives related to the handling and treatment of confidential and sensitive documents and information. Each team member is bound to maintain this confidentiality by agreeing to our consultant contracts.

We use a prescriptive process in our document management process that clearly identifies a document as confidential, and we limit the distribution to those who (1) have a signed and fully executed consultant contract with Blue Ridge and (2) when required have signed a confidentiality agreement with the client.

Confidential documents provided to Blue Ridge, if clearly marked or identified, will be kept in a secure location and returned to the client (if requested) upon completion of the project. No copies of confidential documents will be permitted unless granted by the client.

Blue Ridge's consultants have had significant experience maintaining confidentiality of documents, including the following recent projects:

- The Illinois Citizen's Utility Board in a general rate case which dealt with, in part, affiliate transactions and related service agreements,
- Northwest Natural Gas in an operational audit natural gas risk management process, and
- Several smaller rate cases in Delaware, Pennsylvania and Maryland, all requiring acceptance and treatment of confidential information.

The Blue Ridge Team recommends that the New York Public Service Commission consider maintaining a "public" version of all documentation, working papers, reports and filings. We also recommend that the Commission consider a "non-disclosure" or redacted set of documents. It has been through our Team's extensive security experience and engagements developing *Vulnerability Assessments* and *Emergency Response Plans* that significant electric system information is gathered and assembled in a document that may be publicly available due to a state's specific "Sunshine Laws." The information in an audit of this nature or assembled in a *Vulnerability Assessment* and *Emergency Response Plan* is specific to the utility. The information details specific weaknesses and potential failure points of the distribution, transmission, or substation

infrastructure or in the management of those assets. While most of this information is developed to respond to climatic induced failure conditions, we must recognize that we live in a new and much different world. Threats from terrorists continue to be an issue with system-wide security. Our assessments routinely address system "hardening" of the power generation and delivery infrastructure. As a result, not only can the terrorist draw a conclusion about a particular weak spot on the system, but he can also utilize this information to search out similar weak spots with neighboring utilities or use this information in a transparent manner with utility systems across the country. Therefore, it is our strong recommendation that all detailed identification of emergency response breakdowns, system weak spots, and potential threat targets be redacted from any public version of this audit. The Blue Ridge Team is fully supportive of the necessity and the purpose of this audit; however, due to our unique and extensive Security Consulting and Electric Utility Consulting experience, we have been drawn into this "new world." What we have discovered is that we must maintain vigilance and a focus on security issues in every aspect of our business.

Table 3 - Similar Projects and References

Contact	Projects
Michael Dougherty - Program Manager Oregon Public Utilities Commission 550 Capitol Street NE, Suite 215 Salem, OR 97308-2148 (503) 378-3623	Examination of NW Natural's Rate Base and Affiliated Interests Issues
Wayne Jortner - Senior Counsel[9] Office of Public Advocate - State of Maine 112 State House Station Augusta, ME 04222-0112 (207) 287-2445	Testified on proposed accelerated Cast Iron Replacement Program for Northern Utilities, Inc. Docket 2004-813
Geri Santos-Rach – Chief, Fixed Utilities Colorado Public Utilities Commission 1580 Logan Street Denver, CO 80203 (303) 894-2533	Conducted audit of the electric Commodity Trading Operations of Public Service Company of Colorado Docket No. 04A-050E. Filed testimony.

[9] Mr. Jortner is currently on sabbatical. Contact Mr. Stephen G. Ward – Maine Public Advocate

7.1.2 Guernsey Qualifications

C. H. Guernsey & Company has been providing consulting and design services to the electric utility industry for over 70 years. Our Client Base includes utilities, Public Service Commission, the federal government and private power developers. We routinely provide management and operational audits of all aspects of the utility operations, including emergency response plans and vulnerability assessments. Our consultants are a unique blend of "hands on" former utility personnel that have "lived" major hurricane caused outages, ice storms and terrorist acts, and former employees of utilities that have managed work teams through these outages. We have a unique blend of expertise from those having "worn the gloves" and used the "hotsticks" to design professionals and system operators.

