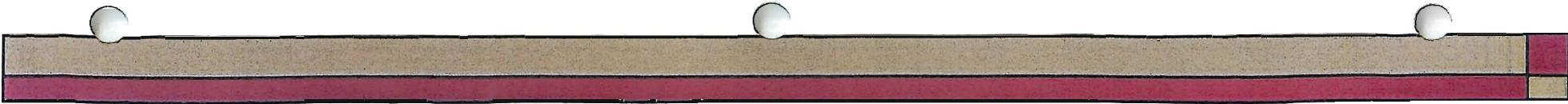


Benchmarking Discussion

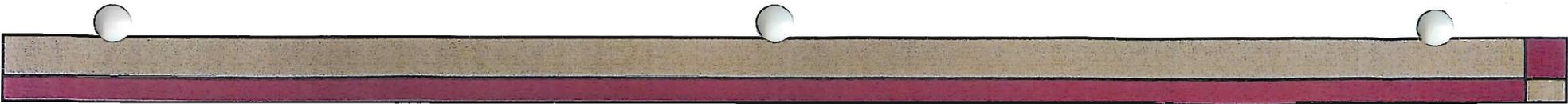
Blue Ribbon Panel for Chugach Electric Association

Tony Izzo
August 13, 2007



Benchmarking

- Measure performance to facilitate improvement
 - Peer group comparison of Board approved metrics
- Improve efficiency of Operations
 - Productivity of departments and employees
- Balance workload with resources
 - Justify staffing
- Improve planning based on actual workload
 - Reduce overtime
 - Reduce costs



Key Measures

□ Financial

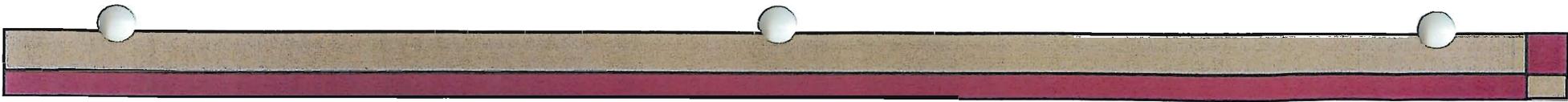
- Job costs
- Employee/Customer ratio

□ Regulatory

- Allowed ROE
- Rate Designs
- Code Compliance

□ Operations & Maintenance

- Employee Productivity
- Time to complete jobs



Key Measures (continued)

