

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE)
DEPARTMENT OF PUBLIC UTILITIES OF THE)
CITY OF INDIANAPOLIS, D/B/A)
CITIZENS ENERGY GROUP, CWA AUTHORITY,)
INC., THE CITY OF INDIANAPOLIS AND ITS)
DEPARTMENT OF WATERWORKS AND ITS)
SANITARY DISTRICT FOR APPROVALS IN)
CONNECTION WITH THE PROPOSED)
TRANSFER OF CERTAIN WATER UTILITY)
ASSETS TO THE BOARD AND THE PROPOSED)
TRANSFER OF CERTAIN WASTEWATER)
UTILITY ASSETS TO THE AUTHORITY,)
INCLUDING: (A) APPROVAL OF INITIAL RATES)
AND RULE FOR WATER AND WASTEWATER)
SERVICE, AS WELL AS THE TERMS OF)
CERTAIN AGREEMENTS FOR WASTEWATER)
TREATMENT AND DISPOSAL SERVICE; (B))
APPROVAL OF AN ENVIRONMENTAL)
COMPLIANCE PLAN UNDER IND. CODE 8-1-28)
AND AN ADJUSTMENT MECHANISM FOR)
WASTEWATER RATES TO PROVIDE TIMELY)
RECOVERY OF COSTS NECESSARY TO)
COMPLY IN WHOLE OR IN PART WITH THE)
SAFE DRINKING WATER ACT AND/OR CLEAN)
WATER ACT; (C) APPROVAL OF PROPOSED)
ALLOCATIONS OF CORPORATE SUPPORT)
SERVICES COSTS AMONG AFFECTED)
UTILITIES; (D) APPROVAL OF AN OPERATING)
AGREEMENT BETWEEN CITIZENS ENERGY)
GROUP AND CWA AUTHORITY, INC.; (E))
)APPROVAL OF DEPRECIATION RATES AND)
OTHER ACCOUNTING MATTERS RELATED TO)
THE WATER AND WASTEWATER ASSETS; AND)
(F) ANY OTHER APPROVALS NEEDED IN)
CONNECTION THEREWITH)

CAUSE NO. 43936

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PREFILED TESTIMONY
VOLUME II

PREFILED TESTIMONY

VOLUME II

OF

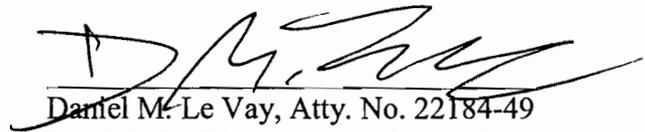
WALTER P. DRABINSKI - PUBLIC'S EXHIBIT #3

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

JANUARY 14, 2011

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. M. Le Vay", written over a horizontal line.

Daniel M. Le Vay, Atty. No. 22184-49

Randall C. Helmen, Atty. No. 8275-49

Leja D. Courter, Atty. No. 14720-27

Lorraine Hitz-Bradley, Atty No. 18006-29

Scott C. Franson, Atty. No. 27839-49

Deputy Consumer Counselor s

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following counsel of record in the captioned proceeding by electronic service, hand delivery or U.S. Mail, on January 14, 2011.

Michael B. Cracraft
Philip B. McKiernan
Steven W. Krohne
HACKMAN HULETT & CRACRAFT, LLP
111 Monument Circle, Suite 3500
Indianapolis, IN 46204-2030
mcracraft@hhclaw.com
pmckiernan@hhclaw.com
skrohne@hhclaw.com

Michael E. Allen
CITIZENS ENERGY GROUP
2020 N. Meridian Street
Indianapolis, IN 46202
mallen@citizensenergygroup.com

John R. Price
PRICE-OWEN LAW
9000 Keystone Crossing, Suite 150
Indianapolis, Indiana 46240
john@johnpricelaw.com

Fred E. Schlegel
Regina M. Sharrow
Peter L. Hatton
James R. Pope
BAKER & DANIELS
300 North Meridian Street, Suite 2700
Indianapolis, Indiana 46204-1782
fred.schlegel@bakerd.com
regina.sharrow@bakerd.com
peter.hatton@bakerd.com
james.pope@bakerd.com

Bette J. Dodd
Timothy L. Stewart
LEWIS & KAPPES
One American Square, Suite 2500
Indianapolis, IN 46282
bdodd@lewis-kappes.com
tstewart@lewis-kappes.com

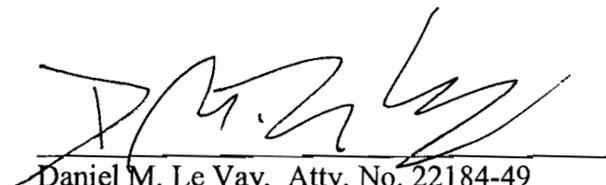
Jerome E. Polk
POLK & ASSOCIATES, LLC
101 W. Ohio St., Ste. 2000
Indianapolis, Indiana 46204
jpolk@polk-law.com

Teresa E. Morton
BARNES & THORNBURG LLP
11 S. Meridian Street
Indianapolis, IN 46204
tmorton@btlaw.com

Larry J. Wallace (1110-49)
James A.L. Buddenbaum (14511-49)
Timothy L. Karns (27190-06)
PARR RICHEY OBREMSKEY FRANSEN
& PATTERSON LLP
201 N. Illinois Street, Suite 300
Indianapolis, IN 46204

John M. Davis
Samuel R. Robinson
CHURCH, CHURCH, IDTTLE & ANTRIM
938 Conner Street
P.O. Box 10
Noblesville, IN 46060

Michael C. Terrell
Donald C. Biggs
TAFT STETTINIUS & HOLLISTER LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204



Daniel M. Le Vay, Atty. No. 22184-49

Randall C. Helmen, Atty. No. 8275-49

Leja D. Courter, Atty. No. 14720-27

Lorraine Hitz-Bradley, Atty No. 18006-29

Scott C. Franson, Atty. No. 27839-49

Deputy Consumer Counselors

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

115 West Washington Street

Suite 1500 South

Indianapolis, IN 46204

infomgt@oucc.in.gov

317/232-2494 – Phone

317/232-5923 – Facsimile

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF THE BOARD OF DIRECTORS FOR)
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OF THE CITY OF INDIANAPOLIS, D/B/A CITIZENS)
ENERGY GROUP, CWA AUTHORITY, INC., THE CITY OF)
INDIANAPOLIS AND ITS DEPARTMENT OF)
WATERWORKS AND ITS SANITARY DISTRICT FOR)
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OPERATING AGREEMENT BETWEEN CITIZENS)
ENERGY GROUP AND CWA AUTHORITY, INC.;)
(E) APPROVAL OF DEPRECIATION RATES AND OTHER)
ACCOUNTING MATTERS RELATED TO THE WATER)
AND WASTEWATER ASSETS; AND (F) ANY OTHER)
APPROVALS NEEDED IN CONNECTION THEREWITH)

DIRECT TESTIMONY AND EXHIBITS
of
WALTER P. DRABINSKI
VANTAGE ENERGY CONSULTING, LLC

On Behalf of the Office of Utility Consumer Counselor

1 **A. BACKGROUND AND PURPOSE OF TESTIMONY**

2 **BACKGROUND**

3 **Q. Please state your name, Company and business address.**

4 A. Walter P. Drabinski, Vantage Energy Consulting LLC., 21460 Overseas Hwy,
5 Cudjoe Key, Fl 33042.

6 **Q. What is your occupation?**

7 A. I am the President of Vantage Energy Consulting LLC (Vantage), a management
8 consulting firm that provides services to the regulated utility industry. On this
9 assignment I have the capacity of Project Director for Vantage.

