

**Schumaker & Company**



**Proposal  
for the  
New York State Department of Public Service**

**To Provide an  
Operations Audit of Staffing Levels  
at the  
Major New York State Energy Utilities**

**Case 13-M-0449**

**March 17, 2014**



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# 1. Description of Understanding, Approach, and Methodology

## A. Understanding of Project

The New York State Public Service Commission (NYPSC or the Commission) is seeking an independent consultant to perform a focused operations audit of the equivalent staffing levels (internal employees and contractors), over a multi-year period, of Consolidated Edison of New York, National Grid's Upstate Electric Operations and National Grid's Gas Operations, Central Hudson Gas and Electric, National Fuel Gas Distribution Company, Orange and Rockland Utilities, Rochester Gas and Electric Corporation, and New York State Electric and Gas Corporation. The operations audit and the work of the consultant will be managed by New York State Department of Public Service (NYSDPS) Staff (Department or Staff). The audit will review each Utilities' equivalent staffing levels (internal employees and contractors) in cooperation with the Companies' personnel and at the direction of NYSDPS Staff.

The audit will be performed in accordance with Public Service Law (PSL) § 66(19) which state that:

The [C]ommission shall have power to provide for management and operations audits of gas corporations and electric corporations.

The audit will review the utilities' equivalent staffing levels (employee and contractors) over the past five years to determine if there is a reasonable process for balancing internal employee levels and contractor usage that will ensure the continuation of safe and adequate service at just and reasonable rates. Exhibit 1-1 illustrates the nine utilities included in this audit and the associated data relevant to this audit.

**Exhibit 1-1  
New York Utilities**

	Electric Operations	Gas Operations	Common Operations
Consolidated Edison of New York (ConED)	x	x	x
Orange and Rockland Utilities, Inc. (ConED)	x	x	x
KEDNY (d/b/a National Grid)		x	x
KEDLI (d/b/a National Grid)	x	x	x
Niagara Mohawk Power Corporation (d/b/a National Grid)	x	x	x
Rochester Gas and Electric Corporation (d/b/a Iberdrola)	x	x	x
New York State Electric & Gas Corporation (d/b/a Iberdrola)	x	x	x
National Fuel Gas Distribution Corporation		x	x
Central Hudson Gas & Electric Corporation	x	x	x

This audit will be conducted at the direction of NYSDPS Staff, and it is anticipated that utility personnel will cooperate with Staff and the consultant to complete the audit.

The company areas that will be studied in this audit are articulated in the Scope of Work, Section 5.1 of this RFP. Staff has identified the following example categories as core functions critical to the delivery of reliable service to customers.

1. Electric Operations- (Transmission / Substation / Distribution)
  - a. *Engineering (e.g., Planning, Design, Delivery, and Asset Management)*
  - b. *Field Personnel (e.g., Linemen, Mechanics, Technicians, Service Personnel, Construction Services, Power Equipment Operators etc...)*
  - c. *Supervisors, Managers, Cost Estimators, Schedulers, Crew Dispatchers and Project Managers*
  - d. *Quality Assurance/ Quality Control*
  - e. *Other*
2. Gas Operations- Construction and Distribution:
  - a. *Engineers and Construction Personnel (e.g., Planning, Design, Delivery, and Asset Management)*
  - b. *Cost Estimators, Schedulers, Project Managers*
  - c. *Power Equipment Operators*
  - d. *Crew Dispatchers*
  - e. *Service/Field Personnel*
  - f. *Quality Assurance/ Quality Control*
  - g. *Other*
3. Common including but not limited to:
  - a. *Customer Service Representatives*
  - b. *PSC Liaisons (for handling PSC complaints)*
  - c. *Field Personnel (Outreach and Education, HEAP, LSE, Shared Metering)*
  - d. *Information Technology*
  - e. *Cyber and Physical Security*
  - f. *Other*

Furthermore, several of the utilities have common owners, thereby reducing the potential number of different business processes and systems that would need to be documented and understood in performing this engagement. We have, therefore, organized our work plan to address the following groupings of entities:

- ◆ ConED companies, including:
  - Consolidated Edison of New York
  - Orange and Rockland Utilities, Inc.
- ◆ National Grid companies, including:
  - KEDNY
  - KEDLI
  - Niagara Mohawk Power Corporation
- ◆ Iberdrola companies, including:
  - Rochester Gas and Electric Corporation
  - New York State Electric and Gas Corporation
- ◆ National Fuel Gas Distribution Corporation
- ◆ Central Hudson Gas & Electric Corporation

The responses to Staff information requests indicate there has been a significant change in employee headcounts at the companies. The changes that have occurred on the last five years are summarized in *Exhibit 1-2*. As shown on *Exhibit 1-2*, staffing levels have decreased (by on average 7%) at most of the utilities, with the exception of Central Hudson and Orange and Rockland. The largest reductions have occurred in some of the Common functions and the smallest reductions in the both electric and gas operations areas. Both Central Hudson and Orange and Rockland are the only utilities to have actually increased their staffing levels in both the electric and gas operations areas. This type of analysis is not complete without looking at the amount of outside contracting that each utility is performing. Furthermore outside contracting is largely driven by increases in system expansions and specific technical skills, which must be maintained within the organization.

**Exhibit 1-2**  
**New York Utility Staffing Level Changes**  
**2008 to 2012**

<b>Utility</b>	<b>Electric Engineering and Field Personnel</b>	<b>Gas Engineering and Field Personnel</b>	<b>Common Support</b>	<b>Overall Personnel</b>
Orange and Rockland	11.9%	13.4%	-3.2%	8.3%
Central Hudson	6.4%	9.8%	3.5%	5.5%
KEDLI	8.5%	-8.4%	0.0%	-4.3%
Niagara Mohawk Power Corporation	-1.2%	-11.8%	-3.4%	-4.8%
National Fuel Gas		-3.1%	-14.0%	-5.1%
KEDNY		-2.0%	-18.4%	-8.6%
Consolidated Edison	-9.2%	-11.9%	-4.0%	-9.5%
National Grid Engineering				-9.5%
National Grid Service Company	-2.4%	3.6%	-18.5%	-10.3%
Rochester Gas & Electric	-16.8%	-3.5%	-45.6%	-19.4%
New York State Electric & Gas	-18.5%	-17.3%	-32.6%	-20.3%
Average	-2.7%	-3.1%	-13.6%	-7.1%

We will examine and evaluate whether:

1. The utilities are retaining an adequate workforce to perform core functions with respect to engineering and operations (as defined in the objectives of Section 5 of the RFP).
2. The methodologies and corporate procedures employed by the utilities to determine whether external services are retained for a given function are appropriate given the nature of the function and best practices that may prevail in the industry, as applicable to the New York utilities' corporate structures. In conjunction with this analysis, any ongoing internal assessments conducted by the utilities to evaluate whether its program is providing the desired cost savings will be examined.
3. External services that are utilized have adequate quality, cost, and other performance oversight by the utilities.
4. A succession plan or similar protocol has been adopted to address the loss of experienced personnel due to retirements and attrition, which have been prevalent in the industry for the past several years. Particular emphasis should be placed on assessing any formal training programs that may be a component of their succession plan.

5. Staffing levels are adequate and sufficiently flexible to position the utilities to address the five core policy outcomes expressed by the Commission in its December 26, 2013 Order Approving EEPS Program Changes in Case 07-M-0548.<sup>1</sup>

Knowledge based upon similar audits (which are contained in the *SCHUCO Best Practices KnowledgeBase*), as well as any available industry statistics and trends will be utilized whenever possible. In making recommendations for improvement at any utility, we will use available best practices and benchmarking levels.

The audit will review the staffing levels in three key areas:

- ◆ Electric Operations Staffing Levels
- ◆ Gas Operation Staffing Levels
- ◆ Common, Customer Service, and Other Staffing Levels

These items are further discussed on the following pages and in *Chapter 2 – Audit Areas and Issues*.

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## B. Review Standards

Schumaker & Company subscribes to the audit standards set forth by the National Association of Regulatory Utility Commissioners' *Consultant Standards and Ethics for Performance of Management Analysis* dated November 15, 1989, the U.S. Government Accountability Office's *Standards for Audit of Government Organizations, Programs, Activities, and Functions*, (commonly referred to as the "Yellow Book"), as applicable to performance audits, and generally accepted auditing standards (GAAS) to the extent they apply to performance audits. Schumaker & Company's interview and information request tracking system, *Project Management Information Application* (PMIA), has been specifically developed to meet the requirements of these standards.

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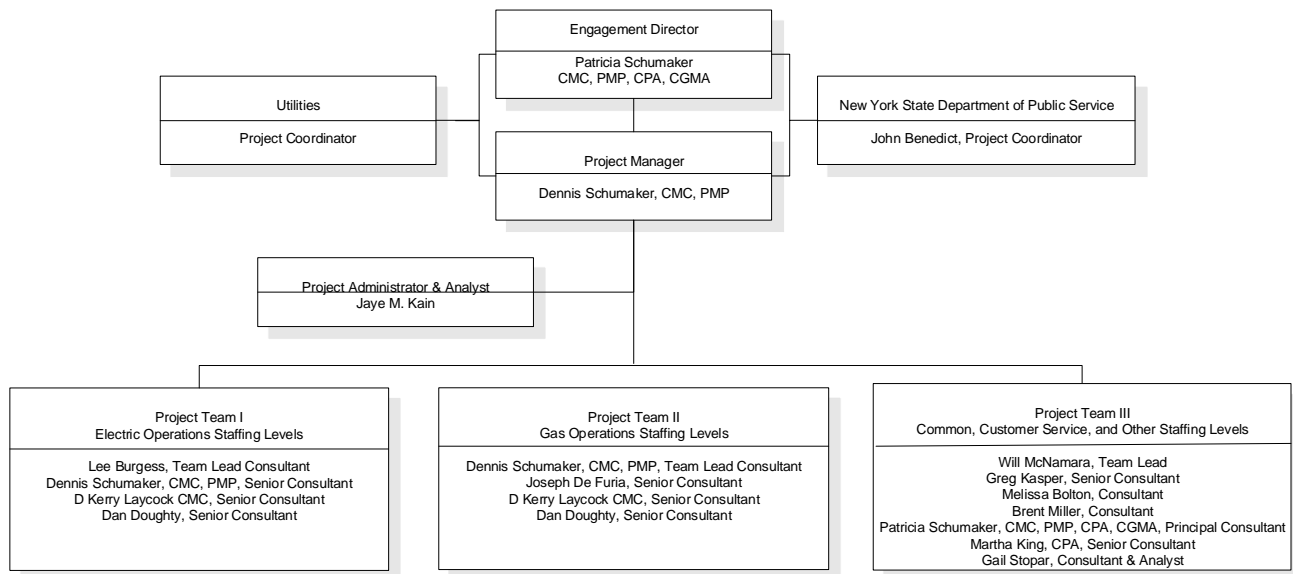
## C. Proposed Staffing

Each individual has been carefully selected according to his or her experience, technical expertise, and education in those areas for which he or she is proposed. Our team, illustrated in *Exhibit 1-3*, has worked together successfully in the past and is an especially strong team with all of the requisite skills.

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<sup>1</sup> / Case 07-M-0548, Energy Efficiency Portfolio Standard (EEPS), Order Approving EEPS Program Changes (issued December 26, 2013), pp. 21-25. The core policy outcomes include 1) Customer Knowledge and Tools that Support Effective Management of their Total Energy Bill; 2) Market Animation and Leverage of Ratepayer Contributions; 3) System Wide Efficiency; 4) Fuel and Resource Diversity; and, 5) System Reliability and Resiliency.

### Exhibit 1-3 Project Team Organization



We have organized our project team into three separate groups that will be looking at specific aspects of the data reporting at each utility; as follows:

- ◆ *Project Team I – Electric Operations Staffing Levels* – This team is composed of a team lead consultant and other consultants that will be responsible for investigating electric operations staffing levels at each utility.
- ◆ *Project Team II – Gas Operations Staffing Levels* – This team is composed of a team lead consultant and other consultants that will be responsible for investigating gas operations staffing levels at each utility.
- ◆ *Project Team III – Common, Customer Service, and Other Staffing Levels* – This team is composed of a team lead consultant and other consultants that will be responsible for investigating common, customer services, and other staffing levels at each utility.

The educational and professional designations of each proposed consultant are summarized in *Exhibit 1-4*.

**Exhibit 1-4  
Consultant Team Experience**

<b>Name</b>	<b>Responsibility</b>	<b>Years Exp.</b>	<b>Education and Professional Designations</b>
Patricia H. Schumaker	Engagement Manager & Principal Consultant	30+	BSBA (Accounting), MBA (Operations Research) CMC®, PMP®, CPA, CGMA
Dennis J. Schumaker	Project Manager, Gas Operations Team Lead, & Principal Consultant	30+	BME (Mechanical Engineering), MS (Nuclear Engineering), MBA (Strategic & Corporate Planning), CMC®, PMP®, MCSE
Melissa Bolton	Consultant	4+	BS (Information Technology)
Lee E. Burgess	Electric Operations Team Lead & Principal Consultant	30+	BS, MBA, CPIM
Joseph F. De Furia	Senior Consultant	40+	BS (Mechanical Engineering), MBA
Daniel Doughty	Senior Consultant	8+	BS (Mechanical Engineering), MBA
Greg Kasper	Senior Consultant	5+	BS (Information Technology)
Martha J. King	Senior Consultant	20+	BBA (Business and Finance), CPA
D. Kerry Laycock	Senior Consultant	29+	BS (Business Administration and Management), MS (Organizational Development), CMC®
Will McNamara	Common Team Lead & Principal Consultant	17+	BA (Political Science and Journalism), MA (Mass Communications), MBA, PMP
Brent M. Miller	Consultant	4+	BS (Industrial Systems Engineering), Minor in Finance, General Business, Six Sigma Green Belt
Gail E. Stopar	Consultant & Analyst	25+	BS (Quality Management), MSA (Human Resource Management), Certificate in Accounting
Jaye M. Kain	Project Administrator & Analyst	22+	BS (Environmental Geoscience), BS (Geology), MS (Geology)

The single most important element a consulting firm brings to an assignment is the qualifications of the individual members of the consultant team. In combination, we respectfully submit that we offer the NYSDPS and the Companies a team that is unequalled in relevant experience, capability, and dedication to the completion of a highly successful engagement. More detailed resumes are contained in *Chapter 9 – Relevant Individual Consultant’s Experience* and our *Appendix A – Detailed Consultants Resumes* (<http://www.schuco.com/NYSDPS/AppendixADetailedResumes.pdf>).

## Our Project Management Team

One of the important aspects of our proposal is the experience of the project management team assigned to manage the project.

