

Fossil Power

Hydro Power

Information Technology

Nuclear Power

Transmission and Distribution



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Your Energy Information Source



Reach New Heights in Denver with EUCG!

August... the last days of summer are closing in. Hopefully this summer, all of you have been able to get away on vacation, turn off your electronics (at least for a few hours a day), spend some quality time with family and friends, and recharge and reenergize. September means back to school, back to work, and attending the EUCG Fall Workshop & Conference! The Fall Workshop & Conference will take place from September 23–26, 2012 at the Denver Marriott City Center in the heart of downtown Denver. Within this e-newsletter are details on the Workshop agendas from each committee. I think that you will see that EUCG's committees have assembled top notch presentations for their sessions. Please make sure to check out the agendas for all of the committees as you may find other presentations that will be of interest.

We are very pleased to have Lucian Conway, PhD, CPA, as our Keynote Speaker. Dr. Conway's talk will address the *Connectivity Principles: How to connect*

plant/line employees to focus on the bottom line, as well as the Motivation Challenge: How to motivate employees to WANT TO BE connected to your bottom line. Dr. Conway is one of the leading instructors of finance and accounting in America as well as an entertaining and captivating presenter.

In addition, David Harkness, Chief Information Officer and Vice President, Business Systems, for Xcel Energy's Corporate Services, will kick-off the workshop in the opening session "Welcome Address." Joining David during the opening session will be Michael Moon, Director of Compliance Operations, of NERC, who will be discussing entity assessments and internal controls.

Finally, for our Monday Evening Networking Event, we will be going to Unser Racing, and testing our driving skills on their unique cart track. It is sure to be a great time!

As we have been saying in our marketing materials, come join us in Denver and "Reach New Heights!"



President George Sharp

The EUCG Vision

A global association of utility professionals and member companies which is recognized as the electric energy industry source for performance information.

The EUCG Objective

To assist member companies in achieving excellence by providing relevant, accurate and timely benchmark information on cost, performance and best practices.

For information about how to join EUCG, contact Don Kaiser, EUCG Executive Director, at kaiser@eucg.org

2012 Fall Workshop Keynote Speakers



Lucian Conway, PhD, CPA
President, Conway Consulting

Lucian Conway, PhD, CPA, is known far and wide for making financial ideas make sense. He has taught over 1,000 business basics courses designed for Power Plant employees at all levels. Dr. Conway has an extensive background in consulting and public speaking, having received eight outstanding instructor awards and worked for three international accounting firms, Ernst and Young, Pricewaterhousecoopers, and Accenture. Lucian Conway is an expert on ratemaking and rate cases, as well as plant strategies and plant O&M strategic spending issues leading up to your rate case.

Dr. Conway owns a training company that focuses on training that “connects” employees to their company’s “bottom line” and motivates those employees to become bottom line oriented.

He teaches business basics and business savvy courses for power plants that are half-day, one-day and two-day courses. He teaches business basics courses specialized for plant leaders, for plant managers, for supervisors, and bargaining unit employees.

Dr. Conway will share with us one of his famous ideas which he has taught in over 1,000 power plants: “Dollars Making Sense: Unleashing Your Power Over the Bottom Line”

David Harkness
Chief Information Officer
and Vice President, Business Systems

David Harkness is Chief Information Officer and Vice President, Business Systems, which resides in the Xcel Energy’s Corporate Services business unit. David is responsible for all information technology development, operations and governance, cyber security functions, and the company’s business continuity program. As CIO, David is expected to drive innovation and transformation in the company by leveraging technology to create business value.

David joined Xcel Energy in 2009 from PNM Resources, where he was Vice President and Chief Information Officer. David held a

number of key leadership positions within PNM Resources, including Executive Director of Business Transformation and executive aide to the PNM Resources CEO. Prior to PNM Resources, David held a variety of IT leadership roles for MCI, McLeodUSA and Rockwell International.

David holds a Bachelor’s degree from the college of Liberal Arts at The University of Iowa with a double major in Computer Science and Applied Mathematics. He currently serves as the Chairperson for EEI’s Technology Advisory Council of CIOs, and is a board member of two non-profits, the Minnesota High Tech Association as well as BestPrep, an organization driven to improve the business and financial literacy of Minnesota youth.



Michael Moon
Director of Compliance Operations

Michael Moon began work at NERC in June 2009 as the Director of Compliance Operations and Interfaces. In his time at NERC he has overseen the risk based approach to compliance monitoring initiative and the development of Compliance Application Notices. Mike is responsible for outreach and interface to the NERC stakeholder Compliance and Certification Committee and the industry trade associations and forums. He is also responsible for the NERC Organization Registration and Certification Program and Regional Entity Audit Assurance and Oversight Program.