10 **Q. Please describe your educational background and professional experience.**

11 A. My education includes a BS in Electrical Engineering from the State University
12 of New York at Buffalo in 1972 and an MBA from The Wharton School
13 (University of Pennsylvania) in 1984. My experience totals 38 years, including
14 10 as a utility company manager and 28 as a management consultant specializing
15 in utility issues.

16 **Q. Please expand upon your background in the utility industry.**

17 A. I began my career with Niagara Mohawk Power Company (NiMo). During my
18 first five years with NiMo in upstate New York, I assisted in the
19 construction/conversion of 2,000 MW of power plants. During construction, my
20 primary responsibilities included review of operational design considerations,
21 monitoring of construction, and acceptance testing of all electrical power



Vantage Energy Consulting, LLC

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Direct Testimony of Walter P. Drabinski, Vantage Energy Consulting, LLC.

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1 systems, including load metering and transmission telemetry control systems, and
2 many other systems. During this period, I also assisted in the integration of the
3 transmission system and new generation with the New York Power Pool. After
4 construction completion of the 850 MW Oswego 5, I became Electrical
5 Maintenance Supervisor, with responsibility for routine maintenance at the
6 Oswego Steam Plant, and outage assistance at two nearby nuclear stations and
7 fifteen local hydro generation stations. During my last five years at NiMo, I was
8 Director of Training and had responsibility for technical training at all fossil,
9 hydro and nuclear plants. During this time, I developed extensive programs on
10 power plant efficiency improvement. I authored, or co-authored, five training
11 manuals on power plant operations, instrumentation, and control as part of an
12 Electric Power Research Institute project.

13 **Q. Describe your career in management consulting.**

14 A. In 1984, I joined a national management consulting firm in New York City and
15 have worked as a management consultant since that time. I formed Vantage
16 Consulting, Inc., in 1992 as a Pennsylvania corporation and operated under that
17 name until 2010 when we incorporated in Florida as Vantage Energy Consulting
18 LLC. Since that time, our firm has worked on almost 150 assignments with
19 utilities, state and federal regulators, and law firms. I have testified over seventy-
20 five times on areas of deregulation, fuel and energy procurement, construction
21 prudence, reliability, performance, and operations.



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1 **Q. Have you had experience with mergers and acquisitions as a management**
2 **consultant?**

3 A. I have provided support on six actual and proposed mergers. In each case I
4 worked for one of the utilities involved in the merger. My responsibilities
5 included development and review of potential merger savings, preparation of
6 testimony for regulatory approval and preparation of witnesses for hearings. My
7 entire resume is included as an attachment to this testimony.

8 **PURPOSE OF TESTIMONY**

9 **Q. On whose behalf are you testifying?**

10 A. Vantage was retained by the Indiana Office of Utility Consumer Counselor
11 (OUCC) to review, comment, and make recommendations on the proposed
12 potential synergies or savings that Citizens Energy Group (“CEG”) and Booz and
13 Co. have determined are achievable with the consolidation of the management
14 and operation of the Department of Waterworks of the City of Indianapolis
15 (“DOW”), the Sanitary District of the City of Indianapolis and CEG.

16 **Q. How did you accomplish this assignment?**

17 A. In order to accomplish this task, Vantage performed the following activities.
18 • Reviewed relevant testimony including the testimonies of Messrs. Lykins, Johnson,
19 Brehm and Flaherty.
20 • Reviewed responses to numerous data requests in Cause No. 43936 related to the
21 development of the potential synergies.



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- 1 • Analyzed in detail workpapers of Booz & Co., supporting the development of the
2 synergies.
- 3 • Attended three days of the hearings in this docket for the cross-examinations of
4 Messrs. Lykins, Johnson, Flaherty and Brehm.
- 5 • On December 20, 2010, met with representatives of Booz & Co., CEG's legal
6 counsel and members of the OUCC staff to examine in detail Booz's analysis of
7 synergies.
- 8 • Performed our independent assessment of the savings quantified and anticipated to
9 result from the consolidation of the gas, chilled water, steam, water, and sewer
10 operations.

11 **Q. Were your conclusions and recommendations presented in a report to the OUCC?**

12 A. Yes. The Report is attached to my testimony.

13 **B. CONCLUSIONS AND RECOMMENDATIONS**

14 **Q. Please summarize the conclusions in your Report.**

15 A. There are several conclusions in the Report. They are noted in bold and designated
16 by the letter C and a number, such as C-1; C-2; etc. However, the key conclusions are
17 the following.

- 18 • The analysis of synergies associated with this merger is more complicated than
19 typical mergers between like type utilities where savings are more direct and easier to
20 quantify. (See the discussion in Section III, C of the Report.)



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- 1 • The key assumptions used by Booz & Co. in their analysis appear to be realistic. The
2 key assumptions include a phase in period for realizing the synergies, an escalation
3 rate, a percentage reduction in supply spending levels, and potential savings
4 percentages based on experience with previous consolidations. (See the discussion in
5 Section III, B of the Report.)
- 6 • The 51% of savings calculated through direct analysis appear to be likely for CEG to
7 achieve, while the savings identified through indirect analysis may be more difficult
8 to achieve. (See the discussion in Section III, C of the Report.)
- 9 • The rising costs of sewer and water construction and associated commodities may
10 have more of an overriding impact on costs than the savings due to the merger itself.
11 (See the discussion in Section IV, C and Section VI, Appendix A of the Report.)

12 **Q. Please summarize the recommendations in your Report.**

13 **A. Based on our analysis, the report makes the following recommendations.**

14 **R-1 Within 60 days from the date of closing the proposed transaction, CEG should**
15 **file a report with the IURC and copy to the OUCC specifying the metrics that**
16 **CEG proposes to use to track savings realized from the consolidation of the gas,**
17 **water, sewer and other operations as well as the costs incurred.**

18 **R-2 Within 180 days from the date of closing the proposed transaction, CEG**
19 **should file a report with the IURC and copy to the OUCC providing the status of**
20 **the implementation of the consolidation, the savings realized by categories**
21 **consistent with Exhibit TJF-2, support for the savings, the costs incurred and**



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1 support for the costs. Subsequent to the initial report, reports on the
2 implementation, savings realized and cost incurred should be provided on a semi-
3 annual basis for a period of at least four (4) years.