- ♦ *Ms. Patricia H. Schumaker, CMC®, PMP®, CPA, CGMA, will be Engagement Director and Principal Consultant. As Engagement Director, she is responsible for ensuring that the consultant team is provided with the appropriate resources for completing its activities on a timely basis and also performs a quality assurance role. She has over 30 years of experience, is a Project Management Professional (PMP®), and has previously served as the Engagement Manager or Project Manager on audits of National Fuel Gas Distribution Corporation, Jersey Central Power & Light, Duke Energy Kentucky, Duke Energy Indiana, Tennessee-American Water Company, Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, PECO Energy, ALLTEL Pennsylvania, Central Maine Power Company, Commonwealth Telephone Company, Entergy, Michigan State Police Communications Division, US WEST, State of Michigan, City of Detroit, City of Dearborn, Ann Arbor Housing Commission, Town of Hilton Head Island, and others. She has been a Principal Consultant in the Customer Service, Financial Management, Support Services, and Information Technology areas on numerous management and operations audits. She has also performed compliance audits of utility companies verifying adherence to state regulatory rules and identifying and addressing potential audit issues.*
- ♦ *Mr. Dennis J. Schumaker, CMC®, PMP®, MCSE, MCSA, has over 30 years of business and industry experience with both private and public sector clients, including extensive experience in the electric, gas, telephone, and water utility industries. As Project Manager on this assignment, he is responsible for ensuring that the work is progressing within budget and on schedule. He is the primary contact with the client regarding day-to-day operations of the project. Mr. Schumaker is a Project Management Professional (PMP®) and previously served as the Engagement Manager, Project Manager, or Principal Consultant on projects involving more than 100 electric and gas utility organizations, including National Fuel Gas Distribution Corporation, Baltimore Gas & Electric Company, Conectiv, Dayton Power & Light Company, Duke Energy Ohio, El Paso Electric Company, Elizabethtown Gas Company/NUI Corporation, Equitable Gas Company, Jersey Central Power & Light, New Jersey Natural Gas Company/NJ Resources Corporation, Nova Scotia Power Incorporated, PECO Energy Company, Pennsylvania Power & Light Company, Philadelphia Gas Works, Public Service Company of New Mexico, Public Service Electric & Gas Company, Rockland Electric Company, South Jersey Gas Company/SJ Industries Corporation, Western Kentucky Gas Company, various AEP and FirstEnergy Ohio utilities, and others. He has also testified before five regulatory*



commissions during the last nine years. Mr. Schumaker's consulting experience encompasses extensive experience as *Principal Consultant* involving electric and gas systems operations and maintenance. Recently, for example, he was the *Project Manager* and *Lead Consultant* on a management/operations audit of Jersey Central Power & Light Company (a FirstEnergy company). A specific focus of that review included an extensive review of electric operations staffing levels and system reliability, including the reporting systems. On a prior audit of PECO Energy, he was responsible for reviewing PECO Energy electric system reliability. Staffing levels and succession planning (both management and technical planning) were key areas of investigation on that project.

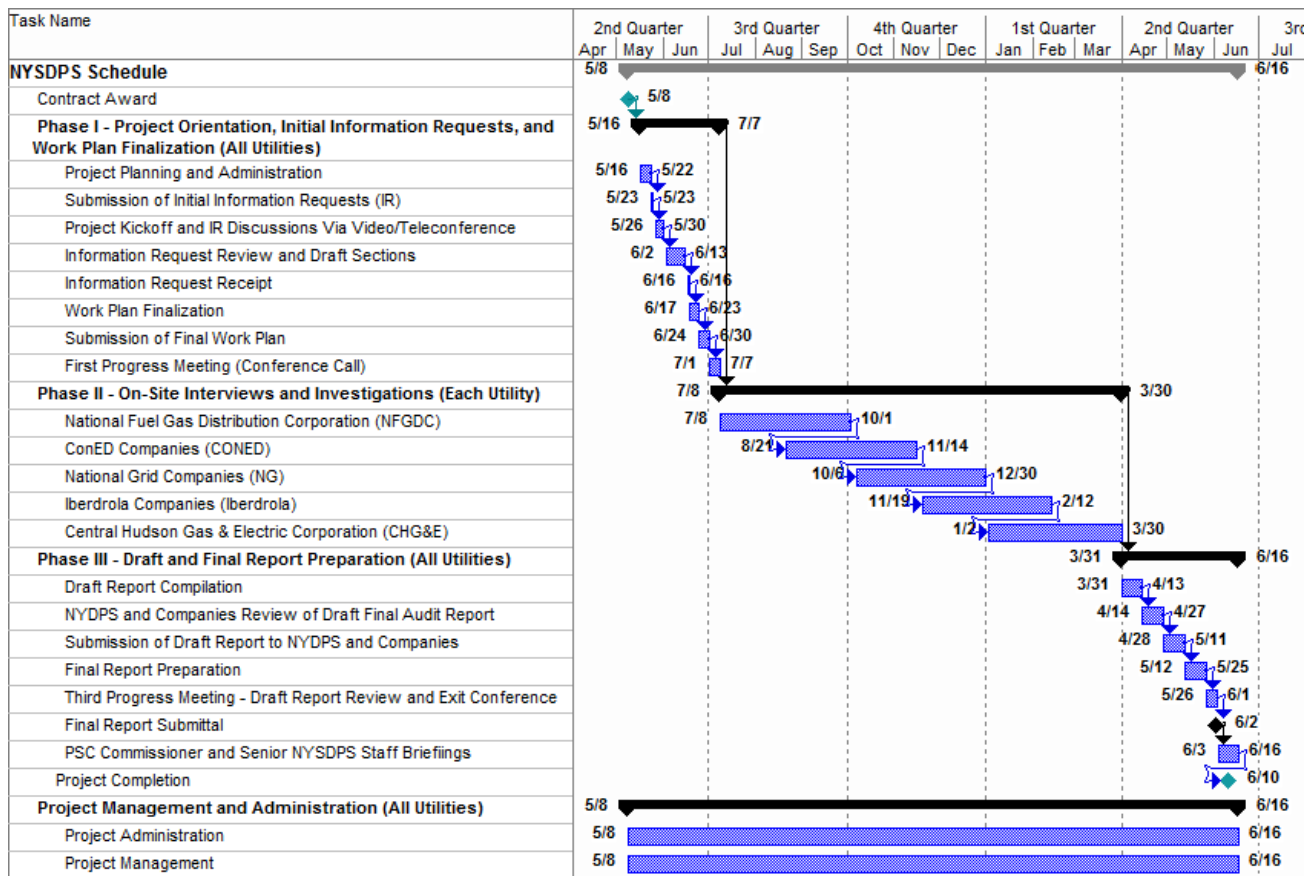
- ◆ *Ms. Jaye Kain* has over 22 years of business experience. She will serve as the Project Administrator & Analyst for this assignment. Her background, which includes a blend of experience in project management and administration, training, scientific research, and grant writing, provides her with a unique perspective from which to support investigations and provide analytical and administrative support. Her communication skills make her a natural facilitator for the assimilation of data produced by seemingly disparate specialties. Combining Internet/computer technology, Schumaker & Company developed a package of tools which enhanced collaboration with document management and issue tracking. Ms. Kain uses conventional, as well as the Schumaker & Company proprietary, project management and control tools and techniques, such as PMIA, to maintain data integrity, track interview and information requests, establish specific consultant and client interview times and confirmations, send information requests and reports electronically, and organize document filing/retrieval through a built-in cross-referencing system between the database and paper files.

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## **D. Three-Phase Approach**

We are proposing that the project team follow a well-developed, time proven three-phase study process designed to achieve the project goals in an efficient and effective manner. Our anticipated overall schedule is shown in *Exhibit 1-5*.

### Exhibit 1-5 Estimated Project Schedule



We have assigned the hours to the various project team members by phase as shown in *Exhibit 1-6*.

**Exhibit 1-6**  
**Project Steps, Team Assignments, and Hours**

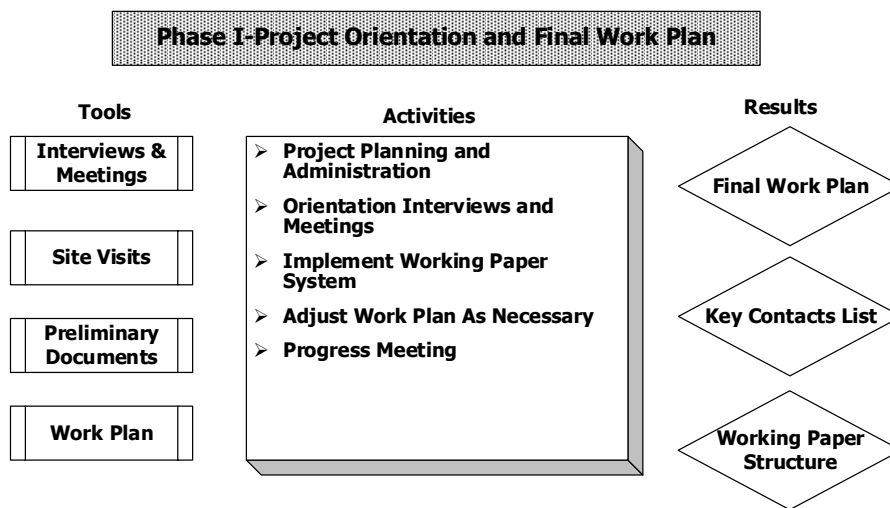
	Common, Customer Service and Other Team	Electric and Gas Staffing Teams					Common, Customer Service and Other Staffing Team						Project Administration	
<i>Staff Member</i>	Patricia Schumaker	Dennis Schumaker	Lee Burgess	Daniel Doughty	Joe DeFuria	D. Kerry Laycock	Will McNamara	Greg Kasper	Melissa Bolton	Brent Miller	Martha King	Gail Stopar	Jaye Kain	Total Hours
	Engagement Manager Senior Consultant Common Team	Project Manager & Gas Team Lead & Senior Consultant Electric Team	Electric Team Lead	Senior Consultant Electric and Gas Team	Senior Consultant Gas Team	Senior Consultant Electric and Gas Team	Team Lead Common Team	Senior Consultant Common Team	Consultant Common Team	Consultant Common Team	Senior Consultant Common Team	Consultant & Analyst Common Team	Project Administration	
Phase I - Project Orientation and Work Plan	80	80	40	40	40	40	40	40	40	40	40	40		560
Phase II - Detailed Review and Analysis														
National Fuel Gas Distribution Corporation	80	80	120	120	120	40	40	40	80	80	40	40		880
ConED Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
National Grid Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
Iberdrola Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
Central Hudson Gas & Electric Corporation	80	80	120	120	120	40	40	40	80	80	40	40		880
Total Phase II	400	400	720	720	720	272	200	200	400	400	200	200	0	4832
Project Management & Briefings	64	64											240	368
Phase III - Draft and Final Report Preparation	80	80	64	64	64	64	64	64	64	64	64	64	80	880
Total Hours	624	624	824	824	824	376	304	304	504	504	304	304	320	6,640

The review methodology for each of these phases is provided on the following pages.

## Phase I – Project Orientation, Initial Information Requests, and Work Plan Adjustment (All Utilities)

*Phase I* will be performed during the month of April-May (assuming the project starts as planned) with all of the utilities. *Exhibit 1-7* illustrates the tools used, activities performed, and results achieved during *Phase I*.

**Exhibit 1-7**  
**Phase I – Project Orientation and Final Work Plan**



**Project Planning and Administration** – Upon award notification, our *Engagement Director* and *Project Manager* will initiate project kick-off with a teleconference meeting to include the Companies' coordinators and NYSDPS representatives to finalize and schedule our investigations to review and obtain the Companies' concurrence on our project management and administrative procedures, and to set up a timeframe when our consultants can be on-site for a kick-off presentation and to conduct orientation interviews. Specifically, activities to be performed during this phase are identified as follows:

- ◆ Establishment of administrative project procedures with the Companies' *Project Coordinators*, including interview scheduling, information request, and progress reporting procedures.
- ◆ Familiarization with the use of Schumaker & Company's interview and information request tracking systems, referred to as our *Project Management Information Application* (PMIA) application.

- ◆ Submittal of initial information requests for all utilities.
- ◆ Conference call discussion of initial information requests with each utility and identification of SMEs in each area.
- ◆ Identify the various Companies' information systems involved in collecting and reporting data and the various information flows.
- ◆ Refining the initial work plan for remainder of the project based on acquired understanding.

Our work plan is based on the fact that we will issue information requests to all of the utilities within 15 days. This process will be as follows:

- ◆ All information requests for each utility will be loaded into PMIA. At this time, we would anticipate having five, minimum, or nine different databases, one for each of the five utility groups previously discussed.
- ◆ Once the information requests have been loaded, we would conduct telephone conference calls with each of the utility groups to ensure that each utility is capable of providing us with an adequate response to each information request in a format that is readily usable by our consultants.
- ◆ We would anticipate receiving the information responses prior to our on-site interviews such that they can be used to better develop our work plan for the remainder of the project.

**Information Request Review** – We would anticipate receiving responses to our initial information requests (as discussed in *Chapter 2 – Audit Areas and Issues*) within two calendar weeks. Each consultant will review this information to assist in refining our final work plan.

**Adjust Work Plan** – Based on information gathered in the orientation phase, the work plan presented above will be adjusted as necessary.

**First Progress Meeting** – Our project team will meet with the Companies' *Project Coordinators* and NYSDPS staff, as appropriate, to discuss the adjusted work plan.

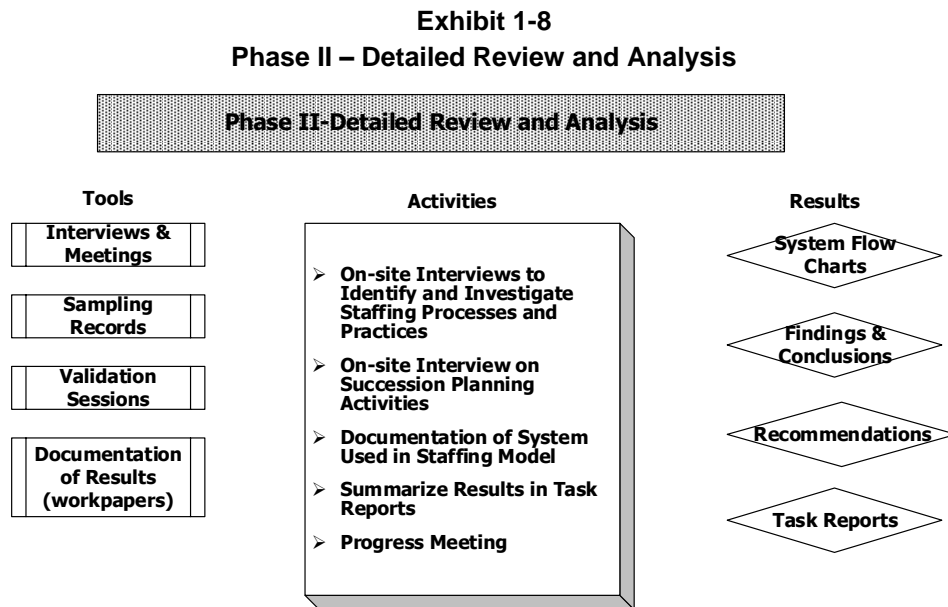
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## Phase II – On-Site Interviews and Investigations (Each Utility)

In *Phase II*, we will be working with each of the utilities individually. We expect that the business processes would be somewhat the same for each of the utilities that are part of larger utility groups which should minimize the number of different business processes that we would have to document and understand. Although for purposes of estimating our project schedule we have shown our team working a one utility to completion before moving to the next, we would stagger working with each of the utilities in a way to make the best use of our time and facilitate each utilities constraints.



Exhibit 1-8 illustrates the tools used, activities performed, and results achieved during *Phase II*.



**Orientation Presentation and Interviews** – Based on our experience on prior studies, it has proved to be beneficial for the subject organization to make a kick-off presentation to our project team. This kick-off presentation should at a high level and present the following information:

- ◆ Overview of the Companies, including a brief high level organization structure, identifying units having responsibility for electric operations, gas operations, and common functions
- ◆ The Companies' personnel assigned to support project management (*Project Coordinators*)
- ◆ Description of processes and practices for developing staffing levels and assessing staffing levels
- ◆ Technologies implemented at each of the Companies framed around staffing levels

We would expect that **Orientation Presentation and Interviews** to require no more than two days on-site for our consultant teams. At the end of those meetings, we should have the understanding of each utility's business process for developing staffing levels. Subsequent interviews will occur based on information obtained in orientation presentations.

**Task Report** – The results of our findings will be summarized in what we call a task report for review with the NYSDPS and the Companies before it is incorporated into the draft report. The task report review process is our way to ensure the factual accuracy of the draft report.

**Draft Findings and Recommendations/Second Progress Meeting** – Prior to completing our draft report, we will prepare a summary presentation of our findings and conclusions for review with the Companies' *Project Coordinators*. Our draft findings and conclusions with input from these coordinators will form the basis for our draft report.