Customer Service

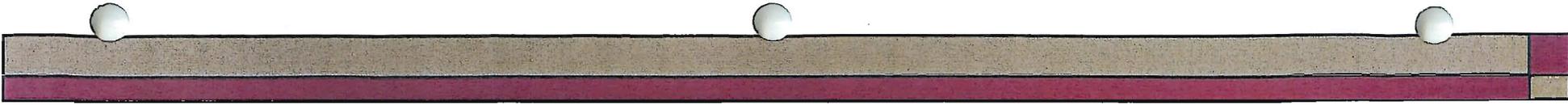
- Call wait time
- Abandoned call rate

Safety

- Employee safety
- Public safety

Labor

- Process Improvement

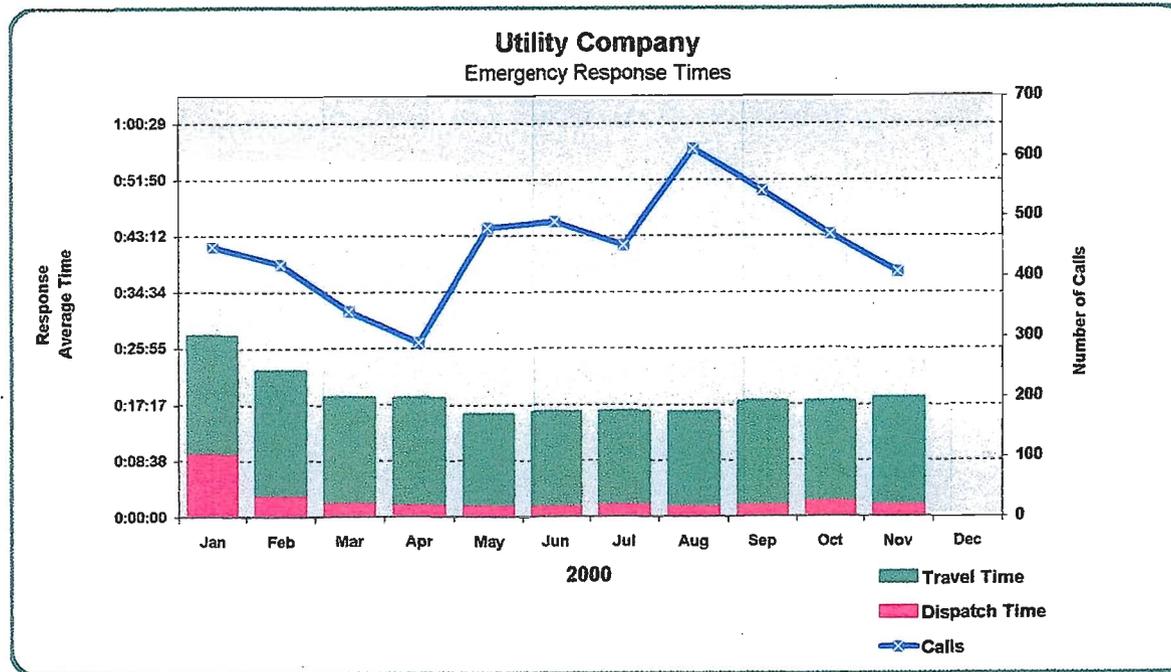


Benefits

- Alignment of company goals from the top to the bottom
 - Approved by the Board
 - Shared Mission
 - Accountability
- Regulatory Confidence
- Consistent expectations throughout organization
- Focus on improvement is based on facts (vs. emotion)

Utility Company Emergency Response Times

Month	Dispatch Time	Travel Time	Total Time	Calls
Jan	0:09:54	0:18:00	0:27:54	448
Feb	0:03:24	0:19:06	0:22:30	418
Mar	0:02:18	0:16:00	0:18:18	342
Apr	0:02:00	0:16:18	0:18:18	290
May	0:01:54	0:13:54	0:15:48	480
Jun	0:01:48	0:14:18	0:16:06	491
Jul	0:02:06	0:14:06	0:16:12	452
Aug	0:01:48	0:14:18	0:16:06	612
Sep	0:02:00	0:15:42	0:17:42	542
Oct	0:02:36	0:15:06	0:17:42	470
Nov	0:02:06	0:16:12	0:18:18	408
Dec				
YTD Avg.	0:02:54	0:15:44	0:18:38	450



