



News Release

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Execution - Not Strategy- Key to Utility Success, Author Tells EUCG Workshop

DENVER (October 22, 2007) – Execution of a corporate strategy is more fundamental to the success of a company than the strategy itself. Without executing the strategy, nothing happens—ideas and plans disintegrate, author and business consultant Sam Geist told attendees of EUCG’s semiannual fall workshop held in Denver, October 1-3. EUCG is a global association of energy and electric utility professionals who discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes.

“Electric utilities are not unlike other industries when it comes to the use of strategy to achieve corporate objectives. They forget it must be implemented to make a difference,” said Geist, whose book “Execute...or Be Executed” will be released this fall. “Organizations have the propensity to strategize first, then worry about execution as a mere afterthought. This is often a setup for failure,” Geist told the EUCG audience. “Companies should first formulate an objective, vision, or goal and then develop the execution plan to achieve it. Execution is the strategy.”

“Change management is a topic EUCG has prioritized in its workshops over the last few years,” said EUCG President and Tennessee Valley Authority General Manager of Benchmarking Stephen Saunders. “Our industry has undergone almost perpetual change over the last decade in response to an ever-evolving regulatory climate. Sam’s suggestions come at a crucial time as our member-companies are faced with continuing regulatory uncertainty, especially in the environmental and rate-making arenas.”

Geist encouraged EUCG members to accept the challenge of change, and to view it as a dynamic and integral part of a healthy organization. “Organizations should change before they have to change,” said EUCG Vice President Mark Derry of Exelon (NYSE: EXC). “Several of our members commented during our workshop that it is best to manage change under your terms rather than have change manage you.”

EUCG welcomed 165 workshop participants from over 60 different utilities, including five foreign countries to its fall workshop, said George W. Sharp, International Marketing Director, of American Electric Power Company (NYSE: AEP). “Workshop participants not only focused on change management topics, but other important utility issues such as how to deal with the industry’s aging infrastructure,” said Sharp. Each committee pursued individual workshop agendas, including:

- **Nuclear Committee:** The Nuclear Committee’s workshop was attended by over 85% North American nuclear plant operators as well as companies from Japan and Spain. Representatives from the International Atomic Energy Agency (IAEA), Nuclear Energy Institute (NEI) and the Institute of Nuclear Power Operators (INPO) also attended. Presentations during the workshop included: discussions on outsourcing; the impact of deregulation on cost and reliability; interactive panels on workforce planning, communication improvements; and break-out sessions to discuss current industry issues. Entergy’s Continuous Improvement Process, which was the 2007 NEI Top Industry Producer (TIP) award winner, was also presented. The Denver Mint provided an interesting overview of their operations and processes. David Ward, EUCG Nuclear Committee Chair from Duke Power (NYSE: DUK) stated “This workshop provided a broad range of topics and allowed the attendees to have lively discussions about current business-related items in the nuclear energy industry.”
- **Fossil Committee:** During this workshop, the Fossil Committee focused on issues surrounding the management of aging plants, specifically how to best maintain reliability and environmental compliance.

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Other issues discussed included heat rate improvement programs and turbine-generator overhaul practices. The membership was presented with the results from an EUCG-sponsored industry survey around station inventory and detailed maintenance staffing. A presentation from Jeff Parsley, Shawnee Plant Manager from the Tennessee Valley Authority, focused on the processes and strategies used in Shawnee Unit number six's impressive 1,093 day consecutive run. "The Fossil Committee continues to see increased workshop attendance. Members continue to focus our committee's benchmarking and best practices efforts on the management of aging plant infrastructure and the ever-changing environmental compliance regulatory front," said James Patrick, Fossil Committee Chairperson from Ameren (NYSE: AEE).

- **Information Technology (IT) Committee:** The IT Committee, which first formed in 2006, reviewed the results of its first benchmarking study. The Committee has progressed over the last year by establishing and normalizing its metrics, and has identified on-going benchmarking improvement opportunities. The current members also heard briefings on key IT issues, such as the deployment of Service Management process, migration plans to Office 2007 and Vista and an insightful presentation by the Chief Information Officer of Pennsylvania's PPL utility (NYSE: PPL) on aligning IT with the business. The Committee plans to expand its membership going into 2008 to augment its current compliment of utilities. Other plans include refining its benchmarking data gathering and sharing processes and increased emphasis on best practices around how utilities integrate the IT function within their core business. "Our Committee continues to grow and prosper. We are providing a unique forum in which utility IT benchmark data and best practices are shared, discussed, and used by our members' companies to improve service levels and reduce costs. Since we are non-profit we can accomplish this at a very low cost compared to other IT benchmarking services," said Jack Flack, Committee Chairperson from the Tennessee Valley Authority.
- **Hydroelectric Committee:** The committee attendees developed proposals to include staffing data and to improve how administration costs are submitted in the EUCG database. In addition, workshop participants were presented with information on the use of regression analysis to assist with analyzing the data more effectively. Staffing issues, including programs used to manage the aging hydroelectric workforce, were discussed. Other topics discussed during the workshop included how the U.S. Army Corp of Engineers uses the EUCG Hydro Committee database for their benchmarking efforts, among others. "The Hydro Committee concluded a successful fall workshop. We represent one of the few organized groups of utility hydro professionals that meet regularly to vet industry issues and compare performance," said Bruce Fraser, Hydro Committee Chairperson from Pacific Gas & Electric Company (NYSE: PCG).

EUCG will hold its 2008 spring workshop in San Antonio, Texas, April 13 – 16. All energy professionals are invited. Interested parties should visit the EUCG website (<http://www.eucg.org>) for more information.

About EUCG: EUCG is a global association of energy and electric utility professionals who discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes. The 35-year-old association is organized into five separate committees that represent specific utility functions: Transmission & Distribution (T&D), Fossil Plants, Hydro Plants, Nuclear Plants and Information Technology (IT) departments. Members attend semi-annual 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 . Website: <http://www.eucg.org> .

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