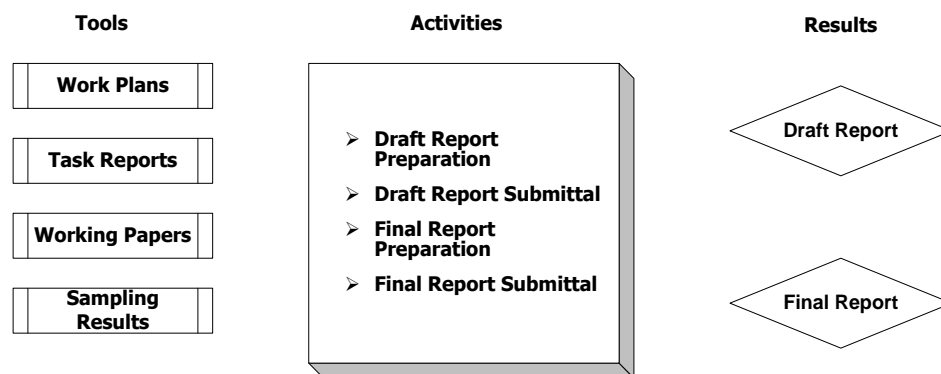
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## Phase III – Draft and Final Report Preparation (All Utilities)

*Exhibit 1-9* illustrates the tools used, activities performed, and results achieved during *Phase III*.

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**Exhibit 1-9**  
**Phase III – Draft and Final Report Preparation**



**Draft Report Preparation** – The results of our investigations will be summarized in a draft report that will be submitted to the NYSDPS and Companies for review and comment. The draft report will be indexed to related supporting working papers, and will consist of an executive summary, a brief overview of the project, and individual chapters for each of the task areas, including:

- ◆ Background and perspective
- ◆ Findings and conclusions
- ◆ Recommendations, including costs and benefits associated with each recommendation



Our report will reflect an objective and balanced appraisal of the Companies' staffing levels and the management system used to determine those levels . We will fully document any deficiencies/problems and provide improvement opportunities in the form of practical recommendations, associated estimated quantified costs and benefits, if applicable, and implementation priorities. We will also point out the strengths, good practices, and sound procedures associated with service delivery. We will identify and recommend areas for adoption of industry best practices.

#### **Draft Report Submittal and Review/Third Progress Meeting / Draft Report Revision –**

The draft report will be submitted to the NYSDPS Staff and Companies' *Project Coordinators* (and other staff as desired) for review and comment. After performing their review, resultant comments will be discussed with the Schumaker & Company team. The Schumaker & Company team will address all concerns raised by reviewers. A third progress meeting will be held with the Companies and key Schumaker & Company consultants to verify the material facts in the draft report and obtain comments. After incorporation of these comments into the report, as appropriate, the final report will be prepared and submitted.

**Final Report Submittal** – The Companies and the NYSDPS Staff must be satisfied that the end product is supported by accurate analyses. For this reason, we place heavy emphasis on ensuring, to all participants' satisfaction, that project results are based on facts. Verification is done throughout the project to minimize open questions that may occur at its end.

We also anticipate NYPSC Commissioner and Senior NYSDPS Staff briefings regarding the final report.

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## **E. Project Management Tools and Techniques**

We use several project management and control techniques to ensure that budget, schedule, and quality specifications are achieved. These control mechanisms include project meetings, project critical path method (CPM) scheduling, and working papers/audit trails policies, procedures, and systems. Schumaker & Company has developed a proprietary project manual that describes the processes and procedures that have evolved as a result of our extensive experience. The manual also describes important tools that are unique to Schumaker & Company, such as our computerized *Project Management Information Application* (PMIA), which help us monitor and track interviews and information requests during the operations audit. The *PMIA* is also the support mechanism for our "working-paper system," and our project manual contains a variety of standard forms and documents that facilitate procedures. We are confident that the project management techniques and tools used by the Schumaker & Company project team represent a significant advancement in successfully completing management and operations audits with a high degree of client satisfaction. Quite candidly, they set us at the forefront of the industry. Also included in our *Appendix C – Practices & Project Platform*



(<http://www.schuco.com/NYSDPS/AppendixCProjectPlatform.pdf>) is a description of our *Time & Expense Information Reporting System* (TEIRS). A summary of key project management activities are described as follows.

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## **Project Meetings**

The standard approach used by the Schumaker & Company project team in performing these studies is firmly predicated upon the recognized need for direct participation by all parties in the review process. It also recognizes the vital importance of free and continuous bi-directional flow of pertinent information. To facilitate this flow, a standardized structure and schedule of meetings has been developed and is followed on each project. Descriptions of these meetings are presented below and further discussed in *Appendix C – Best Practices & Project Platform* (<http://www.schuco.com/NYSDPS/AppendixCProjectPlatform.pdf>).

### **Weekly Conference Call**

We will institute a weekly conference call between ourselves and the NYSDPS *Project Manager*, plus any additional NYSDPS staff designated by the NYSDPS *Project Manager*. We have typically used a [freeconferencecall.com](http://freeconferencecall.com) telephone number to facilitate these calls. These conference calls will be used to keep in touch regarding progress of the project, including discussion of all interviews being scheduled, information requests being processed, status of report sections (when applicable), and any other issues requiring discussion. This informal process ensures that everyone is fully aware of the project status. It also focuses attention on important issues. These discussions are used to track progress and update both the detailed work plan and the project schedule. We invite and actively encourage frequent participation of the NYSDPS *Project Manager* and staff in these discussions.

### **Progress Meetings**

To promote optimum participation by, and interaction among, NYSDPS representatives and the Schumaker & Company team, we recommend frequent informal progress meetings. It is anticipated that these meetings will be held in relation to specific task areas and will focus on relevant topics. Additionally, Schumaker & Company is prepared to meet with the NYSDPS *Project Manager*, senior NYSDPS representatives, NYSDPS SMEs, and Commissioners at various times during the audit to discuss areas of interest and findings.

### **Verification Meetings**

Prior to submittal of the written draft report to the Companies, our consultants will conduct verification meetings with key personnel in each area. These meetings permit the consultants to verify key assumptions and facts before draft report submittal.



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## Schedule and Cost Control Techniques

### Project Schedule

The Schumaker & Company project team uses microcomputer-based management tools to assist in managing our projects. The Microsoft Project application permits resource loading of schedules and ensures careful tracking of all activities. The application includes considerable graphics options for printing charts that pictorially represent the then-current status of projects and scheduled work. The project schedules and resource estimates contained in this proposal were produced with this software.

### Project Costs

For professional services firms, tracking and billing for time are essential parts of doing business. Thus, Schumaker & Company developed TEIRS to collect information regarding time spent and expenses incurred by consultants on our projects to provide the following:

- ◆ The system tracks hours, fees, and expenses, which are used by project managers to manage our projects.
- ◆ The system also provide extensive reporting, including project management reports—actual to budget, invoiced to actual, etc.— as a means to provide high-quality project management and control of costs.
- ◆ Professional fees and expenses associated with a project are automatically generated for client billing.

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## F. Work Sample

A Schumaker & Company work sample of its final audit report (redacted version) can be found on the New York State Department of Public Service web site at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B5F83C8D-5FA9-4293-9F1B-D178B0616F27}>. If a confidential version is desired, then NYSDPS Staff should be contacted.

## 2. Audit Areas and Issues

Each company will be reviewed and analyzed separately and not as one entity, although we expect that we may find some commonality in the systems and processes that exist in commonly-owned utilities. Some of the work can be done in our offices once we have conducted initial interviews and received required documentation.

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### Preliminary Work Plans

Staffing levels within the electric and gas utility industry have been decreasing over the last ten years and even before that time. The reasons for this decrease is due to a combination of changes; including:

- ◆ *Mergers and Acquisitions* – As utility entities merge, over time, redundancies in staffing positions are removed.
- ◆ *Technology Changes* – The tools and equipment used to maintain and build electric and gas networks in many cases permit activities to be performed with fewer personnel.
- ◆ *Outside Contracting* – More utilities are focusing on “what they are good at or what is strategic to their business” and “contracting out” other work.

Notwithstanding this reduction in staffing levels, in many cases the actual work that needs to be performed in electric and gas utilities is not necessarily decreasing and in many cases is actually increasing. The physical electric or gas network continues to increase in size and, therefore, the number of pieces of equipment that require periodic operation and maintenance continues to increase. Just like the miles of line and miles of pipe in the ground, all of these numbers are generally increasing.

But perhaps, just as important, most customers now expect more from their utilities. Whereas in the 1950s many customers could remember when they did not have electric and/or gas service, today’s customers have always lived with electric and gas service and have an even higher expectation of it “being there all the time.”

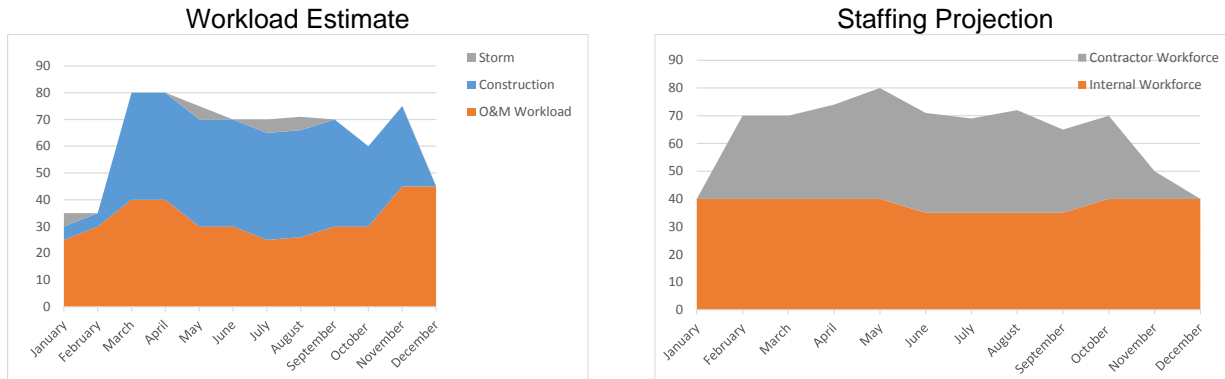
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### Typical Staff Planning Model 1 (Electric and Gas Operations activities example)

The first step in determining a proper staffing level is to determine the expected workload. The workload can be divided into ongoing activities that are performed on a periodic basis, for example yearly, and one-time items which are performed individually within each year. In utility nomenclature, the first category might be called “operations and maintenance”

workload and the second could be called “capital or construction” workloads. Also, other unplanned workload activities, such as storm response, need to be allowed for. All of this can be portrayed as a workload estimate, which is shown in *Exhibit 2-1*.

**Exhibit 2-1**  
**Workload/Staffing Model**



It is then simply a manner of developing a staffing plan composed of both internal staffing and outside contractors to meet the requirements for this expected workload. This is represented by the staffing projection shown in *Exhibit 2-1*.

In our experience, the degree to which this type of analysis has been done in the utility has varied significantly among the various utilities that we have reviewed on prior management audits. Many utilities have typically maintained current staffing levels to cover operations and maintenance activities, while fluctuating outside contractor levels to handle the varying construction spending. Whereas the more sophisticated utilities or those undergoing staffing reductions have developed project management models of their business activities that model all operations and maintenance and construction activities for a given time frame and make staffing decisions based on that information. SCHUCO Best Practices Knowledge Base contains numerous examples of the various approaches that we have reviewed on prior projects.

### **Typical Staffing Planning Model 2 (Customer Service (real time) planning activities)**

While the above analysis works with the electric and gas operations area, some activities in the common areas, such as call center operations, are driven by a different type of model, which can be referred to as a service level model. Historical hour-by-hour and day-by-day call volumes are used to forecast future call volumes and then resources applied to the call volume to achieve an acceptable service level (for example, percentage of calls answered

with 30 seconds, i.e. 80% within 30 seconds). These models are used to identify requirements and then adjustments made to handle vacations and other time off to project expected staffing requirements.

Therefore, the expected staffing models that we would expect to find at each utility would be a variation of the above two different staffing models. We would use the same preliminary work plan in addressing each of the specified areas

The operations audit will review data used in performance metrics reported in three areas:

- ◆ Electric Operations Staffing Levels
- ◆ Gas Operations Staffing Levels
- ◆ Common, Customer Service, and Other Staffing Levels

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## Work Steps

- ◆ Review the appropriateness of the models used to forecast staffing requirements
- ◆ Review utilities' methodology for forecasting estimated workloads, such as:
  - Ongoing O&M workload
  - Ongoing New Construction
  - Ongoing Replacement and Upgrades
- ◆ Review utilities' methodology for incorporating unforecasted workloads, such as:
  - Storms
  - Pipe leaks
- ◆ Once the workload has been determined, review the methodology used to match staffing levels with workloads
  - Internal Staff
  - Outside Contractor Personnel
- ◆ Identify all systems and process flows used in handle workloads.
  - Call Distribution Systems
  - Work Management Systems
  - Maintenance Management System
  - Dispatch Systems
  - GIS Systems
  - Time Reporting Systems
  - Outage Management Systems
  - Etc,
- ◆ Develop data flows for all the information supporting the workload forecasting process.

- ◆ Review any written business processes and procedures associated with the above business processes.
  - ◆ Review how unexpected events (storms) are handled.
- 

## Evaluation Criteria

- ◆ All future work is identified including
    - Internal Staff Workload
    - Contractor Workload
  - ◆ Processes and systems used in the forecasting workloads are appropriate and rely on sound internal data.
  - ◆ Systems used in the forecasting workloads use reasonably current technology.
  - ◆ Individuals responsible for making entries into the feeder systems are adequately trained.
  - ◆ Succession plans exist for both management and technical skills development.
- 

## Initial Information Required

- ◆ Detailed organization charts from which we can perform a span-of-control analysis
- ◆ Discussion of any organization changes within the last five years to streamline operations
- ◆ Discussion of how staffing resource planning is performed within the subject area
- ◆ Management succession planning documentation in place for the last five years
- ◆ Technical skills planning documentation in place for the last five years
- ◆ Retirement planning documentation for the last five years (prior five and five years into future)
  - Forecast retirements by skill level by year
  - Actual retirements by skill level by year
  - Apprentices hires by skill level by year
- ◆ Contracting levels last five years (prior five and five years into future)
  - Number of contractors
  - Skills contracted
- ◆ Discussion of specific staffing models used within subject area
- ◆ Descriptions of all systems and process flows used in handle workloads.

- Call Distribution Systems
  - Work Management Systems
  - Maintenance Management System
  - Dispatch Systems
  - GIS Systems
  - Time Reporting Systems
  - Outage Management Systems
  - Etc.
- ◆ Listing of all items that are currently contracted out (over last five years)
  - ◆ Contractor management procedures

## Personnel Assigned

We have organized our project team into three separate groups of consultants, specifically:

- ◆ *Electric Operations Staffing Levels Team* – Lee Burgess will be leading the review in this area of the review
- ◆ *Gas Operations Staffing Levels Team* – Dennis Schumaker will be leading the review in this area of the review
- ◆ *Common, Customer Service, and Other Staffing Levels Team* – Will McNamara from West Monroe Partners will be taking the lead in this area of the review

## Electric Operations Staffing Levels Team

We have assigned the same project team members to address electric operations staffing levels reporting at each electric utility. Mr. Lee Burgess will be the Team's *Lead Consultant* for the Electric Operations Staffing Levels area and will be assisted by Mr. Dennis Schumaker as *Senior Consultant* and Dan Doughty, *Senior Consultant*, of West Monroe Partners. D. Kerry Laycock will be addressing succession and skills planning issues within the Electric Operations area. Each person is briefly discussed below.

*Mr. Lee E. Burgess* has over 30 years of consulting experience to the utilities and regulatory industry. He holds a Bachelor of Science degree from The United States Naval Academy and a Master of Business Administration Degree from The University of Michigan. As project team leader for Electric Operations Staffing Levels, he will be overall responsible for the quality and timely completion of the review of electric operations. Mr. Burgess has been *Engagement Director*, *Project Manager*, and *Lead Consultant* in projects for over 70 clients, including over 30 management audits for regulatory commissions. He has testified as an expert in utility management, including issues concerning work force management and manpower planning, to six state regulatory commissions (including The New York Public Service Commission). Recently, he has served as *Lead Consultant* with



Schumaker & Company in management audits of National Fuel Gas Distribution Corporation, Jersey Central Power & Light, Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, and PECO Energy.

