



EUCI Presents a Conference on:

Corporate Performance Measurement and Management for Utilities: Strategic Planning Techniques for Converting Information into Achievement



April 28 – 29, 2008

Radisson Hotel & Suites Chicago ⚡ Chicago, IL

Dinner Workshop

Using Dynamic Process Simulation Models for Corporate Performance Measurement and Management

April 28, 2008



A Leading Provider of
Continuing Education for
Energy Professionals

Corporate Performance Measurement and Management for Utilities:

Strategic Planning Techniques for Converting Information into Achievement

April 28 – 29, 2008

OVERVIEW

Utility management depends on timely and accurate information to drive internal performance and simultaneously satisfy its stakeholders with meaningful feedback on the company's attainment of business objectives. Companies turn to their strategic planning and performance management staff to implement tools that provide a coherent and reliable picture of how their personnel and systems are performing relative to internal and industry-specific benchmarks. As important, these same tools must be "hard-wired" into company culture and processes so that they motivate the very performance they seek to measure, rather than be viewed as burdensome and counterproducing policing tactics.

This conference will explore, through several case studies, many of the strategic planning and corporate performance management and measurement techniques that support a utility's mission:

- Key performance indicators
- Key result indicators
- Executive dashboards
- Cascading
- Scorecards
- Strategy maps
- Lag indicators
- Lead indicators

In addition, the conference topics will cover the metrics, benchmarks, techniques, and processes by which several utilities have designed their CPM programs to connect incentives with achievement in the major corporate areas of finance, customer satisfaction, internal process and asset performance. Special emphasis is placed on case studies demonstrating how specific utilities have used the Kaplan Norton Balanced Scorecard and other decision-empowering instruments, such as Lean Six Sigma, to fulfill their objectives by correlating individual and corporate performance.

Attendees will derive practical guidance for implementing and refining their own strategic planning and corporate performance measures and management programs that are specific to their utilities operations.

WHO SHOULD ATTEND:

- Strategic planning
- Corporate performance management
- Business strategy and analysis
- Human resources
- Business intelligence
- Information technology
- Market research

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Program Agenda

Day 1 Monday, April 28, 2008

8:00 – 8:30 a.m. Registration and Continental Breakfast

8:30 – 10:15 a.m.

Award-Winning Balanced Scorecard Implementation Process Strategy Execution — Beyond the Data Collection



Joseph Martucci, Performance Leader, Public Service Gas & Electric Company (PSE&G)

Performance management philosophies come and go, but the balanced scorecard has become the methodology most widely used by companies today. This in-depth case study presented by Public Service Electric and Gas Company (PSE&G), one of the nation's largest investor-owned utilities, will share how the company achieved breakthrough business performance using the BSC (PSE&G was inducted into the BSC Hall of Fame for Executing Strategy for its efforts). Operating in a very diverse and sometimes difficult environment, PSE&G will also chart how incorporating the unusually sophisticated approach of using bench-marking data has contributed to strategy execution.

Instituting an Office of Strategic Management – An Evolutionary Approach

Joe Jarvis, Executive Manager, Finance Group and Chief Financial Officer, Chelan PUD



This presentation describes the public strategic planning process that Chelan County PUD embarked on in 2006. It examines the purpose of the process – to provide the public with insight into the district's financial condition and gather input on potential strategic direction – and how it contributed to the design of the office. It also review the composition of the district strategic planning team and how it interfaced with the public stakeholders. Finally, it details how, drawing on feedback from the public strategic sessions, the district restructured its planning efforts by creating the Strategic Financial Planning (SFP) division responsible for strategic planning and CPM for the district's board of commissioners and management.

10:15 – 10:30 a.m. Morning Break

10:30 a.m. – 12:00 p.m.

The Foundation of Performance Management for the Consolidated Enterprise

Monica Haas, Vice President, Corporate Planning, Sempra Energy



At the turn of the century, catalyzed by deregulating energy markets, Sempra Energy entered a period of significant growth. The company expanded into international markets, became one of the largest marketers of natural gas in North America, initiated several competitive energy businesses, and continued to grow its California regulated utilities. Consequently, Sempra Energy confronted a variety of disparate cultures and business processes that lacked uniformity and cohesion. During this time, Sempra corporate planning management met significant challenges in accommodating the company's rapidly changing business environment. This presentation will detail Sempra's journey through the maze of business combinations and regulatory shifts to its current status, with the implementation of a web-based corporate performance measurement system that is timely, effective, actionable, scalable, and flexible.

Finally, the presenter will look forward to how corporate planning executives intend to navigate through challenges that remain for the company's completion of the CPM process:

- Working to integrate accounting and planning systems.
- Facing potential resistance to change as portal is rolled out this year.

About EUCI

EUCI is a leading provider of conferences, seminars, workshops and courses designed exclusively for the energy industry. We seek to create a forum for professional communication and exchange knowledge and ideas among energy industry professionals and others interested in the industry.