4 Pages 19 – 21 of the report provide additional details in support of these
5 recommendations.

6 **Q. Does this conclude your testimony?**

7 A. Yes.



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.


By: Walter P. Drabinski
Vantage Energy Consulting, LLC

On behalf of the Indiana Office of
Utility Consumer Counselor

1/14/11
Date

Cause No.43936

Direct Testimony of Walter P. Drabinski, Vantage Energy Consulting, LLC.

Indiana Utility Regulatory Commission

Cause No. 43936

EXHIBIT WPD-1 – REPORT ON POTENTIAL SYNERGY SAVINGS



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

Analysis of Citizens Energy Group's Identification
and Quantification of Potential Cost Savings from
the Acquisitions Proposed in Cause No. 43936

Final Report

January 14, 2011



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

21460 Overseas Highway, Cudjoe Key, FL 33042 Office Tel 305.744.3440

Vantage Report Template

REPORT ON MERGER SYNERGIES

Cause No. 43936

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Vantage Energy Consulting, LLC

Management Consulting and Energy Services

21460 Overseas Highway, Cudjoe Key, FL 33042 Office Tel 305.744.3440

I. BACKGROUND

In August 2010, the City of Indianapolis, Indiana (the "City"), the Department of Waterworks (the "DOW") of the City, acting by and through its Board of Waterworks, the Sanitary District (the "Sanitary District") of the City, acting by and through its Board of Public Works, the Board of Directors for Utilities of the Department of Public Utilities of the City, as successor trustee of a public charitable trust, d/b/a Citizens Energy Group (the "Board"/"CEG") and CWA Authority, Inc. (the "Authority"), petitioned the Indiana Utility Regulatory Commission ("Commission") for approvals relating to the proposed acquisition of certain water utility assets by the Board from the City and DOW and the proposed acquisition of certain wastewater utility assets by the Authority from the City and Sanitary District.

The Department of Waterworks (DOW)

The DOW is a department of the City of Indianapolis. The DOW owns and operates plant and equipment for the production, transportation, delivery and furnishing of water utility service to the public in Marion, Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Morgan and Shelby Counties, Indiana ("Water System"). The DOW is subject to the jurisdiction of the Indiana Utility Regulatory Commission ("IURC" or "Commission"). The DOW is managed in accordance with a management agreement with the predecessor of Veolia Water North America Operating Services, LLC and Veolia Water Indianapolis, LLC (collectively, "Veolia") to manage the day-to-day operations of the Water System (the "Veolia Agreement").

The Sanitary District

The Sanitary District is a department of the City of Indianapolis. The Sanitary District operates distinct wastewater and storm water systems that are supported by mains and laterals that generally converge into a combined system prior to transporting wastewater to two treatment

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plants. The Sanitary District furnishes wastewater disposal service to its customers by means of plant and equipment, including mains and laterals comprising a wastewater collection and transportation system and associated treatment facilities, (the "Wastewater System"). The Sanitary District furnishes wastewater utility service to commercial, residential, industrial and other types of customers in Marion County and portions of Hamilton County. The Sanitary District also has entered into Wastewater Treatment and Disposal Agreements by which it provides wastewater transportation and treatment services to seven surrounding municipalities, districts and wastewater utilities, (the "Satellite Customers"). The Sanitary District has entered into an operating agreement with United Water Services Indiana ("United"), under which United manages the day-to-day operations of the Wastewater System and the storm water collection system (the "United Agreement"). The City and the Sanitary District are subject to, and required to comply with, the terms of a Consent Decree entered by the U.S. District Court for the Southern District of Indiana, on December 19, 2006, in *United States and State of Indiana v. City of Indianapolis*. The Consent Decree requires the Sanitary District to construct and implement a number of specific remediation measures designed to reduce combined storm and wastewater overflows ("CSO") from the Wastewater System into the City's rivers and streams, (the "CSO Projects"). Such CSO Projects are set forth in a Long-Term Control Plan ("LTCP"), which has been approved by the Court. In 2009 and 2010, the Environmental Protection Agency ("EPA") and the Indiana Department of Environmental Management ("IDEM") approved certain changes to the Consent Decree, which are subject to Court approval. The Sanitary District's current rates and terms of service are not subject to the jurisdiction of the Commission.

Citizens Energy Group

Citizens Energy Group ("CEG") owns and operates Citizens Gas, a municipal gas utility,



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Citizens Thermal, a municipal steam utility and chilled water system, and other regulated and non-regulated entities. CEG operates under the auspices of the Citizens Energy Group Board of Directors that is composed of seven members selected and appointed by a five-member Board of Trustees for Utilities (the "Trustees"). The Indiana General Assembly has endowed the Board with broad powers "necessary for, and intended to secure, efficient and economical management and operation of utility properties in [the City]." Ind. Code § 8-1-11.1-15.

Summary

The focus of this Report is limited to an evaluation of CEG's identification and quantification of potential synergies/savings that could result from the consolidation of the management and operation of the DOW, the Sanitary District and CEG. In the Report, conclusions are identified by the letter C and a number; e.g., C1, C2, etc., and recommendations are denoted with the letter R and a number; e.g., R1 and R2. Our significant conclusions are as follows.

- The analysis of synergies associated with this merger is more complicated than typical mergers between like-type utilities where savings are more direct and easier to quantify. (See the discussion in Section III, C of this Report.)
- The key assumptions used by Booz & Co. in their analysis appear to be realistic. The key assumptions include a phase in period for realizing the synergies, an escalation rate, a percentage reduction in supply spending levels, and potential savings percentages based on experience with previous consolidations. (See the discussion in Section III, B of this Report.)
- The 51% of savings calculated through direct analysis appear to be likely for CEG to achieve, while the savings identified through indirect analysis may be more difficult to achieve. (See the discussion in Section III, C of this Report.)



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- The rising costs of sewer and water construction and associated commodities may have more of an overriding impact on costs than the savings due to the merger itself. (See the discussion in Section IV, C and Section VI, Appendix A.)

Vantage proposes two recommendations based on our analysis.

- R1* Within 60 days from the date of closing the proposed transaction, CEG should file a report with the IURC and copy to the OUCC specifying the metrics that CEG proposes to use to track savings realized from the consolidation of the gas, water, sewer and other operations as well as the costs incurred.
- R2* Within 180 days from the date of closing the proposed transaction, CEG file a report with the IURC and copy to the OUCC providing the status of the implementation of the consolidation, the savings realized by categories consistent with Exhibit TJF-2, support for the savings, the costs incurred and support for the costs. Subsequent to the initial report, reports on the implementation, savings realized and cost incurred should be provided on a semi-annual basis for a period of at least four (4) years.