*Mr. Dennis J. Schumaker, CMC®*, *PMP®*, *MCSE*, *MCSA*, has over 30 years of business and industry experience with both private and public sector clients, including extensive experience in the electric, gas, telephone, and water utility industries. Mr. Schumaker's consulting experience encompasses extensive experience as *Principal Consultant* involving electric and gas systems operations and maintenance. Recently, for example, he was *Project Manager* and *Lead Consultant* on a management audit of National Fuel Gas Distribution Corporation for the NYSDPS. Within the last seven years, he has been the *Project Manager* and *Lead Consultant* on management/operations audits of Jersey Central Power & Light Company (a FirstEnergy company), Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, PECO Energy, and others. That background and experience was used in formulating our approach and estimate for this proposed project.

*Mr. Daniel Doughty* is a *Senior Consultant* in the energy and utilities practice at West Monroe Partners bringing over eight years of experience in project management. His areas of focus include smart grid transformation services, project management, and analytics. Prior to joining West Monroe, he worked in the Navy's nuclear power program as a submarine officer. He continues to serve in the Navy Reserves as a lieutenant staff officer. Recently Mr. Doughty has managed a research and collaboration project between a Midwestern utility and a research university to design and build a state-of-the-art Smart Grid Test Lab, which is used as a proving platform for new technologies and techniques.

*Mr. D. Kerry Laycock, CMC®*, has 29 plus years of experience as a *Management and Organizational Consultant*, including participation on ten Schumaker & Company projects in the past seven years. In addition to his extensive experience with utility operational assessments he has completed many diverse management consulting assignments. He has been involved in a wide range of large-scale change initiatives and organizational restructurings, operational assessments, process re-engineering and municipal shared-services implementation. Recent projects include utility process and job redesign, municipal restructuring, HR systems redesigns for succession planning, payroll, performance management, disability management, employee selection, and workforce planning. For example, Mr. Laycock's assessment of the City of Ann Arbor (MI) Housing Commission employee staffing models and compensation included evaluating the existing staffing model (including number of staff) to meet the needs of the services provided, assessing available skills and abilities of the client positions relative to needs of services being provided, and assessing the compensation levels of positions relative to job requirements and skills and abilities needed to provide services and market rates for similar jobs. He assessed the distribution of activities within the staffing model, as well as the



spans of control of supervisors. The evaluation included identification of past, current, and anticipated future staffing model and compensation problem areas and opportunities for each aspect of the organization and recommended strategies to improve service delivery. Recently, he has served as *Lead Consultant* with Schumaker & Company in management audits of Jersey Central Power & Light, Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, and PECO Energy. In each of these reviews, Mr. Laycock evaluated the succession planning activities of that utility.

### **Gas Operations Staffing Levels Team**

We have assigned the same project team members to address gas operations staffing levels reporting at each gas utility. Mr. Dennis J. Schumaker, CMC®, PMP®, will be the Team *Lead Consultant* for the Gas Operations Staffing Levels area and will be assisted by Mr. Joseph F. De Furia, as *Senior Consultant* and Dan Doughty, *Senior Consultant* of West Monroe Partners. D. Kerry Laycock will be addressing succession and skills planning issues within the electric operations area. Each person is briefly discussed below.

*Mr. Dennis J. Schumaker, CMC®, PMP®, MCSE, MCSA*, has over 30 years of business and industry experience with both private and public sector clients, including extensive experience in the electric, gas, telephone, and water utility industries. Mr. Schumaker has been a *Lead Consultant* on projects involving more than 100 electric and gas utility organizations, including National Fuel Gas Distribution Corporation, Baltimore Gas & Electric Company, Conectiv, Dayton Power & Light Company, Duke Energy Ohio, El Paso Electric Company, Elizabethtown Gas Company/NUI Corporation, Equitable Gas Company, Jersey Central Power & Light, New Jersey Natural Gas Company/NJ Resources Corporation, Nova Scotia Power Incorporated, PECO Energy Company, Pennsylvania Power & Light Company, Philadelphia Gas Works, Public Service Company of New Mexico, Public Service Electric & Gas Company, Rockland Electric Company, South Jersey Gas Company/SJ Industries Corporation, Western Kentucky Gas Company, various AEP and FirstEnergy Ohio utilities, and others. Mr. Schumaker's consulting experience encompasses extensive experience as *Principal Consultant* involving gas systems operations and maintenance. He was most recently one of the consultants working in the gas distribution area of National Fuel Gas Distribution Company and was previously involved in gas distribution areas of Equitable Gas Company, Philadelphia Gas Works, and PECO Energy. That background and experience was used in formulating our approach and estimate for this proposed project.

*Mr. Joseph De Furia* has over 40 years of diverse management experience in strategic, tactical, and operating areas of the electric and gas distribution business, primarily at Public Service Electric and Gas Company (PSE&G). Consulting engagements have included CMX Engineering and Paulus, Sokolowski and Sartor (PS&S) with specific expertise in general management, asset management, process improvement, re-engineering, project management, and electric and gas distribution operations and systems. Some of Mr. De

Furia's past primary responsibilities also include directing the following support services for both Electric and Gas Distribution departments, including business systems (information technology), environmental, health and safety compliance, transportation and equipment, engineering and construction, technical support services, new technology, and tactical regulatory interface. Mr. De Furia participated as an asset management expert on behalf of CMX Engineering (CMX) with Huron LLC to develop an asset investment prioritization process for Central Vermont Electric. He contributed as a gas distribution process subject matter expert on a team that successfully developed a strategy for Philadelphia Gas Works to optimize the configuration of its physical assets. Mr. De Furia was also the *Director of Asset Management Gas Distribution* for PSE&G where he reorganized the operation and design of a two billion dollar gas distribution system including operating plans, emergency procedures, design standards, and regulatory compliance.

*Mr. Daniel Doughty*, is a *Senior Consultant* in the energy and utilities practice at West Monroe Partners bringing over eight years of experience in project management. His areas of focus include smart grid transformation services, project management, and analytics. Prior to joining West Monroe, he worked in the Navy's nuclear power program as a submarine officer. He continues to serve in the Navy Reserves as a lieutenant staff officer. Recently Mr. Doughty has managed a research and collaboration project between a Midwestern utility and a research university to design and build a state-of-the-art Smart Grid Test Lab, which is used as a proving platform for new technologies and techniques.

*Mr. D. Kerry Laycock, CMC®*, has 29 plus years of experience as a management and organizational consultant, including participation on ten Schumaker & Company projects in the past seven years. In addition to his extensive experience with utility operational assessments he has completed many diverse management consulting assignments. He has been involved in a wide range of large-scale change initiatives and organizational restructurings, operational assessments, process re-engineering and municipal shared-services implementation. Recent projects include utility process and job redesign, municipal restructuring, and HR systems redesigns for succession planning, payroll, performance management, disability management, employee selection and workforce planning. For example, Mr. Laycock's assessment of the City of Ann Arbor (MI) Housing Commission employee staffing models and compensation included evaluating the existing staffing model (including number of staff) to meet the needs of the services provided, assessing available skills and abilities of the client positions relative to needs of services being provided, and assessing the compensation levels of positions relative to job requirements and skills and abilities needed to provide services and market rates for similar jobs. He assessed the distribution of activities within the staffing model, as well as the spans of control of supervisors. The evaluation included identification of past, current, and anticipated future staffing model and compensation problem areas and opportunities for each aspect of the organization and recommended strategies to improve service delivery. Recently, he has served as *Lead Consultant* with Schumaker & Company in management

audits of Jersey Central Power & Light, Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, and PECO Energy. In each of these reviews, Mr. Laycock evaluated the succession planning activities of that utility.

### **Common, Customer Service, and Other Staffing Levels Team**

We have assigned the same project team members to address common, customer service, and other staffing levels at each electric and gas utility. Mr. Will McNamara from West Monroe Partners, will be the Team *Lead Consultant* for the Common, Customer Service, and Other Staffing area and will be assisted by Greg Kasper, *Senior Consultant*, Melissa Bolton, *Consultant*, and Brent Miller, *Consultant*, from West Monroe Partners, and Ms. Patricia H. Schumaker, *Senior Consultant*, Martha King, *Senior Consultant*, and Gail E. Stopar, as *Consultant & Analyst from Schumaker & Company*. This area of the review contains a variety of different business functions, all of which would have slightly different approaches to the development of a staffing model.

*Mr. Will McNamara, PMP®*, brings 17 years of energy industry experience, including utility and consulting work, to his role at West Monroe Partners, with a strong emphasis on project management of utility smart grid deployment, regulatory support, and stakeholder relations. He has expert-level experience in developing corporate and utility energy policy and managing business plans and regulatory filings for utility clients. He has provided expert testimony before state regulatory commissions (California, New York, Ohio, and Indiana) and at the federal level before the U.S. House of Representatives.

*Mr. Brent M. Miller* is an experienced consultant with the West Monroe Partners Operations Excellence Practice in New York. He is a member of the Banking Lean Center of Excellence (LCoE) to further utilize his background in lean - six sigma with financial services clients. His areas of expertise include: Lean – Six Sigma Green Belt, change management and enterprise transformation, process mapping – redesign – capability enhancement, continuous improvement, and KPI, SLA, OLA development and tracking.

*Mr. Greg Kasper* is an experienced information technology (IT) service management consultant that combines his work experience with operational frameworks to deliver targeted solutions that drive business value. He is a strategic innovator who delivers business critical strategies and solutions through teamwork and collaboration to ensure successful client delivery. Mr. Kasper has lead and participated in projects to implement IT service management initiatives, IT assessments, operational support systems strategy, project portfolio management, business process design and optimization, and alignment and integration with IT and the business.

*Ms. Melissa Bolton* is an experienced consultant with West Monroe Partners' Customer Experience group. She is a skilled business analyst with a strong track record for developing and supporting solutions that incorporate a wide range of applications. Ms.

Bolton brings skills and experience in analyzing data, developing business requirements, designing business processes, and developing solutions for critical issues. Melissa is consistently recognized for her ability to improve organizational efficiency using comprehensive business and information technology expertise and for success in creating information system solutions across a range of corporate initiatives. Prior to joining West Monroe, her experience focused on customer relationship management for Telecommunication (both in the investment banking and hedge fund spaces).

*Ms. Patricia H. Schumaker, CMC<sup>®</sup>, PMP<sup>®</sup>, CPA, CGMA, will be Engagement Director, Principal Consultant, & Auditor. She has over 30 years of experience, is a Project Management Professional (PMP<sup>®</sup>), and has previously served as the Engagement Manager or Project Manager, as well as Principal Consultant, on audits of National Fuel Gas Distribution Corporation, Jersey Central Power & Light, Duke Energy Kentucky, Duke Energy Indiana, Tennessee-American Water Company, Equitable Gas Company, Philadelphia Gas Works, Pennsylvania-American Water Company, PECO Energy, ALLTEL Pennsylvania, Central Maine Power Company, Commonwealth Telephone Company, Entergy, Michigan State Police Communications Division, US WEST, State of Michigan, City of Detroit, City of Dearborn, Ann Arbor Housing Commission, Town of Hilton Head Island, and others. As Principal Consultant, she will be responsible for activities in the various performance metrics areas, including the customer service and other common areas. She has been a Principal Consultant in the Customer Service area on numerous management and operations audits. She has also performed compliance audits of utility companies verifying adherence to state regulatory rules and identifying and addressing potential audit issues.*

*Ms. Martha J. King, CPA, has over 20 years of management consulting experience, primarily in the public utilities industry, and is a Certified Public Accountant (CPA). She is an expert in sampling large populations and concluding on the population as a whole in compliance with AICPA guidelines. Recently she performed an original cost audit of Delivery System assets for ComEd by sampling from the plant in service and construction work in progress accounts, and then with a team reviewing the sample items selected and drawing conclusions on the accuracy of the these utility plant accounts. Ms. King also performed a review of Indianapolis Power and Light call center and OMS as a part of a review of mandated reporting to the Indiana Utility Regulatory Commission following a series of severe storms and outages. This work entailed detailed review of the draft reports using system data to verify the facts reported to the IURC. She has worked on numerous prior Schumaker & Company projects, including National Fuel Gas Distribution Corporation in New York.*

*Ms. Gail Stopar possesses 25 plus years of business and personnel management, corporate and academic training, software engineering, and technical writing experience in the computer, banking, automotive, and utility industries. Additionally, Ms. Stopar has*

extensive cross-functional experience in computer software/tools, quality methodology, and software engineering. She also supports team consultants with any client interviews and report details that may need spreadsheet preparation, data sampling and analysis, research investigation, or tables and graphics. Her experience on prior Schumaker & Company projects, include National Fuel Gas Distribution Corporation, Duke Energy Ohio, Equitable Gas Company, Jersey Central Power & Light, Pennsylvania-American Water Company, PECO Energy Company, Philadelphia Gas Works, Tennessee-American Water Company, Verizon Pennsylvania, Verizon New York, City of Detroit (MI), and others. Many of these projects analytical support for the *Customer Service* area.

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### **Estimated Project Hours**

Schumaker & Company's project team estimated hours are shown in *Exhibit 2-2*.

**Exhibit 2-2  
Estimated Project Hours**

	Common, Customer Service and Other Team	Electric and Gas Staffing Teams					Common, Customer Service and Other Staffing Team						Project Administration	
<i>Staff Member</i>	Patricia Schumaker	Dennis Schumaker	Lee Burgess	Daniel Doughty	Joe DeFuria	D. Kerry Laycock	Will McNamara	Greg Kasper	Melissa Bolton	Brent Miller	Martha King	Gail Stopar	Jaye Kain	Total Hours
	Engagement Manager Senior Consultant Common Team	Project Manager & Gas Team Lead & Senior Consultant Electric Team	Electric Team Lead	Senior Consultant Electric and Gas Team	Senior Consultant Gas Team	Senior Consultant Electric and Gas Team	Team Lead Common Team	Senior Consultant Common Team	Consultant Common Team	Consultant Common Team	Senior Consultant Common Team	Consultant & Analyst Common Team	Project Administration	
Phase I - Project Orientation and Work Plan	80	80	40	40	40	40	40	40	40	40	40	40		560
Phase II - Detailed Review and Analysis														
National Fuel Gas Distribution Corporation	80	80	120	120	120	40	40	40	80	80	40	40		880
ConED Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
National Grid Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
Iberdrola Companies	80	80	160	160	160	64	40	40	80	80	40	40		1024
Central Hudson Gas & Electric Corporation	80	80	120	120	120	40	40	40	80	80	40	40		880
Total Phase II	400	400	720	720	720	272	200	200	400	400	200	200	0	4832
Project Management & Briefings	64	64											240	368
Phase III - Draft and Final Report Preparation	80	80	64	64	64	64	64	64	64	64	64	64	80	880
Total Hours	624	624	824	824	824	376	304	304	504	504	304	304	320	6,640

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## Quantification of Benefits and Costs

Every attempt will be made to categorize and quantify the costs and benefits of each recommendation. Additionally, each of the functions or issues will be rated based on its operating or performance level relative to its optimum as of the time of the audit. For those situations where costs and/or benefits can be quantified, we will formally take into account, among other things, one-time and ongoing costs; potential benefits, savings, or efficiencies; and identification of risks. Schumaker & Company has considerable experience in providing such benefit and cost information and data in our prior audit reports, including those for New York and other states.

In past audits of this nature, costs have tended to fall into one of three categories:

- ◆ Assigning existing company personnel to implement recommendations, resulting in little or no incremental costs.
- ◆ Engaging outside expert resources to implement recommendations, resulting in incremental costs.
- ◆ Procuring additional software and equipment, also resulting in incremental costs.

Likewise, the benefits/savings/efficiencies associated with recommendations usually fall into one of three categories:

- ◆ Reduction in actual costs of operations in providing data.
- ◆ Change in work flow processes to allow for the provision of data on a more cost-effective basis.
- ◆ Change in other processes resulting in best business practices being implemented.

