

Integrated Solutions for Public Power

ENGINEERING & OPERATIONS



CUSTOMER CONNECTIONS



BUSINESS & FINANCE



SYSTEM IMPROVEMENT



New Bern Electric Utility Organization Check Up

December, 2015

**Hometown
Connections®**

Hometown Connections[®]

DELIVERING VALUE TO PUBLIC POWER

**Over 850
Public Power
Clients**

**Established
in 1998**

**Solutions Supporting
Technological, Financial
and Human Infrastructure**

**Savings to Public Power:
\$17 million**

Management Consulting Services

Subsidiary of APPA

**Products and Services
Designed for Public Power**

**Partnerships with
22 joint action agencies
and state associations**

Integrated Solutions for Public Power

Organization Check Up

- Broad assessment of utility operations
- Focus on systems and continuous improvement
- Integration and coordination of functional areas within the utility and between utility and general fund
- Benchmark against best practices

Function Areas Reviewed

- Customer Service
- Community Outreach
- Utility Programs
- Electric Supply
- Distribution Operations
- Employee Safety
- Governance
- Strategic Planning
- Rates and Pricing
- Accounting/Finance/Administration
- Technology
- Human Resources

Time Line

- First OCU: October 2012
- Follow Up OCU: June 2015

What has changed?

Operational Areas

Rating

Customer Service



Customer Outreach and Communications



Utility Programs



Power Supply



Distribution Operations



Employee Safety



Governance



Strategic Planning



Rates



Administration, Accounting and Finance



Technology



Human Resources



Highlights

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Employee Safety

- Strong safety culture throughout utility
- Good management support
- Creative efforts to keep safety at the front of employees' minds

Customer Outreach and Communications

- Public Information Officer
- Digital Resources: website, social media
- eco@home newsletter
- *Bear City News* employee newsletter

Technology

- Well Developed Technology Plan
- Significant Expansion of Grid Technologies
 - AMI
 - SCADA
 - Fiber Optic Loop to Substations
- Strong GIS in city and utility
- Additional focus needed on cyber-security

Customer Service

- Addressed long-standing practice of lenient payment arrangements
- Over 1,000 payment arrangements each month out of 22,000 customers
- Politically difficult action but the right thing to do to
- Challenge: bring billing technology up to speed with other recent grid technologies

Generation Asset Sale

- August 2015 sale to Duke Progress
- Reduction in debt to NCEMPA members (including New Bern) of over 70%
- Provided financial breathing room to shore up financial stability – reserve funds, system renewal – and offer rate reductions
- A challenge to balance rate reductions with needed asset management

Challenges Remaining

Preparing for the Future

- Electric Industry in a period of flux
 - Technology advancements
 - Smart grid
 - Renewables/Battery Storage/Distributed Generation
 - New players in the industry will change the business model and relationship to customer
 - Changing customer expectations and demographics
 - Aging workforce
 - Environmental concerns/rule making

Strategic Planning Will Be Critical

- Traditional “system planning” will no longer be enough
- Doing things right vs. doing the right thing
- Governing board and community are an important part of the utility’s transition to a new reality

Benefits of Strategic Planning

- Articulation, focus and alignment on Values/Priorities
- Employee Ownership/Empowerment
- Community Support
- System improvement
- Budget Management
- Continuity through changing staff and board

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Thank You

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