II. ROLE OF VANTAGE ENERGY CONSULTING LLC

Vantage Energy Consulting LLC, (Vantage) was retained by the Indiana Office of Utility Consumer Counselor (OUCC) to review, comment, and make recommendations on the proposed potential savings that the Petitioners have determined are achievable with the consolidation of the management and operation of the DOW, the Sanitary District and CEG. In order to accomplish this task, Vantage performed the following activities.

- Reviewed relevant testimony including the testimonies of Messrs. Lykins, Johnson, Brehm and Flaherty.
- Reviewed responses to numerous data requests in Cause No. 43936 related to the development of the potential synergies.
- Analyzed, in detail, workpapers of Booz & Co., supporting the development of the synergies.
- Attended three days of the hearings in this docket for the cross-examinations of Messrs. Lykins, Johnson, Flaherty and Brehm.
- On December 20, 2010, met with representatives of Booz & Co., CEG's legal counsel and members of the OUCC staff to examine in detail Booz & Co's analysis of synergies.
- Performed our independent assessment of the synergies and savings quantified and anticipated to result from the consolidation of the gas, steam, chilled water, water and sewer operations.



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The OUCC also asked for recommendations to establish a process to measure whether and to what extent, potential savings identified and quantified by CEG have been achieved. As a result of these efforts, Vantage generated this Report and submitted it to the OUCC.

In the analysis below, we designate and number conclusions with the letter C, followed by a number and recommendations by R followed by a number. All work performed on this assignment complied with the most recent requirements of the Generally Accepted Government Auditing Standards (GAGAS).



III. SYNERGY SUMMARY

A. EXHIBIT TJF-2

Through the use of due diligence teams in each of the functional areas of the combined entity as well as outside assistance from Booz & Co., CEG developed estimates of the potential savings and the costs to achieve the savings. The results of these efforts are summarized and presented in the testimony of Thomas J. Flaherty, Senior Vice President, Booz & Co., at Exhibit TJF-2. For reference, the information included in Exhibit TJF-2 is reproduced below with references to the relevant sections of this Report.

3-Year Net Synergy Summary
\$ Millions

Synergy Category	Cost Type	Year 1	Year 2	Year 3	Reference
Corporate Center	O&M	\$2.4	\$2.5	\$2.6	Sec IV-A, page 11
Design and Engineering	Capital	\$5.3	\$6.1	\$6.3	Sec IV-B, page 12
Supply Chain					
Supply Chain Consolidation	Capital	\$7.0	\$14.4	\$14.9	Sec IV-C, page 12
Veolia Margin Savings	Capital	\$5.7	\$5.9	\$6.1	Sec IV-C, page 14
Contractor Role Realignment					
Incremental Corporate	O&M	\$7.1	\$7.3	\$12.6	Sec IV-D, page 14
Incremental Design & Eng	O&M	\$0.4	\$5.6	\$6.6	Sec IV-D, page 15
Customer Service/Billing	O&M	\$1.8	\$3.8	\$3.9	Sec IV-D, page 15
Field Services	O&M	\$1.8	\$1.9	\$3.6	Sec IV-D, page 16
Technical Services	O&M	\$2.6	\$2.7	\$2.8	Sec IV-D, page 16
Incremental Supply Chain	O&M	\$0.4	\$0.8	\$1.4	Sec IV-D, page 17
TOTAL SYNERGIES		\$34.4	\$50.9	\$60.7	
Costs-to-Achieve		\$9.8	\$2.4	\$1.4	Sec IV-E, page 17
NET SYNERGIES		\$24.6	\$48.5	\$59.3	



B. KEY ASSUMPTIONS

C-1 Key assumptions appear to be within the bounds of reasonableness over the three-year analysis period.

In order to estimate the synergies, Booz & Co. (Booz), found it necessary to make several assumptions about the timing of the possible realization of the savings. For instance, with regard to the Supply Chain synergies, Booz assumed that 50% of both the capital and O&M savings are realizable in year one and 100% are realizable going forward from year two. The reason for the phase-in of the synergies is to allow for the implementation of sourcing initiatives and improving business processes. Booz made similar phase-in assumptions regarding the timing of the synergies associated with Design and Engineering and Customer Service. In the case of Customer Service, the assumed phase-in would allow the full savings to be captured in the first year. Corporate Center Synergies are expected to be fully realizable in year one. The Veolia Margin synergies, the technical services synergies and field operations synergies require that the Veolia and United contracts be realigned. However, Booz assumed that the savings for these areas will be available in the first year after the contracts are realigned. To estimate the synergies for Design and Engineering and Supply Chain, it was necessary for Booz to make several assumptions. The two key assumptions in these areas were the baseline level of contract and supply spending and also the resulting reductions that result from the economies and efficiencies after the consolidation. Finally, Booz escalated all synergy estimates by 3.5% per year. At first blush this escalation factor seems high given the current economic climate. However, during Vantage's discussion with Booz, Booz explained that the 3.5% figure is based on a long-term inflation rate of 3% and recognition of the fact that other benefits and costs such as health care, electricity, etc. have been increasing at a rate higher than 3%. Given this



background, Booz decided to use a 3.5% escalation rate for the synergy study. To test the robustness of this assumed escalation rate, Vantage revaluated the synergies using both a 2.5% and 2.0% escalation rate. The impact on the overall level of synergies or savings of \$60 million was less than \$2.5 million. Based on our analysis and review, Vantage concludes the assumptions used in these calculations to be acceptable for the purposes of this synergy study.

C. DIRECT VERSUS ESTIMATED/COMPARISON METHODS

Booz used three methods to quantify the savings -- direct analysis, estimation and comparison to other acquisition transactions. Direct analysis requires sufficient information about the future operating plans and adequate baseline information to quantify synergies by comparing existing operations to the future operating model and determining the cost savings. The due diligence process utilized by CEG enabled the due diligence teams to focus on how CEG, DPW and DOW functions would be performed after the deal closes and thus, develop robust estimates of selected synergies. The direct analysis method provides an added level of confidence that the synergies or savings quantified in this manner are reasonable and likely to be realized.

When there was insufficient information to use direct analysis, Booz used estimation and comparison to other transactions as a base to quantify the savings. For instance, to develop the synergies for the Design and Engineering function, Booz found it necessary to project what the likely amount of outsourcing will be under the new business model. Because of limited information, Booz used estimates of the percentage of capital spending that represented Design and Engineering outsourcing costs.