Schumaker & Company believes that it is extremely important to attempt to develop a cost/benefit analysis for any recommendations that can support such an analysis. Although it would be difficult to develop a cost/benefit analysis for every recommendation that is made during an operations audit, there are usually a few recommendations that lend themselves to such an analysis. Furthermore, in many cases involving the better managed utility, the utility may have already performed similar cost/benefit analyses for a similar recommendation or other process improvement for which they should be given credit. Therefore, it is our practice to work with the utility to develop cost/benefit analyses wherever possible.





### 3. Primary Bidder Contacts

The primary contact for Schumaker & Company is our proposed *Project Manager*, Dennis J. Schumaker; however, if he is not available, then our secondary contact is our proposed *Engagement Director*, Patricia H. Schumaker.

Contact Name:	<b>DENNIS J. SCHUMAKER</b>
Contact Title:	<b>VICE PRESIDENT</b>
Contact Role:	<b>PROJECT MANAGER</b>
Street Address:	<b>3101 WALNUT RIDGE DRIVE</b>
City:	<b>ANN ARBOR</b>
State:	<b>MI</b>
Zip:	<b>48103</b>
Telephone Number:	<b>734-998-5550</b>
Fax Number:	<b>734-998-5590</b>
Email Address:	<b><u><a href="mailto:DSCHUMAKER@SCHUCO.COM">DSCHUMAKER@SCHUCO.COM</a></u></b>
Company Website:	<b><u><a href="http://WWW.SCHUCO.COM">HTTP://WWW.SCHUCO.COM</a></u></b>

Contact Name:	<b>PATRICIA H. SCHUMAKER</b>
Contact Title:	<b>PRESIDENT</b>
Contact Role:	<b>ENGAGEMENT DIRECTOR</b>
Street Address:	<b>3101 WALNUT RIDGE DRIVE</b>
City:	<b>ANN ARBOR</b>
State:	<b>MI</b>
Zip:	<b>48103</b>
Telephone Number:	<b>734-998-5550</b>
Fax Number:	<b>734-998-5590</b>
Email Address:	<b><u><a href="mailto:PSCHUMAKER@SCHUCO.COM">PSCHUMAKER@SCHUCO.COM</a></u></b>
Company Website:	<b><u><a href="http://WWW.SCHUCO.COM">HTTP://WWW.SCHUCO.COM</a></u></b>



## 4. Bidder Description

By submitting a proposal, Schumaker & Company provides express permission to NYSDPS to pursue any and all investigations they deem necessary to determine the worthiness of the proposal. Our basic information is provided below.

Company Name:	<b>Schumaker &amp; Company, Inc.</b>
Subsidiary or holding Company info:	<b>N/A</b>
Business established (year):	<b>1986</b>
Years offering this material/service:	<b>28+ Years</b>
Federal EIN Number:	<b>38-2625897</b>
DUNS ID Number:	<b>15-142-6004</b>
Total employees:	<b>12</b>
Headquarters location:	<b>ANN ARBOR, MI</b>
Number of offices:	<b>1 HEADQUARTERS + 3 PROJECT OFFICES</b>
Office, manufacturing and distribution/ warehousing locations related to this scope of work (please describe):	<b>HQ: 3101 WALNUT RIDGE, ANN ARBOR, MI 48103 PROJECT OFFICES: 206 DUCK CREEK LANE, GEORGETOWN, TX 78633</b>
M/WBE Status	<b>WBE (CERTIFIED IN MICHIGAN, PENNSYLVANIA, NEW JERSEY, NORTH CAROLINA, CALIFORNIA, ILLINOIS, DELAWARE, AND WAYNE COUNTY (MICHIGAN))</b>

Additional firm qualifications are contained in *Chapter 8 – Relevant Experience* and our *Appendix B Firm Qualifications*

(<http://www.schuco.com/NYSDPS/AppendixBFirmQualifications.pdf>).



## 5. Subcontractors

Schumaker & Company intends to use West Monroe Partners as a subcontractor on this project.

Name	Address (and Website, if Known)	Services Provided Under This Contract
West Monroe Partners	Headquarters location: 222 West Adams Street, 11th Floor Chicago, Illinois 60606 Telephone: 312-602-4000 <a href="http://www.westmonroepartners.com">http://www.westmonroepartners.com</a>	Consulting Services regarding Customer Services and other common staffing levels
	Other location: 444 Madison Avenue, 34th Floor New York, New York 10022 Telephone: 646-448-9955	

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### A. About West Monroe Partners

West Monroe Partners (WMP) is a full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. In over ten years WMP has grown from a handful of people to 400 professional consultants by developing long-lasting partnerships with clients and delivering value-added solutions. They are a team of business and technical experts working together with clients in industries undergoing profound change, which certainly is the case with both the electric, gas, and water utility industries. WMPs objective is to help companies solve their most complex challenges so they can rapidly adapt, shift gears and thrive.

WMP leverages proven methodologies, leading practices, and a culture of cooperation and collaboration with a wide range of mid-tier businesses clients in multiple regulated and competitive industries. WMP is structured in a matrix organization of industry and functional specialists. Their true strength and capability is the speed and efficiency in combining multiple disciplines to satisfy important business needs and solve critical problems, which results in superior service with very competitive pricing.

The unique WMP model enables teams to leverage cross-industry technical specialists in cyber security, information technology, system integration, change management, project management, business process optimization, customer communication, and other areas on an as-needed basis.

WMP has ten offices in North America with their headquarters located in Chicago, IL.



## WMP Energy & Utilities Practice

The WBP Energy & Utilities (E&U) team has approximately 50 professional consultants and deep knowledge of the issues and trends affecting the electric, gas, and water utilities industry. This knowledge has been gained through years of working with industry leaders and diverse utilities to improve operations and address evolving business and technology challenges. Working with utilities of many different sizes and types, from small and large municipal utilities, to small and medium-sized cooperatives, to large investor owned-utilities, WMP has played a role in helping organizations transform the way they deliver reliable water and power to their customers in a cost-effective manner.

WMP has helped utility clients develop the vision and business cases to support new and ongoing efforts for their Advanced Metering Infrastructure (AMI), Smart Grid, and energy management solutions. They have assisted many of these utilities in developing or refining their strategies for Smart Metering deployment and in developing business cases that support the investments decisions required to reach their visions. This work has included utilities that are regulated by state commissions, as well as municipal utilities and cooperatives that are not regulated.

In fact, when compared against consultancy firms that work within the E&U industry, WMP has established a unique arsenal of expertise in serving municipal utilities and cooperatives. The table below provides a representative list of public utilities WMP has performed work that improved their field and customer operations, established strategic direction, and/or provided information technology improvements.

**Exhibit 5-1**  
**West Monroe Partners Representative List of Public Utility Clients**

UTILITY NAME	STATE
American Municipal Power	Kentucky Pennsylvania Virginia West Virginia Ohio
Benton Public Utility District	Washington
City of Edmond (Edmond Public Utility Works)	Oklahoma
City of Georgetown	Texas
City of Naperville	Illinois
City of Quincy	Illinois
City of Wadsworth	Ohio
CoServ	Texas
Cowlitz County Public Utilities Department	Washington
Dayton Power and Light	Ohio
First Electric Cooperative	Arkansas
Fayetteville Public Works Commission	North Carolina
Floresville Electric Light & Power	Texas
Knoxville Utilities Board	Tennessee
Kansas City Power and Light	Missouri
Kansas City Water Services Department	Missouri
Lenoir City Utility Board	Tennessee
Mohave Electric Cooperative	Arizona
Newnan Utilities	Georgia
Rappahannock Electric Cooperative	Virginia
Seattle City Light	Washington
Shakopee Public Utilities	Minnesota
South Mississippi Electric Power Association	Mississippi
Southwest Transmission Cooperative	Arizona
Sulphur Springs Valley Electric Cooperative	Arizona
Twin Valleys Public Power District	Nebraska
Utility District of Western Indiana REMC	Indiana

Through a diverse client base and direct engagement with the array of leading AMI/Smart Grid technology providers, WMP remains fully informed of the latest trends within the utility industry and will incorporate this knowledge into this assessment. Further, WMP not only monitors industry trends, we are directly engaged in consensus-building discussions around technology advances and policymaking within the industry's leading trade organizations, such as Western Energy Institute, Utilimetrics, the United Telecom Council, Edison Electric Institute, and the American Public Power Association.

WMP's E&U team delivers strategic guidance and assistance with technology-driven change to clients through a suite of customized services, which include:

- ◆ Create and lead Program/Project Management Offices that manage transformational programs
- ◆ Create Smart Grid business plans and roadmaps
- ◆ Design/evaluate Smart Grid solutions
- ◆ Conduct vendor RFPs for Smart Grid solutions
- ◆ Create customer programs to manage peaks and consumption
- ◆ Design customer outreach and education
- ◆ Design IT infrastructure and security solutions
- ◆ Develop and integrate new IT applications
- ◆ Assessments of information technology (IT), people, processes, facilities, customers, and strategies for process redesign
- ◆ Implement integration implementation of IT operations and critical business processes
- ◆ Create business intelligence capabilities



## 6. Schedule

Due to the number of utilities involved and different areas of investigations required, we have developed our project plan using project management principles from the *Project Management Institute* using Microsoft Project. Using Microsoft Project, common activities were estimated for all the activities within *Phase I* and *Phase III* and individual estimates were developed for each of the utility groupings (previously discussed) in *Phase II*. The individual estimates for each utility assumed that we would proceed straight through to completion on each utility (i.e. we would be working only on that utility for that duration) to completion of a task report before we proceeded to the next utility.

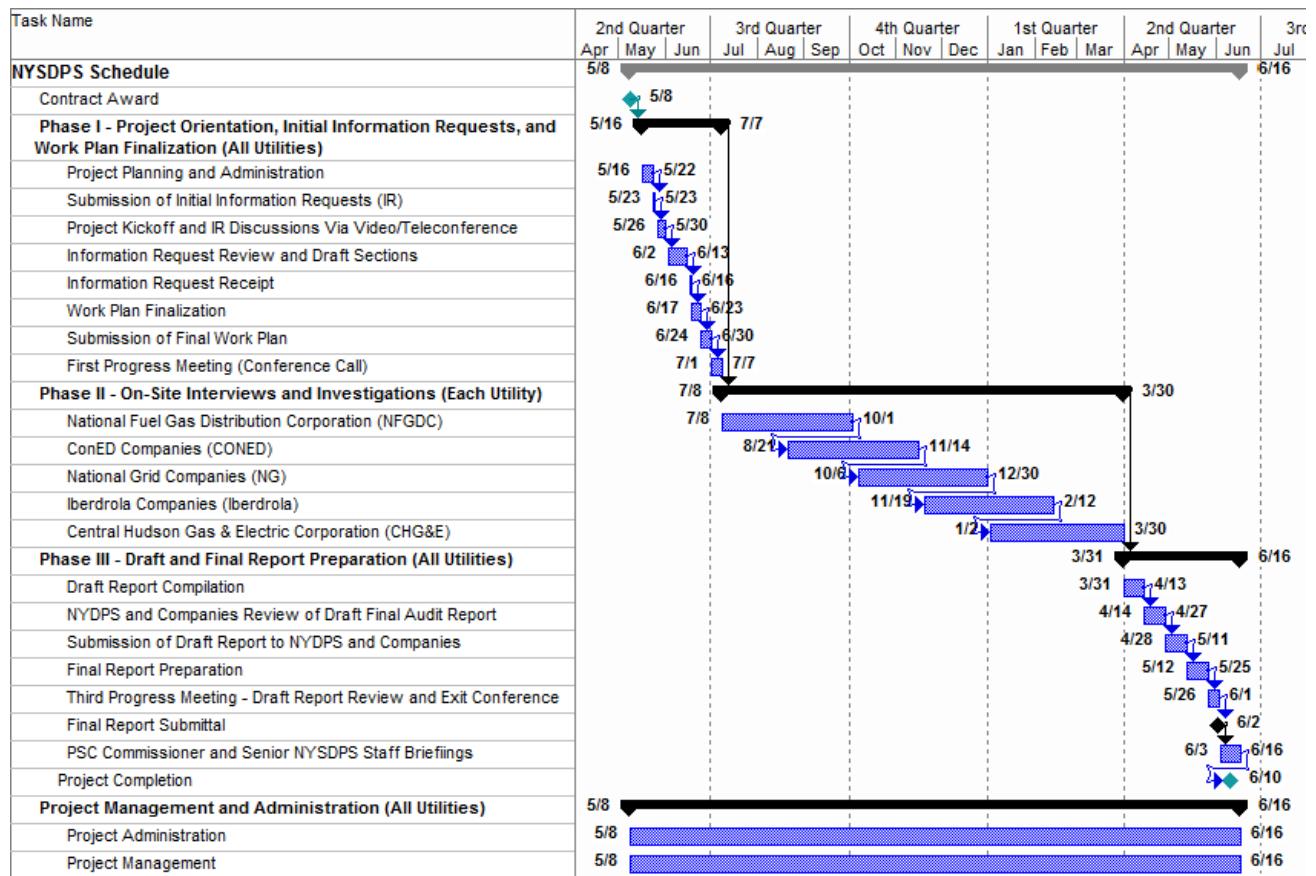
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### Summary Project Schedule

Using these estimates of durations and hours, we developed the summary project schedule shown in *Exhibit 6-1*. This analysis would indicate a final completion date before the August 2015 timeframe contained in the RFP, which includes briefings to Commissioner and NYSDPS Senior Staff. We would work with the NYSDPS to develop a better project schedule during the *Phase I* portion of the project. In particular the following scheduling changes would be made in the project schedule:

- ◆ We have selected an arbitrary order for addressing each utility. The actual order would be determined during *Phase I*.
- ◆ Our schedule shows us working on each utility sequentially during *Phase II*. In actuality each of those durations would be elongated (without effecting the project finish date). The earlier utility durations would be lengthened by stretching out the overall duration of each, whereas the later utility durations would be elongated by moving forward the start dates for those utilities.

### Exhibit 6-1 Estimated Project Schedule



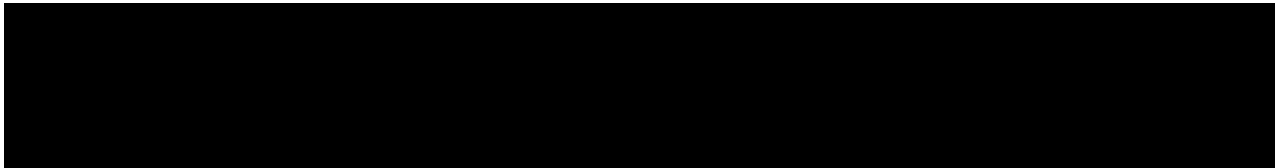
## 7. Cost

Our cost estimate is summarized in *Exhibit 7-1*.

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**Exhibit 7-1**  
**Summary Cost Estimate**



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### **Hours and Professional Fees**

Based on our past experience, staff hours were determined by estimating the number of staff hours for each task area using the work breakdown structure. These hours were then used to determine the total expected costs of the project, including professional fees, travel expenses, and services/materials (support services), using our project cost estimating model.

Schumaker & Company consultants would be available for testimony at the conclusion of the project, if necessary, at our standard billing rates.

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### **Travel Expenses**

In conducting these investigations, approximately 50% of the Schumaker & Company project team's hours will be spent on-site. Travel expenses have been estimated based on this level of on-site involvement. Our normal practice is to attempt to schedule on-site trips as far in advance as possible to take advantage of discounted coach fares. We also anticipate spending a minimum of three days on site during each trip to minimize the number of trips needed. We would expect that we might be able to stay at hotels where either the Companies or NYSDPS have arranged discounted rates. Much of the document review and report writing tasks will be performed in our offices, rather than at the Companies' sites. This also allows us to keep our costs down.