Mike also served as the Director of Electrical Sector Reconstruction in Iraq from

2007 to 2008 responsible for the \$4.3 billion sector reconstruction program; generation, transmission, distribution, capacity development and operations, maintenance and sustainment. Mike also served as the United States European Command Infrastructure Engineer, from 2003–2005, responsible for the \$1 billion military construction and sustainment, restoration and modernization program for the 500+ installations in the command’s 94 country footprint. Mike ended his career as the Director of Infrastructure Rehabilitation at the United States Army War College in 2009.

Michael has a Masters degree in National Security Studies from the United States Army War College and a Bachelors degree in Applied Mathematics from Longwood University.



Fossil Productivity Committee

Fall 2012 Workshop Topics

The Fossil Productivity Committee has an agenda packed full of great topics planned for the EUCG Fall Conference this September 23–26, 2012.

TOPICS INCLUDE:

- Integrating Renewables into the Generation Portfolio
- Plant Budget Projections & Cost Tracking
- Plant Safety Programs
- Best Performers, Fossil Generating Plants
- Cycling/Low Load Operation: Practices & Performance Metrics
- Survey Update: Incentive Compensation Plans

COAL-FIRED PLANT TRACK

- Lay-up Procedures for Coal Plants
- Survey Update: Boiler Tube Failure Reduction
- Coal-to-Gas Conversion
- Plant Retirement Decisions
- Staffing for Seasonal Operation

CC/CT TRACK

- Identifying Best Performers
- Survey: 501F Outage Practices
- Survey: Cycling vs. Base Load Costs
- Long-Term Service Agreements

2012 Outage Manager's Forum

The 2012 Outage Manager's Forum was held June 26–28 in San Antonio, Texas. It provided a great opportunity for outage management personnel from member utilities to join together to discuss outage best practices. 28 delegates representing 13 utilities attended this year's forum. Congratulations to the following utilities who were recognized as outage best performers this year:

SHORT OUTAGES

1st Place: Fayette Power Project Unit 3, LCRA

2nd Place: Deely Unit 2, CPS Energy

LONG OUTAGES

1st Place: St. Clair Unit 3, DTE Energy

2nd Place: River Rouge Unit 2, DTE Energy

The Importance of Participating in Surveys

One of the strongest reasons that utilities belong to EUCG is the opportunity to learn about best practices. Each year member utilities sponsor surveys as one method to discover best practices. These surveys provide all member utilities the opportunity to benefit. The big question is, What does it cost? The great news for EUCG members is that there is no cost to participate in these surveys. The only cost is the time necessary to complete the survey.

This spring and summer the Fossil Productivity has issued four surveys; Optimizing Station Service, Boiler Tube Failure Reduction, Incentive Compensation Plans and CC/CT Cycling vs. Base Load Costs. Has your company taken advantage of the opportunity to complete these surveys. If not, it is not too late. The results will be presented at future EUCG workshops.



Hydro Productivity Committee

The Hydro Productivity Committee will focus its attention during the fall workshop on results from several surveys that were conducted during the middle of 2012. These surveys include safety performance, staffing, and capital investments. In the 2012 data cycle 15 utilities participated in the cost and performance data submission process. This included new committee members Exelon Corporation and the Volta River Authority in Ghana. The data was validated in a review meeting held in June.

The leading hydro plant performers will present the drivers that contributed to this high level of performance. The scoring criterion is based on the past three years of cost and performance data.

Also, the group will have a panel discussion on the staffing approaches utilized by different utilities within their hydro organization. There will also be presentations by committee members on safety and maintenance strategies.



T&D Committee

The T&D Committee has been hard at work this summer assembling a top-notch program for the upcoming Denver Workshop. Key topics for the Fall Workshop are as follows:

- Copper Theft Prevention and Deterrence
- Simul8-Simulation Software-product demonstration
- Panel Discussion & Survey Results-Distribution Design Training
- NERC TADS 2011 Data Review
- Asset Management Practices Survey Results
- Installation of Drive Cams in Vehicles
- Are You Ready for Behavior Based Safety?

The T&D Committee members will also be discussing the Transmission Study and have a status update on the Distribution Study.

Don't miss out on these and other lively discussions. You want to "Reach New Heights", come to Denver for the Fall Workshop!



2012 Brings Changes to the IT Committee

We are excited to have **David Harkness**, Chief Information Officer and Vice President, Business Systems from Xcel Energy Services to be the welcome speaker for the fall workshop. David is responsible for all information technology development, operations and governance, cyber security functions, and the company's business continuity program. As CIO, David is expected to drive innovation and transformation in the company by leveraging technology to create business value.