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To quantify the Supply Chain synergies, Booz considered it necessary to rely on both the estimation and comparison methods. Booz considered it necessary to estimate the level of spending that would be the base for developing the synergies. Also, until the consolidation of the gas, chilled water, steam, water and sewer operations is complete and the new organization structure is in place, it is uncertain what processes will be used for dealing with potential suppliers in the future. These processes will be developed after the proposed transaction is closed. As a consequence, it was necessary for Booz and Co. to review previous acquisitions to develop an estimate based on the savings that were the result of similar consolidation of functions. Vantage notes the quantification of potential savings through the use of estimation and comparison methods is less precise and more variable than the direct analysis.

C-2 Booz's responses to data requests suggest that \$31.0 million, or 51%, of savings is from direct analysis and \$29.7 million, or 49%, is from indirect analysis.

In response to data requests 30-5 and 30-6 from OUCC in Cause No. 43936, Mr. Flaherty of Booz and Co. has responded that \$31.0 million of the total estimated savings of \$60.7 million were developed using direct analysis. The remaining \$29.7 million annual savings were developed using either estimation or comparison methods. Thus, 51% of the savings are based on direct analysis and 49% are based on estimation/comparison methods.



IV. ANALYSIS OF SYNERGIES

A. CORPORATE CENTER

C-3 Corporate Center synergies of \$15.2 million to reduce labor and non-labor costs are adequately supported and directly under the control of management.

The Corporate Center synergies amounted to \$15.2 million. This total is comprised of \$2.6 million for Corporate Center and \$12.6 million for Incremental Corporate. CEG's due diligence teams were the primary source of information for the quantification of the Corporate Center synergies. The information provided through the due diligence process allowed the teams to develop an operating model of the combined companies and then scales the functional organizations to integrate the DOW and Sanitary District with the CEG operations. The synergies came primarily from avoided and eliminated labor, non-labor (e.g.; office equipment and supplies, etc.) and a portion of allocated costs (e.g.; office space, etc.). Direct analysis was the main method Booz used to quantify the Corporate Center synergies. In fact, responses to OUCC data requests 30-5 and 30-6 indicate that \$14.6 million of the total \$15.2 million savings is quantified using direct analysis and \$0.6 million is based on estimation. (The estimation method was relied upon to quantify the savings related to professional service costs such as legal costs.) Booz estimated that 20% of the cost could be saved through economies of scale and elimination of redundant spending. Vantage concludes that the estimate of Corporate Center synergies is acceptable. Further, Vantage believes these synergies are achievable as CEG has direct control over these activities after the consolidation.



B. DESIGN & ENGINEERING

C-4 The \$12.9 million in synergies to be achieved from Design and Engineering are derived through the estimation process and are not within complete control of CEG.

The synergies related to Design and Engineering amounted to \$12.9 million. This figure includes \$6.3 million for Design and Engineering and \$6.6 million for Incremental Design and Engineering. Booz quantified the entire amount of the savings by using the estimation method and the comparison method. Direct analysis could not be used because the level of outsourced spending was not known. Also, when Booz quantified synergies, CEG had not specified the processes for dealing with potential suppliers. Consequently, it was necessary for Booz to rely on estimates and comparisons to the savings generated in other acquisition transactions. Vantage notes that the estimate of savings relative to the Design and Engineering function are totally dependent on the accuracy of the estimates used to quantify these synergies. Vantage concludes that CEG is not completely in control of the inputs used in this quantification and that it will be considerably more difficult to make certain the estimated synergies are in fact realized.

C. SUPPLY CHAIN

SUPPLY CHAIN CONSOLIDATION

C-5 Booz's estimated potential Supply Chain savings of \$14.9 million are likely to be more difficult to achieve and difficult to accurately measure. Much of the savings may be dictated by market forces out of CEG's control.

With the consolidation of CEG, DOW and the Sanitary District, CEG anticipates that the supply chain activities of the three entities can be merged and that a synergy of \$14.9 million can be generated. The savings are based on CEG's expectation that the consolidation of vendors will allow more favorable negotiations due to scale considerations and that preferred supplier agreements, with longer term rates and reduced administrative costs, can be negotiated.



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However, since CEG did not know the level of spending and the supply chain organization at the time Booz quantified potential savings and since the supply chain organization processes have not been completed, it was necessary for Booz to rely on estimates and comparisons to quantify the savings from the Supply Chain Consolidation. As a consequence, Vantage concludes that the savings related to Supply Chain Consolidation could vary depending on the accuracy and reliability of the estimates and comparison used to quantify the savings. Vantage concludes that it will be difficult to make certain that the estimated savings are in fact realized.

One factor that will affect the realization of savings is changing prices in the water and wastewater construction markets. CEG will have a very large construction program in progress and changes in construction cost, commodity prices and scarcity of materials or labor could change costs dramatically. Water and wastewater construction cost increases have been some of the highest of all utility areas. A set of charts in Appendix A provides some sense of how costs have increased. The impact of the cost of key commodity costs cannot be overlooked. The graphs provide the following information.

- The first graph provides the trends in consumer prices (CPI) of utilities. We take a snapshot of 1994 through 2009. This shows that for that entire period prices rose at 17% per year and since 2004 the prices rose at 20% per year.
- The next set of graphs provides detail on commodity costs as stated in the Producer Price Index. Key components of Sewer & Water are provided and show:
 - Pressure, Soil Pipe & Fittings rose dramatically from 2004 until 2008 and then dropped in 2009 for a period;



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- Concrete Ingredients and Related Products rose from 2004 and remain high;
- Concrete Pipe has increased throughout the last decade and remains high;
- Industrial Pumps have increased throughout the last decade and remain high;
- Plastic pipe has had a number of spikes in the last six years due to oil price changes.

VEOLIA MARGIN SAVINGS

C-6 The Veolia Margin savings of \$6.1 million is likely to be achievable assuming the contract termination proceeds as planned.

Veolia manages and operates the DOW under a contractual arrangement. The Management Contract allowed Veolia to receive a margin based on the qualifying capital program spend. A saving by avoiding payment of this margin in the future is expected to be \$6.1 million by year three. The Management Contract with Veolia has been terminated. However, Veolia continues to operate the utility pursuant to the terms of the Settlement Agreement To Transition Management & Operations of the City of Indianapolis Water System From Veolia Water entered into on October 20, 2010. Assuming the proposed deal closes, Booz considers the \$6.1 million margin to Veolia will be avoided. Vantage concludes this synergy to be achievable.

D. CONTRACTOR ROLE REALIGNMENT

INCREMENTAL CORPORATE

The Incremental Corporate savings has been quantified by Booz to be \$12.6 million. This amount is a component of the Corporate Center synergy discussed above in Section IV, A of this Report. Vantage concludes that the estimate of Corporate Center savings is acceptable. Further, Vantage believes these savings are achievable as CEG has direct control over these activities after the consolidation.