Join the thousands of others who have attended our events since 1987 and see why they keep coming back.

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Program Agenda

Day 1 Monday, April 28, 2008 (Continued)

Next Generation KPIs for Meeting Organizational Objectives

Donald H. Denton III, Director, Special Initiatives, Duke Energy

This presentation will address aspects of an internal initiative Duke is pursuing to establish cultural alignment within the company upon the post-integration of its merger with Cinergy. The Duke initiative aims to ensure that its performance excellence is appropriately balanced among its customers, employees, and investors. The presentation will focus on how Duke is creating alignment (line of sight for employees) between its missions, visions, values, areas of focus, and proxies (KPIs) for those measures of performance excellence in the following areas:

- Investor relations
- Employee based measures
- Customer satisfaction
- Safety
- Environmental

12:00 – 1:15 p.m. Group Luncheon

1:15 – 3:00 p.m.

Utility Scorecard Implementation Project: Strategy Map Blueprint: Working through the Kaplan Norton Balanced Scorecard Process with Executive Management

Deeno Boosalis, Manager-Business Strategy and Analysis, Omaha Public Power District

- What it looks like
- How did we get here?
- Trends and issues assessment
- Vision
- Intersection of vision and trends
- Objectives, measures, and targets
- Communications processes
- Developing and prioritizing objectives and setting targets

Making Your Balanced Scorecard Relevant to Your Organization

Joe Jarvis, Executive Manager - Finance Group and Chief Financial Officer, Chelan PUD

Chelan County PUD developed a balanced scorecard in 2005 and included strategic objectives to address negative public perceptions and poor employee relations. Some of these objectives were very difficult to measure in a meaningful way. The organization found it difficult to focus on the 13 objectives that were viewed as being "all things to all people". This presentation details how the district's strategy map was revised in 2007 to focus only on 7 tangible business-related objectives and why the more intangible, social objectives were moved to an associated value statement for all employees to embrace. It also documents how these two major changes have made the current scorecard easier to understand, remain in employee focus, and communicate better to stakeholders.

3:00 – 3:15 p.m. Afternoon Break

Sponsorship Opportunities

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Program Agenda

Day1 Monday, April 28, 2008 (Continued)

3:15 – 5:00 p.m.

Performance Measures: Ensuring Alignment

John Judge, Director of Integrated Business Planning, FirstEnergy

Correlating Business Performance Trajectory w/Metrics

- Aligning metrics with business performance trajectory
- Ensuring performance targets align with multi-year performance trajectories from the business plan
- Ensuring metrics reflect a culture of continuous improvement
- Driving a common approach to setting targets and ranges - part 1

Cascading Performance Metrics Through the Organization

- Driving a common approach to setting targets and ranges - part 2
- Rebalancing the balanced scorecard - shifting weights to reflect the employees role in the corporation
- Aligning performance metrics across business units – examples of potential conflicts
- Keeping the organization looking and moving forward

Roundtable Discussion

The Importance of Tailoring the Scorecard for Your Organization

Deeno Boosalis, Omaha Public Power District

Joe Jarvis, Chelan PUD

John Judge, FirstEnergy

5:00 – 6:00 p.m. Networking Reception

Day2 Tuesday, April 29, 2008

8:00 – 8:30 a.m. Continental Breakfast

8:30 – 10:00 a.m.

Merging Lean Six Sigma with the Balanced Scorecard

TBD

While concepts behind the Balanced Scorecard and core Lean Six Sigma methodologies are not new, a powerful management tool can be crafted through the unification of these two proven strategies. This presentation explains an approach that combines the targeted performance indicators of a Balanced Scorecard with the statistical rigor of Lean Six Sigma, which can be used to focus an organization on the achievement of strategic goals. The adoption of this structured approach to planning, managing, and monitoring improvement brings cohesion to conflicting constituencies and builds confidence in proposed process improvements. The presentation also details how this unification of two methodologies can have a broader, measurable impact on the organization by accelerating the implementation of change, often viewed as a delicate balance between cost, quality, and efficiency.

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Program Agenda

Day2 Tuesday, April 29, 2008 (Continued)

The Link Between Corporate Performance Measures, the Customer, and the Regulator

*Mary Doswell, Senior Vice President, Regulation and Integrated Planning
Dominion Resources, Inc.*

Aligning employee motivation with corporate objectives occurs in truly integrated measurement systems. But as performance managers and executives know all too well, this is much easier said than done, especially in the environment in which most utilities operate, where government regulation (even in competitive market states) drives much of the performance that is to be measured and managed. This presentation will detail how Dominion Virginia Power is organizing its internal efforts to create a meaningful link between individual achievement, corporate performance, and performance-based ratemaking with an opportunity for an enhanced ROE.