BEST PRACTICES BENCHMARKING

Company Profile

Description	FERC Location	Company B	Company X	Company AX	Company AY	Company BA	Company CC	Company Median	Company Maximum	Company Minimum
1. FERC Distribution Operations Exp	Page 324, line 216	\$51,831,675	\$48,219,398	\$1,564,125	\$122,082,184	\$8,863,526	\$10,111,876	\$12,850,592	\$331,593,011	\$729,149
2. FERC Distribution Maintenance Exp	Page 324, line 228	\$17,968,139	\$12,574,583	\$803,211	\$43,396,512	\$1,856,996	\$1,208,099	\$5,760,827	\$43,396,512	\$134,770
A. FERC Account 878	Page 324, line 212	\$11,934,427	\$8,439,202	\$142,822	\$3,841,245	\$1,444,529		\$2,283,377	\$12,561,281	\$9,125
B. FERC Account 879	Page 324, line 213	\$13,457,358	\$16,303,503	\$276,720	\$80,093,962	\$3,387,186		\$1,286,246	\$80,093,962	-\$497,316
C. FERC Account 893	Page 324, line 226	\$1,258,584	\$2,513,536	\$170,425	\$4,776,392	\$273,800		\$610,729	\$4,969,008	\$3,242
3. Number of Customers	Page 301, line 10	1,344,756	1,163,917	102,995	5,079,881	263,696	13,666	308,805	5,079,881	4,500
4. Annual increase in No. of Customers	Page 514A-2, line 6	16,310	6,600	4,782	43,883	6,322	539	5,534	58,700	-12,273
5. Number of residential customers	Page 301, line 2	1,018,840	1,083,345	93,535	4,830,106	238,471	10,728	274,911	4,830,106	4,201
6. MCF of natural gas sold	Page 301, line 10	127,813,754	204,634,777	25,009,661	940,000,000	1,078,398,181	1,843	48,266,621	1,078,398,181	765
7. MCF of natural gas transported	Page 313, line 1	158,653,173	234,212,838	447,084	610,000,000	220,363,794	0	21,375,881	610,000,000	0
8. MCF of natural gas sold to residential	Page 301, line 2	99,654,991	221,011,649	6,880,972	250,000,000	169,754,199	258	22,057,594	329,536,953	258
9. Number of gas employees	Page 325, line 4	1,987	2,863	149	3,506	647	92	643	5,610	24
10. Miles of distribution main	Page 568-1	22,633	16,537	1,124	43,830	4,991	606	5,342	174,366	118
11. Gas Operating Revenue	Page 300, line 25	\$850,812,197	\$1,226,215,079	\$101,621,523	\$2,462,900,000	\$297,431,251	\$18,712,318	\$308,758,012	\$2,462,900,000	\$11,293
12. Residential customer revenue	Page 300, line 2	\$677,608,960	\$802,426,255	\$43,832,735	\$1,736,766,173	\$147,278,088	\$3,845,949	\$175,913,067	\$1,903,163,105	\$5,914
13. Distribution Plant Base	Page 338, line 10	\$1,290,776,140	\$1,572,710,000	\$151,576,716	\$4,200,349,540	\$410,131,581	\$30,347,810	\$410,131,581	\$4,200,349,540	\$10,276
14. Distribution depreciation	Page 336, line 9	\$47,089,520	\$71,056,736	\$4,400,631	\$21,779,499	\$14,223,288	\$985,279	\$18,785,494	\$1,041,608,893	\$261
15. Capital Additions - New Plant		\$25,355,446	\$23,705,100	\$6,795,072	\$95,686,027	\$26,721,676	\$691,695	\$15,944,826	\$186,693,002	\$458
16. Capital Additions - Replacement Plant		\$28,887,803	\$17,611,000	\$299,064	\$32,586,127	\$12,401,698	\$78,305	\$8,298,360	\$103,000,000	\$78,305
17. Administrative and General Expenses	Page 325, line 270	\$77,624,503	\$106,897,117	\$6,708,938	\$343,579,136	\$19,684,453	\$8,135,919	\$24,999,000	\$343,579,136	\$2,432
18. Number of services		1,207,252	1,078,588	68,877	3,941,933	273,265	13,666	284,679	3,941,933	4,542
19. Operating Income	Page 115, line 23	\$119,450,114	\$1,091,149,356	\$88,996,556	\$2,148,172,193	\$37,096,616	\$3,013,022	\$29,546,354	\$2,148,172,193	-\$1,028
20. Number of Degree Days		4,805	5,471	5,650		4,110	534	4,779	7,500	534

SUMMARY OF BEST PRACTICES

CHALLENGE: DOCUMENTING LOCATE WORK AT THE SITE

BEST PRACTICES

- Visually document the site with video and/or still cameras both before and after marking. They also take photos of the locate work being performed.

BENEFITS

- Provides permanent record of the work which was completed.
- Reduces company liability
- Improves public safety
- Gives excellent proof of markings in the event of an incident and court proceedings.

COMPANY TO CONTACT

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SUMMARY OF BEST PRACTICES

CHALLENGE: DEVELOPING NEW APPROACHES TO SAFETY

<p>BEST PRACTICES</p>	<ul style="list-style-type: none"> ● Create a Safety Advisory Team made up of both Home Office and Field employees with a rotating Division Manager. ● Use this team to define the company Safety Values and to develop and refine Safety Policies. ● Make Safety a Value not a Priority - it should be a part of everything we do. ● Establish a goal of ZERO accidents. ● Use various methods to promote Safety values - videos, wallet cards, calendars, posters, etc. ● Complete an individual "Safety Needs Assessment" for each company location. ● Establish customized Safety plans for each location and measure its success.
<p>BENEFITS</p>	<ul style="list-style-type: none"> ● Enhanced awareness of Safety and its importance. ● Reduced accidents and injuries. ● Increased employee participation and ownership.
<p>COMPANY TO CONTACT</p>	<ul style="list-style-type: none"> ●