INCREMENTAL DESIGN & ENGINEERING

The Incremental Design and Engineering synergy of \$6.6 million is a component of the \$12.9 million Design and Engineering savings discussed above in Section IV, B. Vantage concludes that the estimate of Corporate Center savings is acceptable. Further, Vantage believes these savings are achievable as CEG has direct control over these activities after the consolidation.

CUSTOMER SERVICE/BILLING

C-7 Booz's projected Customer Service/Billing savings of \$3.9 million is likely to be achieved.

The synergies or savings associated with the Customer Service/Billing function have been quantified as \$3.9 million. These savings result from the consolidation of the call center and other customer service activities into a single center for gas, water and sewer. Booz quantified the Customer Service/Billing synergies through the direct analysis method. The consolidation of this function for the gas, water and sewer companies was carefully considered and evaluated by the due diligence teams. Vantage concludes that the synergies associated with the consolidation of the Customer Service/Billing function are realistic and quite achievable.

FIELD SERVICES

C-8 Booz's estimated potential savings of \$3.6 million from Field Services are due to a direct analysis and are quite achievable.

The synergies or savings associated with Field Services were quantified by Booz to be \$3.6 million. These savings come from four sources. According to Booz, the first source of savings comes from the integration of the Field Service O&M management and administration function at the gas, water and sewer companies as well as the implementation of a consistent set of work practices across all three. The second source of savings is accomplished by consolidating the

meter reading function and imposing CEG's productivity standards on all meter reading activities. The third source of savings in this area is the integration of Production O&M management and administrative functions as well as the implementation of a consistent set of work practices at the plants. The fourth source of savings results from the reduction of over-capacity in Production Engineering after the consolidation of the gas, water and sewer companies. The quantification of the Field Services savings was based on direct analysis. Vantage concludes the estimate of Field Services savings to be reasonable and are quite achievable as these expenses are directly controlled by CEG.

TECHNICAL SERVICES

C-9 Booz's estimated potential savings of \$2.8 million from Technical Services are due to a direct analysis and are achievable.

The synergies or savings associated with Technical Services were quantified by Booz to be \$2.8 million. Booz developed this quantification was developed by the direct analysis method. The savings derive from three areas. The first area is the integration of the water testing and lab services for the water and sewer operations into a single program. The second source of savings is the consolidation of the Asset Management function across gas, water and sewer and the elimination of duplicative engineering positions. The third source of savings is the consolidation of the Construction and Program Management functions across the gas, water and sewer operations. Vantage concludes the estimate of Technical Services savings to be reasonable and very likely achievable as these expenses are directly controlled by CEG.



INCREMENTAL SUPPLY CHAIN

The synergies or savings associated with the Incremental Supply Chain were quantified by Booz to be \$1.4 million. This amount is a component of the Supply Chain Consolidation synergy discussed above in Section IV, C of this Report. Vantage concludes that the savings related to Supply Chain Consolidation could vary depending on the accuracy and reliability of the estimates and comparison used to quantify the savings. Vantage concludes that it will be difficult to make certain that the estimated savings are, in fact, realized.

E. COSTS TO ACHIEVE

C-10 Booz's estimated costs to achieve savings, which include \$9.8 million in year one and \$2.4 million in year two, appear to be accurate.

In the first two years following the integration of the gas, water and sewer companies some substantial costs, (\$9.8 million in year one and \$2.4 million in year two), to achieve the integration are anticipated to be incurred. These costs are upgrades to the GIS and network connection, the work management systems and the Customer Information System. There are costs associated with educating customers of the new entity and how customer services will be provided. There are also costs required to integrate the customer services facilities and the call center. By year three the costs to achieve are estimated to be \$1.4 million. Vantage concludes the estimate of the Costs to Achieve to be accurate.

F. TRACKING SYNERGIES AND COSTS TO ACHIEVE

During the hearings in Cause No. 43936, CEG witness Mr. Lykins testified that the synergies were not only reasonable and achievable but that they would also be realized. (See transcript of hearing, December 7, 2010 at pages D-53 to 54.) After the closing of the proposed transaction, it



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becomes incumbent upon CEG to demonstrate to the Commission and OUCC that the synergies are, in fact, being realized. If this transaction is truly in the public interest, then it should provide benefits/savings for all of its customers. During the early phases of the consolidation of the gas, steam, chilled water, water and sewer, CEG should document its claims that the synergies and savings will be realized with documented support presented to the Commission and OUCC on a regular basis. This task may be complicated by changes of circumstances over time. CEG will need to develop a reasonable set of measures to track whether and to what extent synergies have been achieved as well as the costs to achieve those synergies.



V. CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

Based on careful review and analysis, Vantage concludes that the quantification of synergies and costs to achieve are plausible and realistic. But our confidence in the actual realization of the synergies varies depending on the category under consideration. For instance, the quantification of those categories where direct analysis was utilized seems more likely to actually be realized. Those categories include Corporate Center, Veolia Margin, Customer Service/Billing, Technical Services and Field Services. Booz's direct analysis relied on careful consideration and analysis by Booz and the due diligence teams to develop alternative ways of doing business for the consolidated entity and to estimate the potential reduction in costs. Of the total \$60.7 million potential savings identified by Booz in year three, \$31.6 million or 51% was quantified using the direct analysis method. Thus, it appears that slightly more than half of the savings are very likely to be realized provided CEG takes the necessary and appropriate actions and aggressively pursues the cost saving opportunities

However, the quantification of the remaining amount of savings of \$29.7 million was based on estimation and comparison to other transactions. For instance, the Supply Chain savings total approximately \$22.8 million. This category is the largest component of savings and yet it is also the least certain and most difficult to track since the comparison is against the level of expenses incurred assuming the consolidation did not occur. The quantification relies on assumptions about the total level of spending that Booz and CEG considered likely to occur when the gas, water and sewer operations are consolidated. Further, the quantification also relies on the use of



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an assumption that a percentage reduction in costs can be realized by consolidating the Supply Chain function. This assumption is based on the experience of Booz and Co., from other acquisition/merger transactions. However, the transaction proposed here to consolidate the gas, water and sewer operations is unique. Although there may be good reason to believe that the Supply Chain function and the work processes to economically accomplish it are not terribly dissimilar across companies or industries, the fact remains that a large proportion of the savings quantified and characterized as achievable in this proposed transaction are based on some very broad assumptions. In conclusion, the support for the savings that were quantified using the estimation and comparison techniques is “softer”. Consequently, Vantage is less confident that those savings will actually be realized.