Mark Lamb also from Xcel, will join the IT committee and other committees are invited to attend his presentation on their SmartGridCity project. He will explain that modernizing the grid is something utilities have been focused on for decades but only recently has this modernization work attracted significant attention. This attention, typically branded "smart grid" is due to several different factors including: evolving technologies and more favorable economics, increased attention on the environment and renewable energy sources, increased attention on alternative fueled vehicles, more focus on distributed generation, and the ever increasing significance of grid reliability. In order to ensure a disciplined business case approach in identifying what technologies to deploy on an enterprise bases, and what technologies not to deploy, Xcel Energy initiated and completed SmartGridCity. Mr. Lamb will discuss the results of SmartGridCity, as well as, how these results have helped inform Xcel Energy's overall grid modernization strategy.

The IT committee also welcomes others to join a discussion on how to adapt to having a multi-generational workforce which is a common problem for most utilities today across all functional areas. The perfect storm of change in the business workforce is on the immediate horizon. We will experience severe shortages of

skilled workers. For the first time, four very different and distinct generations are struggling to find ways to productively work together while legacy knowledge and intellectual capital are about to walk out with the ever accelerating retirement of baby boomers. What can be done about this? First of all, a competitive advantage can be achieved by proactively addressing this challenge, creating a multi-generation friendly workplace that will attract new workers, retain mature workers and facilitate the transfer of native knowledge across the workforce. Without it, you will see recruiting efforts failing and increased turnover among new hires; mature workers will leave as soon as they reach eligibility. This trend is more alarming for the utility industry where an EPRI (Electric Power Research Institute) study found that 50% of U.S. utility workers are projected to retire over the next 10 years or essentially 200,000 highly skilled workers will exit the workforce, leaving an ominous gap in their departure. Each generation has its own unique views, perspectives, ethics and styles when it comes to working, being managed and managing others. Recent labor studies show that more than 60% of workers are having difficulties working across generations. Understanding these differences is the first step in creating a multi-generational team that recognizes and utilizes the unique talents each generation offers in order to foster innovation, productivity and learning. Using a multi-generational team, this presentation will give a clear perspective of what is to come and how you will need to prepare for this new workforce.

The Fall workshop will also focus on sharing the 2011 benchmarking results as well as sharing best practices in project management, IT Service Catalog, IT Security, and Risk Management. The committee looks forward to an exciting workshop!



Nuclear Committee

EUCG's Nuclear Committee has a top-notch lineup of speakers and presentations for the Fall Workshop and Conference in Denver. The agenda highlights are as follows:

Key Presentations for the Fall 2012 EUCG Workshop:

- **NC5 Nuclear Supply Chain Community of Practice.** A representative from the Supply Chain Community of Practice called NSCSL (Nuclear Supply Chain Strategic Leadership) Group to inform the Forum about the critical areas that they are working on and the key performance indicators they monitor to measure effectiveness.
- **Central vs. Site Staffing Organization Models Panel Discussion.** A panel discussion to provide perspectives of how three fleets operate in their respective central and site relationships speaking on issues such as governance, coordination, autonomy and efficiency. The views of the three companies should provide the membership with three somewhat disparate approaches o managing fleets.
- **Analysis of Nuclear Plant material expenditures.** MCR Performance Solutions, Inc. will use data from the Nuclear Integrated Information Database (NIID) to provide an analysis of the drivers of material costs in the US nuclear generation over the past five years. The analysis will address changes in materials for base, outage and capital programs. The presentation will also analyze changes occurring in fleets/vs. single units and by plant vintage along with offering some views as to the future trends based on this incisive analysis.

Task Team Initiatives Updates for the Fall 2012 EUCG Workshop:

- **Annual EUCG Nuclear Benchmark Report Development Project.** This project was initiated to combine standard benchmark charts and tables summarizing nuclear performance across multiple performance dimensions of cost, staffing and operational performance. Presentation will include member information and feedback, recommended options for collecting relevant operational performance information.
- **Database Audit Process Changes.** Presentation will include the short and long term goals to improve the data integrity from a process, definition and training perspective. These changes will improve the data submission process, enhance the accuracy of the overall data and increase the data usefulness for the membership community.
- **Inventory Management.** There has been considerable interest in this area of plant management; to understand the growth and associated drivers of plant inventories – so as to better manage the risks. The team will present the results from an industry survey and identify short-term actions and areas for deep dive analysis. The elements included in the survey were issues/practices related to Inventory management, Critical spares, Obsolescence practices and performance indicators.
- **Fukushima/Cyber Security/Emergency Planning Task Team Report.** This Task team is an extension of the issue related to the 2011 Fukushima incident. The members almost unanimously determined that their companies wanted to understand the cost and industry assumptions for Cyber Security, EP Rulemaking, Fukushima, given there are significant unknowns with respect to these issue areas. Nuclear plants are currently developing long-term plans and senior leadership teams want to benchmark costs and assumptions to provide assurance that their respective plans are reasonable. The Team will present the results of their industry survey and the supporting analysis/ trends for discussion at the Workshop.