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### **Services and Materials Expenses**

All services and materials expenses are billed through as a percentage (3% of professional fees) on the invoice for the time period in which they were incurred. In calculating estimated services and materials costs, the assumption has been made that the Companies will provide office space, telephones, and access to copying and fax services

while our project team consultants are on-site. Our price includes provision of the following:

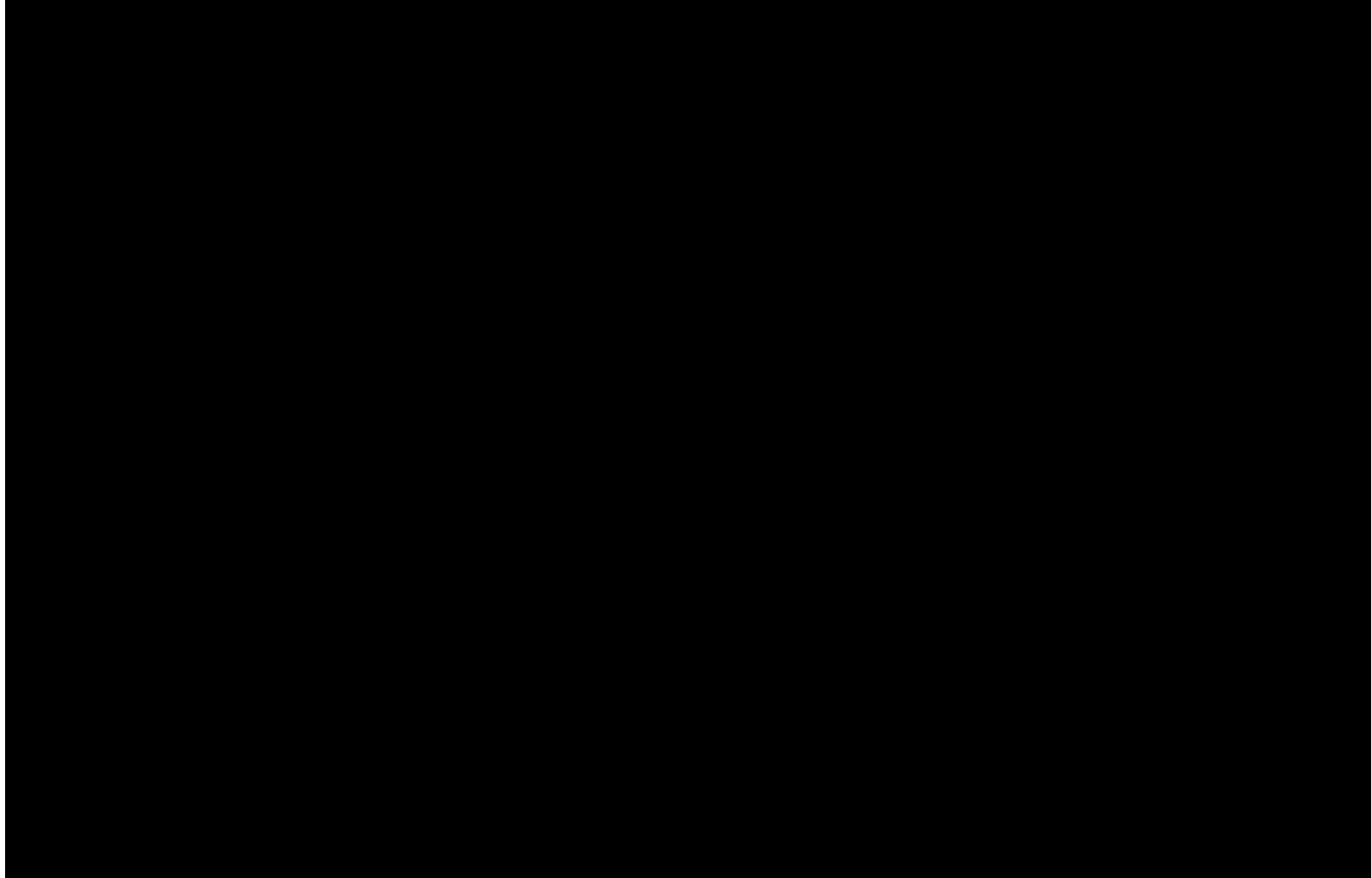
- ◆ Electronic copies of the task reports, draft reports, and final report
- ◆ Copying and miscellaneous supplies
- ◆ Communications, including telephone, overnight freight, postage, and facsimile transmission while not on-site

Our normal procedure for all task, draft, and final reports is to transmit an electronic version of the report, which can be printed locally and any necessary copies made for distribution from that local copy. If Staff determines that printed copies of the final report are required, we would expect separate reimbursement for those costs.

The details of how this estimate was developed is shown in *Exhibit 7-2* and in the subsequent exhibits that follow in this section.

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**Exhibit 7-2**  
**Summary Cost Detail**





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## On-Site Space

The consultant team will require approximately 500 square feet of office space, with three to four desks (or equivalent table space) – an unused conference room would be sufficient. We will also require access to a copier and a fax machine while on-site.

We will need high speed Internet access with the capability of establishing a virtual private network (VPN) connection to our office network. This can either be provided through a connection to the utility's LAN with a firewall that permits VPN connections or through a totally separated high speed connection to the Internet (DSL or fractional T1).

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## Invoicing Procedures

Schumaker & Company normally submits a monthly invoice for fees and expenses associated with the project (along with our monthly progress report). The invoice will include the following categories: professional fees and travel expenses (transportation, meals, lodging, etc.).

- ♦ *Professional fees* are determined by multiplying the time the consultant spends on these investigations during the reporting period by the individual's professional billing rate.
- ♦ *Travel expenses* are actual expenses, based on cost, reported semi-monthly by consultants assigned to the study. They include transportation, meals, lodging, etc.
- ♦ *Services and materials* billed as a percentage (3%) as discussed above. These include editing, word processing, laptop computer usage, copying and report printing, and communications (postage, overnight freight, facsimile, telephone, etc.). The estimate provided in this proposal is a not-to-exceed cost for these expenses.

We ask that payment be made via ACH direct deposit within 30 days. Our accounting records are available in our Ann Arbor office for inspection and audit.







## 8. Relevant Experience

Schumaker & Company's examples of previous experience relevant to the bid request are described below chronologically, starting with the most current. We have not included any experience older than 5 years.

Date(s)	Name and Location of Client	Description
January 2014 – November 2014	Philadelphia Water Department Philadelphia, PA	Provided a management support study for the Philadelphia Water Department (PWD) customer service and field operations activities to optimize operations, including evaluation of its resource utilization, so as to ensure that it is cost effective, to improve customer service, and to meet its core services and regulatory requirements in a responsible way.
July 2010-June 2014	Michigan Public Service Commission Lansing, MI	Assisted the Regulated Energy Division by verifying that the requirements of <i>Section 11, Public Act No. 286 of 2008</i> were being satisfied beginning with rate case orders issued after January 1, 2009 for each electric utility in the state, including Detroit Edison, Consumers Energy, Upper Peninsula Power Company, Wisconsin Electric Power Company, Alpena Power Company, Indiana Michigan Power, and Northern States Power Company.
June 2011-August 2013	City of Tacoma Department of Public Utilities Tacoma, WA	Comprehensive review and assessment of T&D management and operations practices
May 2012-August 2013	New York State Department of Public Service Albany, NY	Comprehensive management audit of National Fuel Gas Distribution Corporation, including field operations
May 2012-January 2013	Duke Energy Kentucky, Cincinnati, OH	Affiliate management audit of Duke Energy Kentucky (on behalf of Kentucky Public Service Commission)



<b>Date(s)</b>	<b>Name and Location of Client</b>	<b>Description</b>
February 2012-January 2013	Indiana Office of Utility Consumer Counselor, Indianapolis, IN	Affiliate standards audit of Duke Energy Indiana
May 2012-December 2012	Massachusetts Department of Public Utilities Boston, MA	Assisted DPU staff on 3 DPU adjudications investigating emergency preparation and restoration of service following storms involving Massachusetts Electric and Nantucket Electric Company d/b/a National Grid; NSTAR Electric Company; and Western Massachusetts Electric Company
April 2012 – August 2012	Utilities, Inc. Northbrook, IL	Management and operations audits of Twin Lakes utility organization and its affiliate, Water Service Corporation (WSC), on behalf of the Indiana Utility Regulatory Commission (IURC), including field operations, customer service/support units, and financial management.
January 2012-May 2012 January 2011-May 2011 January 2010-May 2010	Public Utilities Commission of Ohio Columbus, OH	Management/performance and financial audit of fuel and purchased power and system reliability tracker riders, including electric business operations, of Duke Energy Ohio
May 2011-February 2012	Nova Scotia Power Incorporated Halifax, Nova Scotia, Canada	Audit of solid fuel inventory management function
June 2011-October 2011	Maine Public Advocate, Augusta, ME	Regulatory and litigation support regarding Central Maine Power's credit and collection policies and standard offer uncollectible balances
October 2010-October 2011	New Mexico Public Regulation Commission Santa Fe, NM	Prudence review and audit of fuel purchased power cost adjustment clause and related electric business operations of El Paso Electric Company, including field operations
June 2010-June 2011	New Jersey Board of Public Utilities Trenton, NJ	Comprehensive management audit of Jersey Central Power & Light Company, including field operations and customer service, and an audit of the affiliated transactions between JCP&L and its affiliates

Date(s)	Name and Location of Client	Description
June 2010-August 2010	Dayton Power & Light Company Dayton, OH	Provided assistance to DP&L to prepare the company for its annual review and audit of fuel purchased power cost adjustment clause and related electric business operations
February 2010-July 2010	Tennessee Regulatory Authority Nashville, TN	An affiliate audit of Tennessee-American Water Company (TAWC) at Tennessee Regulatory Authority's request, including an investigation and assessment of the American Water Works Service Company management performance and decisions relating to internal processes and internal controls involving affiliate relationships and transactions, and the resulting recommendations of any management process changes needed for those controls and implementation.
January 2010-June 2010	Maine Public Advocate, Augusta, ME	Regulatory/litigation support in its intervention in a petition filed on March 18, 2010 at Maine Public Utilities Commission by Bangor Hydro-Electric Power Company, Maine Public Service Company, Maine Electric Power Company, and Chester SVC Partnership requesting an approval of reorganization (35-A M.R.S.A. §§ 708 and 1103) financial provisions
January 2009-May 2010	Pennsylvania Public Utility Commission Pittsburgh, PA	Stratified management and operations audit of Equitable Gas Company, including field operations and customer service, and EGC's relationship with its affiliates
July 2009-February 2010	New Mexico Public Regulation Commission Santa Fe, NM	Prudence review and audit of fuel purchased power cost adjustment clause and related electric business operations of Public Service Company of New Mexico





## 9. Relevant Individual Consultant's Experience

Examples of each Schumaker & Company proposed team member's previous experience is shown in the table below chronologically, starting with the most current, and can be found in more detail in our *Appendix B – Firm Qualifications* (<http://www.schuco.com/NYS DPS/AppendixBFirmQualifications.pdf>).. We have not included any experience older than 5 years in this table.

**Name: Patricia Schumaker Role: Engagement Director & Senior Consultant Firm: SCHUCO**

Date(s)	Name and Location of Client	Description
January 2014 – November 2014	Philadelphia Water Department Philadelphia, PA	<p>Provided a management a management support study for the Philadelphia Water Department (PWD) customer service and field operations activities to optimize operations, including evaluation of its resource utilization, so as to ensure that it is cost effective, to improve customer service, and to meet its core services and regulatory requirements in a responsible way.</p> <p>In the evaluation of the field operations area, Ms. Schumaker reviewed PWD's existing practices in customer service and key support units, including customer service, complaints, and inquiries (call center), credit and collections, and meter management and reading.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Customer service</li> <li>◆ Credit and collections</li> <li>◆ Meter management</li> <li>◆ Best practices comparison</li> </ul>
July 2010 – June 2014	Michigan Public Service Regulated Energy Division Lansing, MI	<p>Assisted the Regulated Energy Division by verifying that the requirements of Section 11, Public Act No. 286 of 2008 are being satisfied beginning with rate case orders issued after January 1, 2009 for each electric utility in the state, including Detroit Edison, Consumers Energy, Upper Peninsula Power Company, Wisconsin Electric Power Company, Alpena Power Company, Indiana Michigan Power, and Northern States Power Company.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Public Act 286 Section 11 verification involving rate cases</li> <li>◆ Multiple electric company reviews</li> </ul>







Date(s)	Name and Location of Client	Description
June 2010 – August 2010	Dayton Power & Light Company Dayton, OH  <b>Task areas:</b>	<p>Provided fuel cost recovery rider audit co-sourcing assistance to Dayton Power and Light Company (DP&amp;L) to prepare DP&amp;L for its annual review and audit to take place in the first quarter of 2011 for calendar year 2010.</p> <ul style="list-style-type: none"> <li>◆ Finance and accounting policies, procedures, and practices</li> <li>◆ Fuel rider calculation methodologies</li> <li>◆ PJM charges analysis</li> <li>◆ Compliance audit/sampling</li> </ul>
February 2010 – July 2010	Tennessee Regulatory Authority Nashville, TN  <b>Task areas:</b>	<p>Schumaker &amp; Company and its subcontractor Work &amp; Greer, PC, a certified public accounting firm, conducted an affiliate audit of Tennessee-American Water Company (TAWC) at the request of the Tennessee Regulatory Authority (TRA), including an investigation and assessment of the American Water Works Service Company management performance and decisions relating to internal processes and internal controls involving affiliate relationships and transactions, and the resulting recommendations of any management process changes needed for those controls and implementation.</p> <ul style="list-style-type: none"> <li>◆ Oversight for both management &amp; operations team and internal controls review &amp; sampling teams</li> <li>◆ Affiliate relationships and transactions</li> <li>◆ Management effectiveness and cost competitiveness of affiliate functions, including customer service</li> <li>◆ Cost accumulation and assignment</li> <li>◆ Cost allocation methodologies</li> <li>◆ Internal controls evaluation &amp; sampling</li> </ul>
July 2009 – February 2010	New Mexico Public Regulation Commission Santa Fe, NM  <b>Task areas:</b>	<p>Assisted the New Mexico Public Regulation Commission (NMPRC) staff in a prudence review and audit of the fuel and purchased power cost adjustment clause (fuel clause) and related documentation of the electric business operations of Public Service Company of New Mexico (PNM).</p> <ul style="list-style-type: none"> <li>◆ Fuel clause computations</li> <li>◆ Fuel clause related policies, procedures, and rules</li> </ul>



Date(s)	Name and Location of Client	Description
January 2009 – May 2010	Pennsylvania Public Utility Commission, Bureau of Audits – Western Region Pittsburgh, PA  <b>Task areas:</b>	Assisted the Pennsylvania Public Utility Commission (PaPUC) in a stratified management and operations audit of Equitable Gas Company (EGC), a subsidiary of EQT Corporation, and EGC's relationship with its affiliates; primary focus was the business components of EGC still subject to regulation by the PaPUC.  ♦ Project planning and scheduling ♦ Financial management ♦ Risk management ♦ Customer service ♦ Legal services ♦ Information technology and systems ♦ Data and statistics ♦ Affiliated interests ♦ Diversity and EEO



**Name: Dennis Schumaker Role: Project Manager & Lead Consultant Firm: SCHUCO**

Date(s)	Name and Location of Client	Description
January 2014 – November 2014	Philadelphia Water Department Philadelphia, PA	<p>Provided a management a management support study for the Philadelphia Water Department (PWD) customer service and field operations activities to optimize operations, including evaluation of its resource utilization, so as to ensure that it is cost effective, to improve customer service, and to meet its core services and regulatory requirements in a responsible way.</p> <p>In the evaluation of the field operations area, Mr. Schumaker reviewed PWD's existing practices in design functions and their ability to communicate with field construction personnel, planning, past and current construction projects for performance in planning, scheduling, cost minimization and efficiency, accuracy of documentation, response time, and performance of PWD's operations and maintenance, and engineering economics methodology and their ability to coordinate PWD's operations in an optimal manner.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Water and wastewater field operations, workforce, and service levels</li> <li>♦ Best practices comparison</li> </ul>
July 2010 – June 2014	Michigan Public Service Commission Regulated Energy Division Lansing, MI	<p>Assisted the Regulated Energy Division by verifying that the requirements of Section 11, Public Act No. 286 of 2008 are being satisfied beginning with rate case orders issued after January 1, 2009 for each electric utility in the state, including Detroit Edison, Consumers Energy, Upper Peninsula Power Company, Wisconsin Electric Power Company, Alpena Power Company, Indiana Michigan Power, and Northern States Power Company.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Public Act 286 Section 11 verification involving rate cases</li> <li>♦ Multiple electric company reviews</li> </ul>
June 2011 – August 2013	City of Tacoma Power, Department of Public Utilities, Light Division Tacoma, WA	<p>Assisted the City of Tacoma, Department of Public Utilities, Light Division (dba Tacoma Power) with a comprehensive review and assessment of its Transmission and Distribution (T&amp;D) management and operation practices.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Management and operations</li> <li>♦ Performance management program</li> <li>♦ Asset management for engineering, construction &amp; maintenance, and electric service</li> </ul>