In order to assess the feasibility of the proposed consolidation of the gas, water and sewer operations, CEG with the assistance of Booz has determined that there are potential synergies to be derived from the proposal to consolidate. However, after the closing of the proposed consolidation, it is incumbent upon the management of CEG to make certain that the potential synergies are in fact realized. Accordingly, it is beneficial for the Commission to monitor activities and progress in the attainment of realizing synergies. Vantage believes the establishment of a regular reporting process to keep the Commission and the OUCC informed about the status of the implementation of the consolidation, as well as reports on the savings realized and the costs incurred, will provide additional assurance that CEG takes appropriate and necessary steps to allow the identified synergies and savings to be achieved.



B. RECOMMENDATIONS

As explained above, Vantage concludes that a significant portion of the total synergies to be achieved through the consolidation of the gas, water, chilled water, steam and sewer operations is considered “soft” and based on estimation and comparison to other acquisition/merger transactions. Therefore, a regular reporting on the status of the implementation of the consolidation and the savings realized and the costs incurred to the Commission and the OUCC is warranted. Accordingly, Vantage provides the following two recommendations to accomplish this.

R-1 Within 60 days from the date of closing the proposed transaction, CEG shall provide a report with the IURC and a copy to the OUCC specifying the metrics that CEG proposes to use to track savings realized from the consolidation of the gas, water, sewer and other operations as well as the costs incurred.

The report should include a detailed definition of each of the proposed metrics, a discussion of how the metric will track savings and costs, a description of the process that CEG plans to use to track savings and costs, as well as, a listing and description of any internal or external reports or studies that CEG plans to utilize to track savings and costs.

R-2 Within 180 days from the date of closing the proposed transaction, CEG file a report with the IURC and copy to the OUCC providing the status of the implementation of the consolidation, the savings realized by categories consistent with Exhibit TJF-2, support for the savings, the costs incurred and support for the costs. Subsequent to the initial report, reports on the implementation, savings realized and cost incurred should be provided on a semi-annual basis for a period of at least four (4) years.

For each category of synergies/savings and costs listed in Exhibit TJF-2, the semi-annual report should include the amount of the savings realized and costs incurred for the period as well as the cumulative amount realized post closing, a description of how the savings and costs were

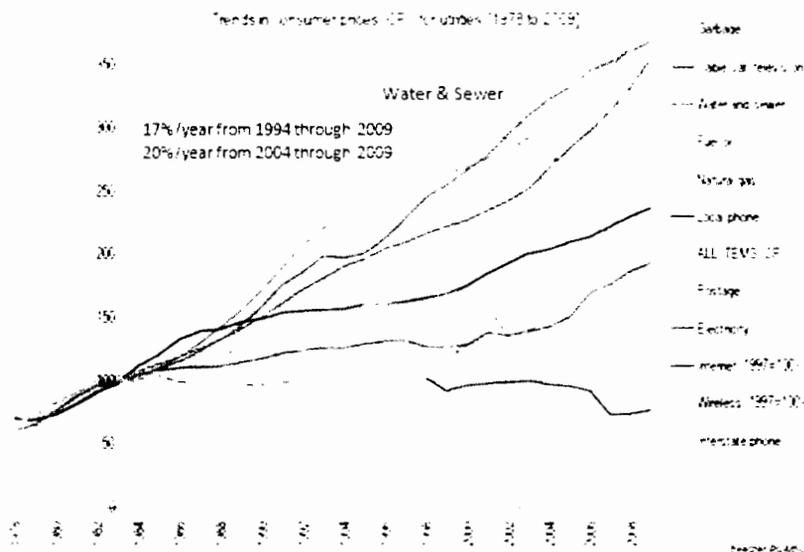


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calculated including the individuals involved in the process, detailed workpapers supporting the determination of the savings and costs, and copies of any internal or external reports that CEG relied upon to calculate the savings realized or costs incurred. In addition, CEG should identify any specific activities that it has undertaken to enhance its opportunities to achieve the potential synergies. These activities include organizational, process and system changes that CEG has made to increase the likelihood of achieving the maximum savings from the consolidation of the gas, water and sewer operations. Finally, CEG should advise the IURC and OUCC how the realized savings and costs are expected to be allocated among CEG's operations.



VI. APPENDIX A



The following graphs provide a perspective on pricing with regards to water and sewer, and in particular commodity costs that are likely to drive construction costs. The first chart shows the growth of pricing for Water and Sewer and demonstrates that costs are rising well above other utilities.

Trends in Consumer Prices (CPI) for Utilities Through 2009; IPU Research Note, Michigan State University, Institute of Public Utility Regulatory Research and Education. Janice A. Beecher, PhD, February 2010, ipu.msu.edu.



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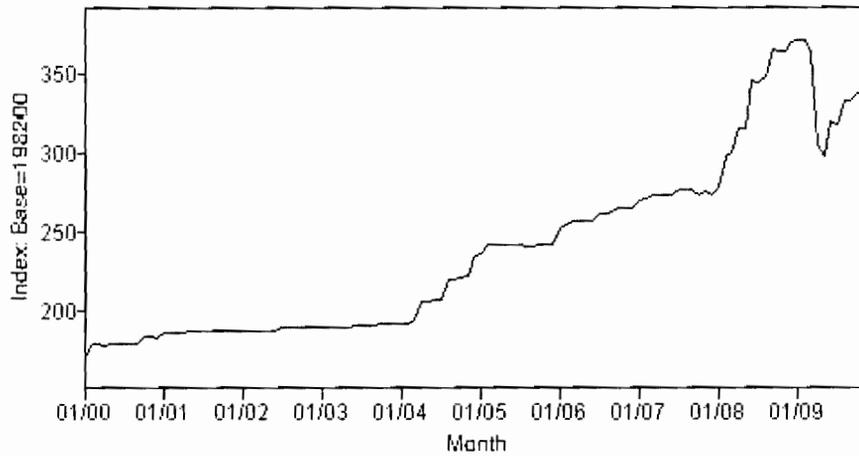


Figure 1 – Pressure, Soil Pipe & Fittings - Producer Price Index (Bureau of Labor Statistics)

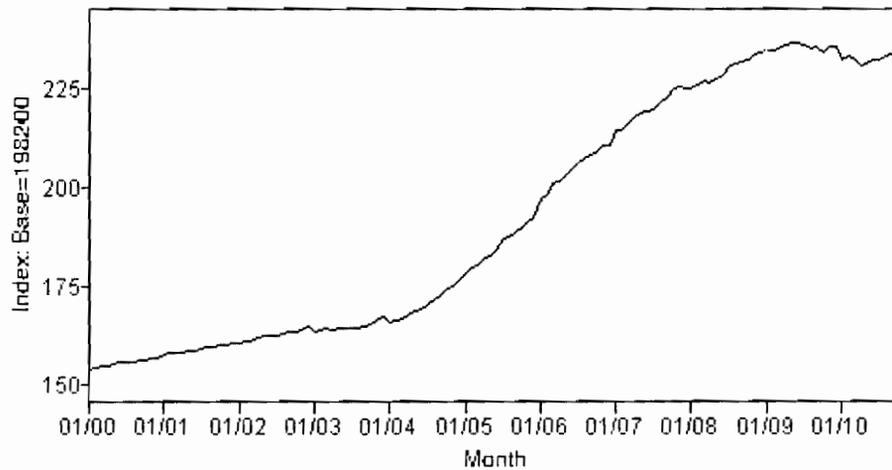


Figure 2 – Concrete Ingredients and Related Products - Producer Price Index (Bureau of Labor Statistics)



