



## News Release

FOR IMMEDIATE RELEASE

# Safety Culture, Carbon Policy Debated at EUCG Spring Meeting

**ST. LOUIS (May 10, 2010)** – The electric utility industry has made tremendous improvement in its safety performance in recent years to the point that a “safety culture” has emerged as one of its most prominent characteristics. Safety, along with a discussion on climate data and carbon policy, was the main focus of industry professionals at EUCG’s spring workshop in St. Louis last month.

EUCG, a global association of energy and electric utility professionals, meets semiannually to discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes. The association is in its 37<sup>th</sup> year of service to the power generation industry.

“Safety has always been important to electric utilities, but now it is evolving as one of the industry’s most distinguishable features, on par with customers, service reliability and shareholders,” reported EUCG President Mark Derry of Exelon (NYSE: EXC). “Today, an electric company’s culture is as deeply rooted and influenced by its safety performance as a company’s excellent customer service or high returns on Wall Street.”

Safety performance actually drives, or at least heavily influences, other performance metrics, said George W. Sharp, EUCG vice president of American Electric Power (NYSE: AEP). “Data are emerging that a company’s safety performance correlates strongly with other performance measures such as profitability, customer satisfaction and service reliability,” reported Sharp. “Excellence is a cultural phenomenon, and our industry is beginning to believe that safety performance may have the greatest impact on achieving a measure of overall quality.”

EUCG recently formed a new committee to study electric utility safety, share best practices and develop metrics for EUCG’s members to evaluate their safety performance. The Safety and Health Committee is chaired by AEP’s Ken McCullough and has attracted significant industry interest during the committee’s incubation period.

“Our new safety committee has the potential to become the electric utility industry’s go-to organization for safety and health data, benchmarking and best practices,” McCullough said. “Our committee members discussed during our spring workshop how our industry has evolved from one that mostly reacted to safety incidents, to one that is very proactive at every level. Our committee discussed how some companies now spend as much time discussing and analyzing safety near misses as they do actual recordable accidents. The industry’s culture has truly evolved.”

Thomas R. Voss, president and chief executive officer of Ameren (NYSE: AEE), provided the workshop’s welcome address to the more than 150 industry participants.

The keynote for the workshop was provided by Dr. Robert Peltier, editor-in-chief of *Power* magazine. Peltier’s address, “Climate Change Science: The Science is Scuttled,” presented an engineer’s view of the means and methods behind the collection, analysis, interpretation and communication of climate data. *Power* is planning to publish a series of articles based on Dr. Peltier’s research and investigation into the climate science debate, and his presentation gave workshop participants a preview.

EUCG’s industry committees reported that sharing best practices continues to be one of the most popular features of EUCG membership. “The Nuclear Committee invited Kunita Gear of Express Scripts to provide examples of best practices from the prescription medicine industry. We believe that the potential for best practice sharing isn’t realized unless you include an examination of other industries’ approaches and ideas,” said David Ward, Nuclear Committee chair from Duke Energy (NYSE: DUK). “We will continue to invite other industries to our workshops in an effort to cross-pollinate our knowledge base.”

**EUCG Media Contact:** George W. Sharp, Vice President, 1-614-716-2791, gwsharp@aep.com

Kelly McNair, EUCG's Information Technology Committee chair from Oncor Electric Delivery, stated that his committee is focusing on sharing best practices around "agile" approaches to electric utility IT management. "We discussed how our member utilities are tackling e-mail system management and governance policies, virtualization of desktop PC resources, Information Technology Infrastructure Library and approaches for application development and support, Voice over Internet Protocol services deployment, and how companies are handling 'charge back' issues for enterprise IT costs," McNair said.

Joe Martucci, chair of EUCG's Transmission and Distribution Committee from PSEG (NYSE: PEG), stated that his committee members shared best practices around emerging issues such as complying with the new North American Reliability Corporation's Critical Infrastructure Protection standards and how companies are using stimulus money to promote smart grid initiatives. "Our industry is evolving rapidly as new technologies and standards are introduced," Martucci said. "Our T&D committee will continue to share best practices around these developments to keep our membership at the forefront of leveraging knowledge for effective change management."

Tennessee Valley Authority's Jim Miller, Chair of the Hydro Committee, agreed with Nuclear Committee Chair Ward's assessment that utilizing best practices from non-electric utility companies is beneficial. "Our committee workshop included a presentation by Alcoa regarding how they use benchmarking data to improve performance. The differences in how a metals manufacturer uses data to identify best practices can be eye-opening for an electric utility," Miller said.

Bill Bunker, vice president and operations manager for Alcoa Power Generation, subsidiary of Alcoa, Inc. (NYSE: AA), agrees in the inter-industry knowledge sharing inherent in EUCG's spring workshop agenda. "The EUCG workshop is easily the most valuable conference I attend each year. I return with new processes and techniques that I can share with my team, and I think the electric utility members learn a little from the metals manufacturing industry background I provide as well," Bunker said.

Robert Dool, Fossil Committee chair from AEP, concurs that EUCG's workshops are fertile ground for knowledge exchange. "Fossil Committee members are encouraged to attend other EUCG committee presentations on best practices in order to garner a broad-based, multi-disciplined understanding of how to improve electric utility performance. The Fossil Committee is working on inviting guests to future workshops from other industries to optimize data and process sharing," Dool said.

EUCG will hold its 2010 fall workshop in Glendale, Ariz., Sept. 26-29. All energy professionals are invited. Interested parties should visit the EUCG website at <http://www.eucg.org> for more information about the organization's next event.

**About EUCG:** EUCG is a global non-profit association of energy and electric utility professionals who discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes. The 37-year-old association is organized into committees that represent specific utility functions: Transmission & Distribution (T&D), Fossil Plants, Hydro Plants, Nuclear Plants, Information Technology (IT) and Safety and Health committees. Members attend semiannual workshops that focus on strategic planning, maintenance practices, operations management, outage management and various other aspects of the electric utility business. Membership is open to all utility companies and professionals worldwide. Interested parties should contact Pat Kovalesky, EUCG Executive Director, at 1-623-572-4140. Email: [eucgexec@cox.net](mailto:eucgexec@cox.net) . Website: <http://www.eucg.org> .

**MEDIA CONTACT: George W. Sharp, EUCG Vice President, 1-614-716-2791, email: [gsharp@aep.com](mailto:gsharp@aep.com)**

###