Date(s)	Name and Location of Client	Description
October 2010 – October 2011	New Mexico Public Regulation Commission Santa Fe, NM	<p>Assisted the New Mexico Public Regulation Commission (NMPRC) staff in a prudence review and audit of the fuel and purchased power cost adjustment clause (fuel clause) and related documentation of the electric business operations of El Paso Electric Company (EPE), specifically to provide professional auditing and prudence review services of EPE's fuel and purchased power costs, fuel clause filings and related documentation for the period of January 1, 2010 through December 31, 2010.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Coal costs and plant operations</li> <li>♦ Nuclear fuel expenses</li> <li>♦ Line losses</li> <li>♦ Purchased power expense and sales for resale</li> </ul>
June 2010 – June 2011	New Jersey Board of Public Utilities Trenton, NJ	<p>Assisted the New Jersey Board of Public Utilities (NJBPU) in a comprehensive management audit of Jersey Central Power and Light (JCP&amp;L) and an audit of the affiliated transactions between JCP&amp;L and its affiliates.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Fuel procurement and purchasing</li> <li>♦ Market conditions</li> <li>♦ Recommendations and review of previous analysis</li> <li>♦ Remediation costs</li> <li>♦ Distribution and operations maintenance</li> <li>♦ Extensions and upgrades to provide regulated services</li> <li>♦ Clean energy</li> <li>♦ Contractor performance</li> </ul>
June 2010 – August 2010	Dayton Power & Light Company Dayton, OH	<p>Provided fuel cost recovery rider audit co-sourcing assistance to Dayton Power and Light Company (DP&amp;L) to prepare DP&amp;L for its annual review and audit to take place in the first quarter of 2011 for calendar year 2010.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>♦ Fuel procurement procedures and practices</li> <li>♦ Operations and maintenance practices</li> <li>♦ Management performance</li> </ul>



Date(s)	Name and Location of Client	Description
February 2010 – July 2010	Tennessee Regulatory Authority Nashville, TN	<p>Schumaker &amp; Company and its subcontractor Work &amp; Greer, PC (Work &amp; Greer), a certified public accounting firm, conducted an affiliate audit of Tennessee-American Water Company (TAWC) at the request of the Tennessee Regulatory Authority (TRA), including an investigation and assessment of the American Water Works Service Company management performance and decisions relating to internal processes and internal controls involving affiliate relationships and transactions, and the resulting recommendations of any management process changes needed for those controls and implementation.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Affiliate relationships</li> <li>◆ Management effectiveness and cost competitiveness</li> <li>◆ Communications and planning</li> </ul>
January 2010 – June 2010	Maine Public Advocate Augusta, ME	<p>Provided regulatory and litigation support to the Maine Public Advocate in its intervention in a petition filed on March 18, 2010 at the Maine Public Utilities Commission by Bangor Hydro-Electric Power Company, Maine Public Service Company, Maine Electric Power Company, and Chester SVC Partnership requesting an approval of reorganization (35-A M.R.S.A. §§ 708 and 1103) financial provisions.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Regulatory and reliability merger implications</li> </ul>
January 2009 – May 2010	Pennsylvania Public Utility Commission, Bureau of Audits – Western Region Pittsburgh, PA	<p>Assisted the Pennsylvania Public Utility Commission (PaPUC) in a stratified management and operations audit of Equitable Gas Company (EGC), a subsidiary of EQT Corporation, and EGC's relationship with its affiliates; primary focus was the business components of EGC still subject to regulation by the PaPUC.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Project planning and scheduling</li> <li>◆ Gas supply and operations</li> <li>◆ System reliability performance and related operations</li> <li>◆ Customer service, billing, and collection functions</li> </ul>







Date(s)	Name and Location of Client	Description
2010-Present	<p>West Monroe Partners Mid-market Commercial Bank Business Analyst—Salesforce.com Design and Implementation</p> <p>Task areas:</p>	<p>Assisted in the facilitation of business discovery sessions with multiple stakeholder groups including commercial loans, commercial deposits, treasury management, commercial marketing and executive leadership. Based on these workshops, she created functional and technical requirements definition, the functional design documentation and system architecture.</p> <ul style="list-style-type: none"> <li>◆ Training and change management</li> <li>◆ Information technology strategy and database design</li> <li>◆ Project management</li> </ul>





**Name: Joseph De Furia Role: Senior Consultant****Firm: SCHUCO**

Date(s)	Name and Location of Client	Description
2012-Present	Paulus, Sokolowski and Sartor Warren, NJ  <b>Task areas:</b>	Participating as a team member on behalf of Paulus, Sokolowski and Sartor (PS&S) to reestablish the recertification of gas transmission facilities for UGI Corporation.  ♦ Consultant
2008 – 2009	CMX Engineering Manalapan, NJ  <b>Task areas:</b>	Participated as an asset management expert on behalf of CMX Engineering (CMX) with Huron LLC to develop an asset investment prioritization process for Central Vermont Electric. Contributed as a gas distribution process subject matter expert on a team that successfully developed a strategy for Philadelphia Gas Works to optimize the configuration of its physical assets.  ♦ Asset management ♦ Gas distribution subject matter expert ♦ Performance improvements ♦ Corporate planning/budgeting ♦ Analytical studies
2008 – 2009	PSE&G Newark, NJ  <b>Task areas:</b>	Played a key role in the reorganization of the electric and gas distribution department into an asset management structure. As the first Director of Client Services-Delivery, led the initial start-up and staffing of the Client Services Department (400 associates), including establishing the mission, strategies, and goals for the group.  Primary responsibilities included directing the following support services for both Electric and Gas Distribution departments: business systems (information technology), environmental, health and safety compliance, transportation and equipment, engineering and construction, technical support services, new technology, and tactical regulatory interface.  ♦ Asset management ♦ Electric and gas distribution operations ♦ Client services ♦ Information technology and technical support systems ♦ Organizational efficiency ♦ Transportation and equipment ♦ Tactical regulatory interface

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**Name: Greg Kasper****Role: Senior Consultant****Firm: WMP**

Date(s)	Name and Location of Client	Description
2009-Present	Energy & Utilities Company Telecom Operational Model Development	<p>Developed a Telecom operation model to manage, maintain, and monitor the increasing number of field devices needed to support the Smart-Grid initiative. Critical operational business processes were identified demarks established (RACI), and each prioritized based on the business strategy. Capabilities were then identified to support the business processes and the operational support model was developed. A strategic roadmap was created to drive the implementation of the operational support model. Several of the critical processes were mapped in detail and client resources were engaged and trained to continue documentation.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Six Sigma RACI matrix/modeling</li> <li>◆ Operational business process analysis</li> <li>◆ Information technology strategy and organizational design</li> </ul>
2009-Present	Energy & Utilities Company Telecom Operational Process Documentation	<p>Engaged to continue the development and documentation of the operational business process that were identified in the first phase of the project. Collaboratively documented over 80 operational business processes. Identified synergies between the processes and began to optimize the processes and socialize and educate management and resources. The most critical of those areas was the resolution of outages. Both a short and long term plan for incident management was created to begin to document, assign, and communicate outages consistently.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Business process analysis</li> <li>◆ Incident management planning</li> </ul>
2009-Present	Manufacturing Company IT Project Demand Management	<p>Engaged to help the client mature their business and information technology initiative engagement, approval, and prioritization processes.</p> <p>Developed a consistent and repeatable process to collect all desired initiatives (both business and IT), review and approve them, prioritize against ongoing and other requested initiatives, and then effectively manage resource capacity to manage the work.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Process development and information technology implementation</li> </ul>

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Date(s)	Name and Location of Client	Description
2009-Present	<p>Manufacturing Company IT Architecture Assessment and RFP Design</p> <p>Task areas:</p>	<p>Client wished to issue a request for proposal to select a partner that can perform a datacenter refresh for them and subsequently support the environment under a managed services agreement. After identifying the requirements a vendor selection process was developed that captured each of the requirements, presented them to the potential vendors, and enabled a consistent and precise scoring method. The results were the selection of a vendor that could fulfill all requirements critical to the business.</p> <ul style="list-style-type: none"> <li>◆ Requirements capture and information technology implementation</li> <li>◆ Performance improvements</li> <li>◆ Analytical studies</li> </ul>
2009-Present	<p>KeyBank Senior Process Manager IT Service Management Office</p> <p>Task areas:</p>	<p>Managed the redesign of problem management in a corporate wide implementation of information technology infrastructure library (ITIL) best practices and software upgrade; led the service management process areas on the organizations objective to reduce tool customizations for cost reduction and sustain a framework for future upgrades; collaborated with critical incident management and built a formal turnover process from incident to problem reducing involved man hours by more than 50%; incorporated standard root cause identification methodology based on a blend of several industry standards including Kepner-Tregoe; reduced reoccurring incidents 30% by developing KPI's related to quality and final root cause identification.</p> <ul style="list-style-type: none"> <li>◆ Information technology implementation</li> <li>◆ ITIL and ITAM Process and Program optimization and redesign</li> <li>◆ Service Desk and NOC design and management</li> <li>◆ Project and portfolio management (PPM)</li> <li>◆ Aligned key metrics to strategic goals</li> <li>◆ Quality measurement, review process development, and balanced scorecards</li> <li>◆ Chaired review meetings</li> <li>◆ Change control processes and management operations/audits</li> </ul>



Date(s)	Name and Location of Client	Description
February 2012 – January 2013	Indiana Office of Utility Consumer Counselor Indianapolis, IN  <b>Task areas:</b>	<p>Provided an affiliate standards audit of Duke Energy Indiana (DEI) for the Indiana Office of Utility Consumer Counselor (OUCC).</p> <ul style="list-style-type: none"> <li>♦ Accounting for all affiliate transactions</li> <li>♦ Identification of untariffed non-utility services and goods or services from non-utility affiliates</li> <li>♦ Review of any DEI and affiliate- related recorded documentation, including agreements</li> <li>♦ Financial arrangement/obligation compliance</li> <li>♦ Affiliate contract filings, approval of power purchases, and filing requirements compliance</li> <li>♦ Audits and controls</li> </ul>
January 2011 – March 2011	Hartland Township 2655 Clark Road Hartland, MI 48353  <b>Task areas:</b>	<p>Financial analysis and cash flow modeling for the Hartland Township Sewer Assessment Fund – 2005 through 2034.</p> <ul style="list-style-type: none"> <li>♦ Summary financial projections for Sewer Assessment Fund</li> <li>♦ Detailed cash flow model 30 years forward for Sewer Assessment Fund</li> </ul>



**Name: D. Kerry Laycock****Role: Senior Consultant****Firm: SCHUCO**

Date(s)	Name and Location of Client	Description
January 2014 – November 2014	Philadelphia Water Department Philadelphia, PA	<p>Provided a management a management support study for the Philadelphia Water Department (PWD) customer service and field operations activities to optimize operations, including evaluation of its resource utilization, so as to ensure that it is cost effective, to improve customer service, and to meet its core services and regulatory requirements in a responsible way.</p> <p>In the evaluation of the field operations area, Mr. Laycock reviewed PWD's existing practices in customer service and key support units, including customer service, complaints, and inquiries (call center), credit and collections, and meter management and reading.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Customer service</li> <li>◆ Credit and collections</li> <li>◆ Meter management</li> <li>◆ Best practices comparison</li> </ul>
June 2010 – June 2011	New Jersey Board of Public Utilities Trenton, NJ	<p>Assisted the New Jersey Board of Public Utilities (NJBPUB) in a comprehensive management audit of Jersey Central Power and Light (JCP&amp;L) and an audit of the affiliated transactions between JCP&amp;L and its affiliates.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Operational structure</li> <li>◆ Human resources</li> <li>◆ Diversity/EEO</li> </ul>
January 2009 – May 2010	Pennsylvania Public Utility Commission, Bureau of Audits – Western Region Pittsburgh, PA	<p>Assisted the Pennsylvania Public Utility Commission (PaPUC) in a stratified management and operations audit of Equitable Gas Company (EGC), a subsidiary of EQT Corporation, and EGC's relationship with its affiliates; primary focus was the business components of EGC still subject to regulation by the PaPUC.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Executive management, external relations, and human resources</li> <li>◆ Customer service, billing, and collections</li> <li>◆ Diversity and EEO</li> </ul>

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**Name: Will McNamara    Role: Lead Consultant****Firm: WMP**

Date(s)	Name and Location of Client	Description
2012-Present	West Monroe Partners Chicago, IL	<p>Mr. McNamara is a senior manager in West Monroe Partners' Energy &amp; Utilities practice, where he oversees delivery of regulatory support and key stakeholder relations services to the firm's utility clients. He has more than 17 years of energy industry, policy-making, rate design, expert testimony, and lobbying experience.</p> <p>Mr. McNamara has assisted a number of investor-owned utilities (IOUs) in their strategy planning and implementation of advanced metering infrastructure (AMI)/Smart Grid initiatives, including the development of strategy roadmaps, system architecture design and integration and regulatory filings.</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Smart grid project management</li> <li>◆ Smart grid strategy development</li> <li>◆ Regulatory support</li> <li>◆ Testimony preparation and delivery</li> <li>◆ Stakeholder relations</li> </ul>
2012-Present	West Monroe Partners Chicago, IL Commonwealth Edison	Prepared master schedule for deployment of AMI technologies to all four (4) million meters over 10-year rollout. Along with field deployment, operational improvements, and business transformation activities, the master schedule also included customer-service specific activities such as customer education, stakeholder relations, home area network (HAN) product development, and customer billing improvements.
2012-Present	West Monroe Partners Chicago, IL Ameren Illinois	Prepared Work Breakdown Structure that outlines all of the work involved in the utility's project to replace 62 percent of its existing meters with AMI technology. The work breakdown structure included customer experience related activities such as billing improvements, web interface, peak-time rebate and dynamic pricing program offerings, home area network (HAN) technologies; and other innovative customer service offerings.
2012-Present	West Monroe Partners Chicago, IL Ameren Missouri	Prepared program implementation plan for Ameren Missouri's energy efficiency program ordered by 2009 state legislation Missouri Energy Efficiency Investment Act (MEEIA).