10:00 – 10:15 a.m. Morning Break

10:15– 11:30 a.m.

Deploying a Continuous Improvement Culture in a Non-Mandated Environment

*Bruce Rideout, Vice President, Business Performance Improvement,
Constellation Energy Group*

How do you generate interest and gain buy-in and active leadership support in a continuous improvement program within a company that has multiple lines of business and distinct cultures? This session will share Constellation Energy's approach for developing, deploying, and sustaining a non-mandated continuous improvement model that is relevant and flexible for the enterprise. The continuous improvement program was one of many components in Constellation Energy's productivity and growth.

Key elements of the continuous improvement model that the presentation will explore, include:

- Understanding how to create vision, strategy, and planned approach for business performance improvement
- Gain an insight into the operating and maturity model
- How to penetrate the business cultures and become a strategic partner

Roundtable Discussion

Emerging Trends in Utility Performance Measurement/Management

11:30 a.m. Conference Adjourns

Using Dynamic Process Simulation Models for Corporate Performance Measurement and Management

April 28, 2008

Registration: 5:45 – 6:00 p.m.
Workshop Timing: 6:00 – 8:30 p.m.
Dinner will be provided

OVERVIEW

This workshop will focus on the void between strategy planning, where management determines the what and how of what they want to do, and performance measurement/management, where they find out what happened. The bridge for assessing and testing plans and initiatives for achieving performance goals and being able to predict performance is business process simulation modeling.

This presentation will demonstrate the application of dynamic simulation modeling tools for viewing corporate processes from both an activity and cost performance management perspective. Attendees will participate in simulation of different CPM scenarios. As-is and to-be improvement opportunities and ideas will be evaluated with a model during the presentation. An actual corporate application of this process improvement tool will be demonstrated and reviewed. The methodology is applicable to several corporate strategic and tactical performance planning and measurement areas. Attendees will receive two takeaways from the workshop:

1. A format for developing performance measures and drivers
2. A sample run-time model of the workshop business case so they can use it in their company to demonstrate and train personnel in performance concepts and methods

WORKSHOP PRESENTER

Larry Philbin is a **Principal Engineer** in the corporate Quality and Performance Support group for **Santee Cooper**, the third-largest public electric power company in North America. His group provides a wide range of performance improvement and analysis services to all levels of the corporation.

Larry's 32 years of experience in performance engineering span manufacturing, process, airline, and utility industries. He holds several degrees in industrial organizational psychology and industrial systems engineering.

PROCEEDINGS

The proceedings of the Conference and Workshop will be published and one copy will be distributed to each registrant at the conference. Extra copies of the composite proceedings will be available at \$395.00 each.

CONFERENCE LOCATION

EUCI has reserved a room block at the Radisson Hotel & Suites Chicago, 160 East Huron, Chicago, IL for the nights of April 27-28, 2008. The rate is \$209 single or double occupancy, plus applicable tax. Call 877-283-5110 for reservations and mention the EUCI Conference to get the group rate. Make your reservations prior to March 28, 2008. There are a limited number of rooms available at the conference rate. Please make your reservations early.

Style, entertainment, shopping and culture – Chicago has it all. And the Radisson Chicago Hotel & Suites puts you in the center of the action. Located adjacent to Michigan Avenue and within walking distance of Lake Michigan, John Hancock Tower, Navy Pier, American Girl Place, and many other attractions, the hotel offers incomparable access to the best of downtown Chicago.

REMEMBER, EVERY 4TH REGISTRANT IS FREE!

REGISTRATION INFORMATION

For instant registration call (201) 871-0474 or fax registration Form to (201) 767-1928

Register 3, Send 4th Free!!

Any organization wishing to send multiple attendees to these conferences may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.

All cancellations received on or before March 28, 2008 will be subject to a \$195 processing fee. Written cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI conference or publication. This credit will be good for six months. In case of conference cancellation, Electric Utility Consultants' liability is limited to refund of the conference registration fee only. For more information regarding administrative policies such as complaint and refunds, please contact our offices at (201) 871-0474

EUCI reserves the right to alter this program without prior notice.

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FAX TO:

(201) 767-1928

PHONE:

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REGISTRATION CODE:

YOUR REGISTRATION CODE IS W395

PLEASE USE THIS WHEN REGISTERING FOR THE CONFERENCE

PLEASE REGISTER THE FOLLOWING

- Discounted Registration Fee for Attending Conference and Workshop, April 28-29, 2008: **\$1595**, After April 18, 2008: \$1795
- Corporate Performance Measurement and Management for Utilities Conference Only, April 28-29, 2008: **\$1195**, After April 18, 2008: \$1395
- Extra copies of the proceedings may be purchased for \$395 (add \$50 for international shipping)

How did you hear about this event? (Direct email, Colleague, Speaker(s), Publications, etc.)

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