Assignment:

- I am the Chairman of the Board of our consolidated holding company, and you are my valued officers. We own several utility operating companies.

- I am concerned about many issues facing our Companies from a corporate planning perspective.

- I want you to discuss with your team of fellow officers in the next hour or so the issues as you see them.

- I want to hear back what you and your team think the top issues are for us and what your action plans are to address these top issues. (Some examples are on the next several pages and a team recap sheet is on the last page).

- You and your team will have the opportunity to report out to all of us on the top issues and action plans.

- Your CEO is in charge, your COO is available to assist, and your Chief Legal Counsel is to ensure all participate, no one person dominates the discussion, and you are back here on time.

- The rest of you are to follow your CEO’s directions and fully participate.

- Hints for the CEO:
  - Take the time to get to know your team
  - Pick a team name and tagline
  - A blank team recap sheet is provided to record your team info and to give to your Chairman
  - Involve your whole team
  - Learn from each other
  - Make whatever assumptions you need to make
  - Have fun with it all
Here is my example list of some of the corporate planning issues that our Companies may be facing:

- **Employment**
  - Workforce (right sizing, turnover, training, educating)
  - Aging
  - Pension and Benefits Costs
  - Outsourcing
  - Attraction and Retention
  - Workforce Fatigue Rules

- **Operations**
  - Aging of Equipment
  - Fuel Availability / Price
  - Environmental Issues
  - Sufficiency / Availability of Equipment
  - Blackouts / Brownouts
  - Technological Advancements
  - Raising Capital
  - Benchmarking / Implementing Best Practices
  - Nuclear
    - Operating
    - Nuclear Fuel Supply / Cost
    - Spent Fuel Storage
    - Mothballing
    - Life and License Extension
  - Physical and cyber security

- **Growth / Decline**
  - Customer and Usage Growth/ Decline
  - Business Cycles
  - Mergers & Acquisitions
  - Economic Development
• Infill Priorities
• Electrification of households
• Funding the costs of
• Dependency on natural gas

• Pricing / Rates
  ◆ Rate Requirements (fuel, capital, operating costs, regulatory programs)
  ◆ Federal and State Priorities
  ◆ Federal and State Conflicts
  ◆ Geographic Pricing
  ◆ Inflationary Risks
  ◆ Fuel Adjustment Clauses / Fuel Price Volatility
  ◆ Rate Increase Shocks
  ◆ Cost of Service Regulation
  ◆ Incentive Regulation
  ◆ Alternative Regulation Mechanisms / Formulas

• Resource Planning
  ◆ Resource Acquisition / Financing
  ◆ Fuel Delivery Reliability
  ◆ Generation Planning, including new nuclear licensing
  ◆ Retail Competition Exposure
  ◆ Provider of Last Resort Responsibility
  ◆ Transmission
    ◆ Load vs Supply Imbalance
    ◆ Regional Projects Crossing State Lines
  ◆ Distribution Infrastructure
  ◆ Renewable Resources (wind, biomass, geothermal, solar)
  ◆ Integrated Resource Planning Processes
    ◆ Integration and Dependency on other business lines
    ◆ Capital Funds Acquisition / Allocation
  ◆ Carbon Capture and Sequestration
• **Technology**
  ♦ Renewables
  ♦ Distributed Generation / Demand Side Management Programs
  ♦ Enterprise Resource Planning Systems
  ♦ Information Technology Funding / Dependencies
  ♦ Smart Grid / Automated Meter Reading

• **Compliance**
  ♦ Securities and Exchange Commission
  ♦ Congress
  ♦ American Institute of CPA’s
  ♦ Certified Public Accounting Firms
  ♦ Financial Accounting Standards Board
  ♦ New York Stock Exchange
  ♦ Wall Street
  ♦ Nuclear Regulatory Commission
  ♦ State Commissions
  ♦ Department of Transportation
  ♦ Sarbanes Oxley Act
  ♦ OSHA
  ♦ Federal Energy Regulatory Commission
  ♦ North American Electric Reliability Council
  ♦ Environmental Protection Agency
  ♦ Codes of Conduct
  ♦ Ethics Policy
  ♦ Corporate Mission / Vision / Culture
Team Name:

Team Tagline:

Your Top Corporate Planning Issues (8 or less, title of issue only):

1)

2)

3)

4)

5)

6)

7)

8)

Give this recap sheet to your Chairman