Date(s)	Name and Location of Client	Description
2012-Present	West Monroe Partners Chicago, IL District of Columbia Public Service Commission	Served as lead author for report that provided an assessment of the technical feasibility and potential cost impact of having the Potomac Electric Power Company (Pepco) provide an Opt-Out Program for customers who prefer not to participate in Pepco's advanced metering infrastructure (AMI) program in the District of Columbia (District).
2012-Present	West Monroe Partners Chicago, IL District of Columbia Public Service Commission	Served as lead author for report that provided an assessment of the technical feasibility and potential cost impact of having the Potomac Electric Power Company (Pepco) provide an Opt-Out Program for customers who prefer not to participate in Pepco's advanced metering infrastructure (AMI) program in the District of Columbia (District).
February 2007 – 2012	KEMA, Inc. Sr. Principal Consultant Management and Operations Consulting	<p>Project Manager for Duke Energy's Utility of the Future project, in which the utility prepared to execute a full-scale smart grid deployment across its five-state jurisdiction (metering, distribution automation, and home area networks). In this role, Will oversaw the creation of Duke's use cases and functional requirements for its planned smart grid system, technology vendor selection, evaluation of communication platform configurations, and development of Duke's regulatory business case and cost-recovery proceedings.</p> <p>Project Manager for Southern California Public Power Authority (SCPPA) member cities' American Recovery and Reinvestment Act (ARRA) stimulus funding applications for smart grid projects. In this capacity, Mr. McNamara managed approximately seven separate applications for SCPPA member cities such as the cities of Anaheim, Burbank, Los Angeles, and Pasadena that included a full range of AMI/Smart Grid projects incorporating such components as distributed automation, meter data management systems, demand response, and HANs.</p> <p>Managed and prepared the state regulatory filing for Consolidated Edison (ConEd), delivered to the New York Public Service Commission. The regulatory filing outlined ConEd's Supplemental Plan for its AMI / Smart Grid project, a proposal to install AMI with approximately 3.6 million electric and about 1.2 million gas meters.</p>



Date(s)	Name and Location of Client	Description
	KEMA, Inc. continued	<p>Managed regulatory testimony for Vectren Corporation before the Indiana Utility Regulatory Commission, which outlined Vectren's smart grid project, an integrated systems project designed to enable Distribution Automation and AMI technology to Vectren South's approximately 150,000 electric and 88,000 gas customers. Along with managing the regulatory testimony, Will also helped prepare the RFP package covering the AMI, DA, and MDM components of Vectren's smart grid project.</p> <p>Developed the system requirements for the Los Angeles Department of Water &amp; Power's (LADWP's) ARRA-funded Smart Grid Demonstration Program. Requirements development included functional and non-functional requirements for four key components of LADWP's project: demand response, customer behavior, cyber security and electric vehicles.</p> <p>Prepared successful ARRA funding applications for San Diego Gas &amp; Electric; Snohomish Public Utility District (Washington State); and the Municipal Electric Association of Georgia (MEAG).</p> <p><b>Task areas:</b></p> <ul style="list-style-type: none"> <li>◆ Development of strategy roadmaps, system architecture design and integration; and regulatory filings</li> <li>◆ Regulatory support</li> <li>◆ AMI/Smart Grid projects</li> <li>◆ Enterprise architecture design</li> <li>◆ ARRA grant support</li> </ul>

**Name: Brent M. Miller****Role: Senior Consultant****Firm: WMP**

Date(s)	Name and Location of Client	Description
September 2012 – Present	<p>West Monroe Partners New York, NY</p> <p>Consultant with the Operations Excellence Practice in New York. He is a member of the Banking Lean Center of Excellence (LCoE) to further utilize his background in Lean Six Sigma with Financial Services clients.</p> <p>Task areas:</p>	<p><b>Distribution:</b> Worked in one of the largest food distributors to help build, deliver, and maintain engineered labor standards (ELS) and helped redesign processes for data collection and drafted training material for moving forward.</p> <p><b>Retail:</b> Customer service project (US) studied, analyzed, and validated the need for the front end software and provided further recommendations on rollout, and further capabilities; ELS reconfiguration (Mexico) helped to standardize the ELS templates, revised existing standards as necessary for the Mexico market; ELS reconfiguration (US) helped to standardize the ELS templates, revised existing standards as necessary for the US market to maintain environmental compliance and facilitate a job role consolidation; new prototype (US) observed two versions of the prototype store and quantified operational differences based on layout, configuration, equipment, and processes in order to recommend the next iteration of store design.</p> <ul style="list-style-type: none"> <li>♦ Change management and enterprise transformation</li> <li>♦ Process mapping, redesign, capability enhancement</li> <li>♦ Continuous improvement</li> <li>♦ Emerging banking focus</li> <li>♦ KPI, SLA, OLA development and tracking</li> </ul>
2011 – September 2012	<p>Luxottica Group, Sears Optical Operational Excellence Sr. Analyst</p>	<p>Lead a Lean Six Sigma Belt project with savings of \$1.5MM+ annually. Field Management System Redesign for Sears Optical; redefined spec limits and thresholds and have seen a 41% reduction in out-of-spec retail performance. Developed store activity reports to baseline Sears' total performance by category, collection, and brand.</p> <p>Reorganization of Oakley Accounting department including relocation of resources and ground-up process redesign. This included: extended value stream maps were developed, along with process maps per business unit to identify value-added vs. non-value-added activities during the transition, creating vendor health checks and subsequent</p>



Date(s)	Name and Location of Client	Description
	Luxottica Group, Sears Optical continued	<p>vendor manuals to standardize the upstream processes for accounts payables and the Oakley Buyers, identifying major gaps in SAP implementation and developed solution to track pricing discrepancies against goods receipts and the associated costs with using "vendor tolerances," and designing and managing the build of an automated , server-based check request system to improve on-time vendor payment; reduced average approval time by 25 days and improved visibility to check limit approval privileges</p> <p>Organized cross-branded leaders to form "Task Force" to streamline language and processes across all Luxottica brands. This reduced number of defect codes from 59 to 20 to better allow the associates to describe defects in eyewear, thus improving training, coaching opportunities, and driving improvement initiatives; standardized use of the language across all Luxottica brands.</p> <p>Took part in Lens Crafters time study regarding in-store labs to add lens attribute processes while still offering "Lenses in an Hour."</p> <p>Mentored a Sunglass Hut intern to develop redistribution of labor to elevate below average performing stores.</p> <p>Task areas:</p> <ul style="list-style-type: none"> <li>◆ Lean – Six Sigma Green Belt</li> <li>◆ Shared Service Centers</li> <li>◆ Manufacturing and Distribution</li> </ul>
2010	Rimrock Corporation (2010) Material Control and Planning Intern	<p>Worked closely with suppliers to maintain and reduce on-hand inventory, keep projects on track. Scheduled activities and material to meet customer demand on projects, repairs, and spare parts orders.</p> <p>Redesigned/ co-wrote the new supplier evaluation forms to reduce time spent filling out forms, increase visibility of problems, and automate report generation.</p> <p>Worked with ISO 9000 team to standardize work practices to reduce errors and decrease retrain/ cross-train time.</p> <p>Task areas:</p> <ul style="list-style-type: none"> <li>◆ Inventory management</li> <li>◆ ISO standard practices</li> </ul>



Date(s)	Name and Location of Client	Description
June 2010 – June 2011	New Jersey Board of Public Utilities Trenton, NJ	Assisted the New Jersey Board of Public Utilities (NJBP) in an audit of the affiliated transactions between Jersey Central Power and Light (JCP&L) and its affiliates, and a comprehensive management audit of JCP&L.
	Task areas:	<ul style="list-style-type: none"> <li>◆ Recommendations and review of previous analysis</li> <li>◆ Customer service</li> <li>◆ Data and statistics research and benchmarking analysis</li> <li>◆ Team consultant support with any report details that needed spreadsheet preparation, data analysis, research investigation, or tables and graphics</li> </ul>
February 2010 – July 2010	Tennessee Regulatory Authority Nashville, TN	Schumaker & Company and its subcontractor Work & Greer, PC (Work & Greer), a certified public accounting firm, conducted an affiliate audit of Tennessee-American Water Company (TAWC) at the request of the Tennessee Regulatory Authority (TRA), including an investigation and assessment of the American Water Works Service Company management performance and decisions relating to internal processes and internal controls involving affiliate relationships and transactions, and the resulting recommendations of any management process changes needed for those controls and implementation.
	Task areas:	<ul style="list-style-type: none"> <li>◆ Team consultant support with any report details that needed spreadsheet preparation, data analysis, research investigation, or tables and graphics</li> <li>◆ Internal controls evaluation &amp; sampling</li> <li>◆ Document preparation and delivery</li> </ul>
January 2009 – May 2010	Pennsylvania Public Utility Commission, Bureau of Audits – Western Region Pittsburgh, PA	Assisted the Pennsylvania Public Utility Commission (PaPUC) in a stratified management and operations audit of Equitable Gas Company (EGC), a subsidiary of EQT Corporation, and EGC's relationship with its affiliates; primary focus was the business components of EGC still subject to regulation by the PaPUC.
	Task areas:	<ul style="list-style-type: none"> <li>◆ Data and statistics research and benchmarking analysis</li> <li>◆ Focused analyses in various functional areas, as customer service and human resources</li> <li>◆ Document preparation and delivery</li> </ul>





Date(s)	Name and Location of Client	Description
May 2012 – January 2013	Duke Energy Kentucky Cincinnati, OH  <b>Task areas:</b>	Assisted with an affiliate management of Duke Energy Kentucky (DEK) as ordered by the Kentucky Public Service Commission (KPSC) in Case No. 2005-00228.  ♦ Project administration and support ♦ Analytical support
February 2012 – January 2013	Indiana Office of Utility Consumer Counselor Indianapolis, IN  <b>Task areas:</b>	Provided an affiliate standards audit of Duke Energy Indiana (DEI) for the Indiana Office of Utility Consumer Counselor (OUCC).  ♦ Project administration and support ♦ Analytical support
May 2012 – December 2012	Department of Public Utilities Commonwealth of Massachusetts Boston, MA  <b>Task areas:</b>	Provided the Commonwealth of Massachusetts DPU staff on three DPU adjudications investigating the emergency preparation and restoration of service following storms by the electric distribution utilities in Massachusetts: Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (National Grid), NSTAR Electric Company (NSTAR), and Western Massachusetts Electric Company (WMECo).  ♦ Project administration and support ♦ Analytical support
April 2012 – August 2012	Utilities, Inc. Northbrook, IL  <b>Task areas:</b>	Provided a management and operations audit of Twin Lakes utility organization and its affiliate, Water Service Corporation (WSC), on behalf of the Indiana Utility Regulatory Commission (IURC), including operations, customer service/support units, and financial management. The study was organized into three task areas: 1) a detailed analysis of the financial management of Twin Lakes Utilities; 2) examinations of the water and wastewater utility operations, workforce, and service levels; 3) examination of key Utilities, Inc. units that support Twin Lakes Utilities operations, workforce, and contribution to the mission of the utilities.  ♦ Project administration and support ♦ Analytical support



Date(s)	Name and Location of Client	Description
February 2010 – July 2010	Tennessee Regulatory Authority Nashville, TN	Schumaker & Company and its subcontractor Work & Greer, PC (Work & Greer), a certified public accounting firm, conducted an affiliate audit of Tennessee-American Water Company (TAWC) at the request of the Tennessee Regulatory Authority (TRA), including an investigation and assessment of the American Water Works Service Company management performance and decisions relating to internal processes and internal controls involving affiliate relationships and transactions, and the resulting recommendations of any management process changes needed for those controls and implementation.  <b>Task areas:</b> <ul style="list-style-type: none"> <li>♦ Project administration and support</li> <li>♦ Analytical support</li> </ul>
January 2009 – May 2010	Pennsylvania Public Utility Commission, Bureau of Audits – Western Region Pittsburgh, PA	Assisted the Pennsylvania Public Utility Commission (PaPUC) in a stratified management and operations audit of Equitable Gas Company (EGC), a subsidiary of EQT Corporation, and EGC's relationship with its affiliates; primary focus was the business components of EGC still subject to regulation by the PaPUC.  <b>Task areas:</b> <ul style="list-style-type: none"> <li>♦ Project administration and support</li> <li>♦ Analytical support</li> </ul>
July 2009 – February 2010	New Mexico Public Regulation Commission Santa Fe, NM	Assisted the New Mexico Public Regulation Commission (NMPRC) staff in a prudence review and audit of the fuel and purchased power cost adjustment clause (fuel clause) and related documentation of the electric business operations of Public Service Company of New Mexico (PNM).  <b>Task areas:</b> <ul style="list-style-type: none"> <li>♦ Project administration and support</li> <li>♦ Analytical support</li> </ul>

## 10. Relevant References

The following three references can answer questions about Schumaker & Company and key personnel past performances in similar contractual situations.

**Reference 1** (Management and Operations Audit/Affiliate Transactions Audit of Jersey Central Power & Light, United Water New Jersey, plus other NJBPU audits)

Company Name:	<b>NEW JERSEY BOARD OF PUBLIC UTILITIES</b>
Contact Name:	<b>MR. DENNIS J. MORAN</b>
Contact Title:	<b>DIRECTOR, DIVISION OF AUDITS</b>
Contact Role:	<b>MANAGER/PROJECT LIAISONS: ART GALLIN AND JIM REKULAK</b>
Street Address:	<b>44 SOUTH CLINTON, 7<sup>TH</sup> FLOOR</b>
City:	<b>TRENTON</b>
State:	<b>NJ</b>
Zip:	<b>48103</b>
Telephone Number:	<b>(609) 292-0626 DENNIS MORAN (609) 292-1347 ART GALLIN (609) 292-1355 JIM REKULAK</b>
Email Address:	<b><u><a href="mailto:DENNIS.MORAN@BPU.STATE.NJ.US">DENNIS.MORAN@BPU.STATE.NJ.US</a></u> <u><a href="mailto:ARTHUR.GALLIN@BPU.STATE.NJ.US">ARTHUR.GALLIN@BPU.STATE.NJ.US</a></u> <u><a href="mailto:REKULAK@BPU.STATE.NJ.US">REKULAK@BPU.STATE.NJ.US</a></u></b>



**Reference 2 (Stratified Management and Operations Audits of PECO Energy, Pennsylvania-American Water Company, Philadelphia Gas Works, Pennsylvania Gas & Water Company, etc.)**

Company Name:	<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>
Contact Name:	<b>MR. JOHN CLISTA</b>
Contact Title:	<b>MANAGEMENT AUDIT SUPERVISOR</b>
Contact Role:	<b>PROJECT LIAISON OR SUPERVISOR OF PROJECT LIAISON</b>
Street Address:	<b>3<sup>RD</sup> FLOOR EAST, COMMONWEALTH KEYSTONE BUILDING, 400 NORTH STREET</b>
City:	<b>HARRISBURG</b>
State:	<b>PA</b>
Zip:	<b>17120</b>
Telephone Number:	<b>(717) 772-0317</b>
Email Address:	<b>JCLISTA@STATE.PA.US</b>

**Reference 3 (Prudence Reviews and Audits of El Paso Electric Company and Public Service Company of New Mexico)**

Company Name:	<b>NEW MEXICO PUBLIC REGULATION COMMISSION</b>
Contact Name:	<b>MR. MARC MARTINEZ</b>
Contact Title:	<b>UTILITY ECONOMIST</b>
Contact Role:	<b>PROJECT LIAISON</b>
Street Address:	<b>1120 PASEO DE PERALTO (PERA BUILDING)</b>
City:	<b>SANTA FE</b>
State:	<b>NM</b>
Zip:	<b>87504</b>
Telephone Number:	<b>(502) 241-2479</b>
Email Address:	<b>MARC.MARTINEZ@STATE.NM.US</b>

## 11. Potential Conflicts of Interest

The Bidder must identify any audits or management audits, or management audit preparation services, you are currently providing or have provided in the last five years to electric or gas utilities (Companies) in New York State.

The Companies understand that such projects may result in experience that could benefit the Companies and reduce the bid price, and encourage Bidders to provide the Companies with those benefits. However, these projects also pose the risk of conflicts of interest, and must therefore be considered from both perspectives during the bid evaluation process.

Is Bidder currently conducting any audits or management audits, or providing any management audit preparation services, to any electric or gas utilities in New York State, or has Bidder conducted such audits or provided such services within the last five years?

☒ Yes ☐ No

If “yes”, please explain in the box below.

Starting in May 2012 and completed in July 2013, Schumaker & Company, Inc. performed a comprehensive management audit of National Fuel Gas Distribution Corporation on behalf of the New York State Department of Public Service.

The primary focus was the business components of NFGDC’s New York gas business with an emphasis on NFGDC’s effectiveness in meeting its performance goals and the extent to which there are opportunities for improvement. The objectives included determination of possible improvements for management and operations in areas such as corporate mission, objectives, goals and planning; affiliate relationships and transactions; load forecasting; supply procurement; system planning; capital and O&M budgeting; program and project planning and management; work force management; and performance and results measurement. This audit consisted of a three-step study process, including a diagnostic review that assessed the condition of each functional area or business unit against evaluative criteria or expected business practice and an in-depth analysis of pre-identified areas or issues.

This assignment involved ten consultants over roughly 3,595 hours during a 14-month effort, for a total contract not-to-exceed cost of \$837,979.