Statement of Confidentiality

C. H. Guernsey & Company regularly provides services to our diverse list of clients that range from power supply contract negotiations and procurement, expert witness in state and federal legal action, assistance to public service commission staffs, and complicated financial issues of cost of capital, arbitrage, and friendly and unfriendly acquisitions. We enter into and maintain confidentiality agreements, secure file systems, and secure IT and information controls.

Table 7 - Similar Projects and References

Contact	Projects
Martin E. Gordon Senior Program Manager Cooperative Research Network National Rural Electric Cooperative Association 4301 Wilson Blvd Arlington, VA 22203 Phone: 703-907- 5840 Email: martin.gordon@nreca.coop	Developed two emergency planning templates for the NRECA distribution utilities: • Emergency Restoration Plan template (includes electric operations and business continuity) • Vulnerability and Risk Assessment template
Dan Lemons, Asset Protection Manager CoServ 7701 South Stemmons Corinth, TX 76210-1842 Phone: 940-321-7879 dlemons@coserv.coop	Developed an emergency restoration plan for the CoServ electric and gas operations; integrated the existing IT disaster plan into an overall ERP

Contact	Projects
Jeff Umphlett, General Manager Big Horn Rural Electric Company 208 South 5th Street Basin, WY 82410 Phone: 307-568-2419 Email: jeff@bighornrea.com	Developed a Vulnerability and Risk Assessment and an Emergency Restoration Plan for Electric Operations and Business Continuity.
Terry Daley, Manager of E&O Plumas-Sierra Rural Electric Cooperative 73233 State Road 70 Portola, CA 96130 Phone: 530-832-4261 Email: tdaley@psln.com	Developed a Vulnerability and Risk Assessment and an Emergency Restoration Plan for Electric Operations and Business Continuity.
Joe Marek, General Manager Belfalls Electric Cooperative 128 Main Street Rosebud, TX 76570 Phone: 254-583-7955 Email: jmarek@belfalls.com	Developed a Vulnerability and Risk Assessment and an Emergency Restoration Plan for Electric Operations and Business Continuity.
Don Stubbs, Manager of Engineering Lamb County Electric Cooperative 2415 South Phelps Ave. Littlefield, TX 79339 Phone: 806-385-5191 Email: dstubbs@lcec.coop	Developed a Vulnerability and Risk Assessment and an Emergency Restoration Plan for Electric Operations and Business Continuity.
Bill Moffett, Manager of Member Services Medina Electric Cooperative 2308 18th Street Hondo, TX 78861 Phone: 830-741-3334 Email: jennifero@medinaec.org	Developed a Vulnerability and Risk Assessment and an Emergency Restoration Plan for Electric Operations and Business Continuity.
Steve Cook Chemical Surety Officer Center for Domestic Preparedness Department of Homeland Security 61 Responder Drive Anniston, AL 36205 Phone: 256-847-2510 Email: steve.cook@dhs.gov	Developed and implemented an exercise plan, master sequence of events list (MSEL), Sim Cell script; provided controllers, role players and prepared the after-action report for the CDP quarterly exercise at their training facility in Anniston, Alabama.
Rebecca M. Mattey, PE, Director City of Ocala, Florida (Ocala Electric Utility) 2100 NE 30th Ave. Ocala, FL 34470-4875 (352) 351-6600	Consulting Services and Cost of Service Study

Contact	Projects
Steve Roark, Manager Financial Planning Piedmont Municipal Power Agency 121 Village Drive Greer, SC 29651-1291 (864) 877-9632	Wholesale Rate Study. Part I focused on analyzing the history of PMPA Rates -- philosophy, costs of service, and allocations of the costs to PMPA's 10 member cities. Part II focused on the design of a new rate structure and the impact on each participant.
John Twitty, General Manager City Utilities of Springfield, Missouri PO Box 551 Springfield, MO 65801-0551 (417) 831-8311	Investigation of issues in order to impose conservation pricing on water customers.
Joe Maltese, Director Community / Economic Development City of LaGrange, Georgia PO Box 430 LaGrange, GA 30241-0008 (706) 883-2010	Analysis of the City of LaGrange's water resource options for WEPLAC

8.0 Exhibits

Exhibit 1- Confidential Work Product – Blue Ridge Consulting Services, Inc and C. H. Guernsey and Company (One copy included under separate cover.)

Exhibit 2 – Focus Group Proposal from Cooperative Consultants Inc.