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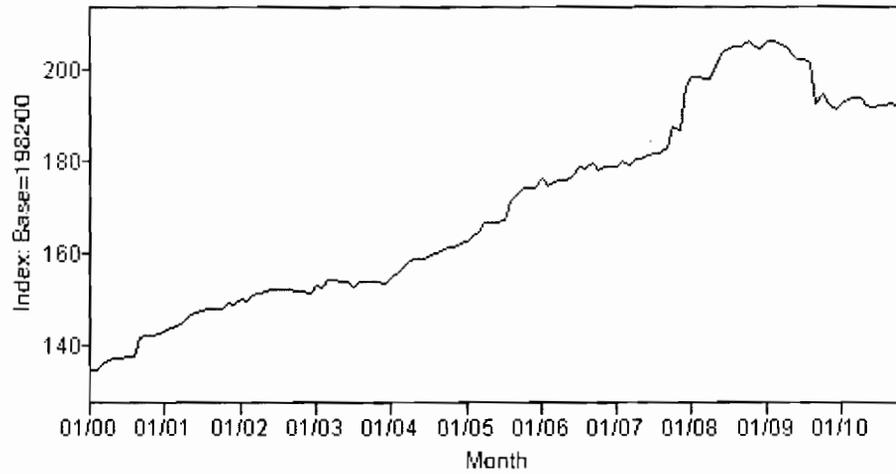


Figure 3 - Concrete Pipe - Producer Price Index (Bureau of Labor Statistics)

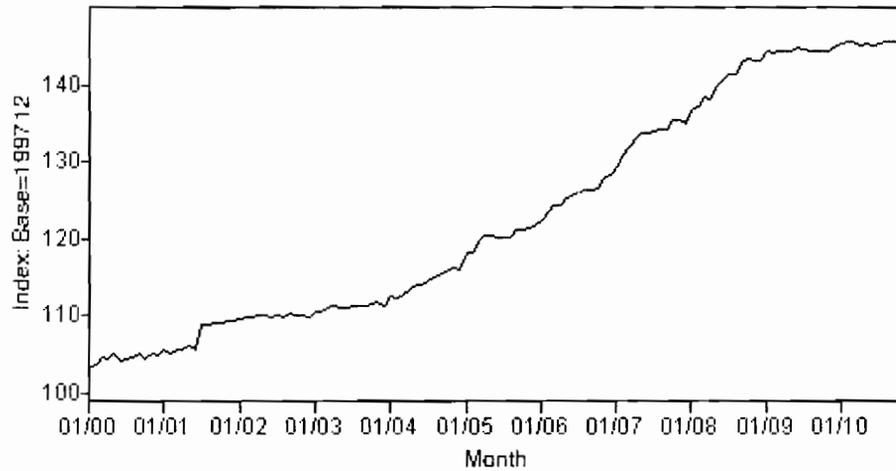


Figure 4 - Industrial Pumps - Producer Price Index (Bureau of Labor Statistics)



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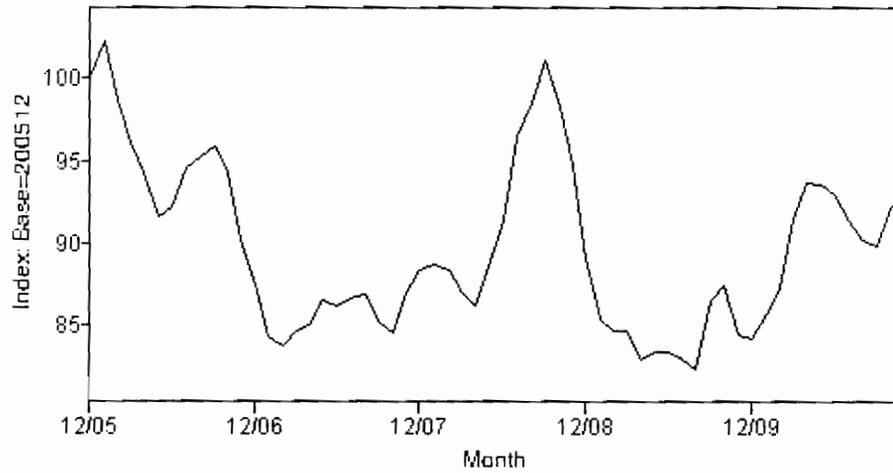


Figure 5 - Plastic Pipe - Producer Price Index (Bureau of Labor Standards)



EXHIBIT WPD-2 - RESUME OF WALTER P. DRABINSKI



RESUME OF MR. WALTER P. DRABINSKI

AREAS OF SPECIALIZATION

Mr. Drabinski is President of *Vantage Energy Consulting LLC*. He has more than 38 years of experience in the utility industry as both a utility company manager and a management consultant. His functional expertise includes all aspects of power plant construction and operations, utility strategy, organization, executive and financial management, productivity improvement, operations and maintenance, engineering, and environmental compliance. As a utility manager, Mr. Drabinski held the positions of Operations Project Engineer on the construction of a 1,700 MW project, System Training Director, Fossil Generation; and Supervisor, Electrical Maintenance for Niagara Mohawk Power Corporation in upstate New York. As a management consulting principal, he has worked for national firms and has been President of his own firm for 20 years. During that time he has managed more than 150 consulting engagements; he has performed work related to almost 140 generation units that were under construction or operating and he has testified in formal regulatory hearings over 50 times.

SELECTED CONSULTING EXPERIENCE

AFFILIATE TRANSACTION AUDITS

Duke Energy Ohio - Project Manager, in support of the Public Utility Commission of Ohio, for audit related to compliance with affiliate rules, merger compliance issues, cost allocation manual and transfer of assets between affiliates for the period of January 2008 through June 2009.

Duke Energy Indiana - Project Manager, in support of the Indiana RUC, for audit related to compliance with affiliate rules, merger compliance issues, cost allocation manual and transfer of assets between affiliates.

Duke Energy Kentucky - Project Manager for audit related to compliance with affiliate rules, merger compliance issues, cost allocation manual and transfer of assets between affiliates.

Lower Colorado River Authority - Project Manager for review of power plant cost allocations, development of cost allocation manual, and assessment of compliance with agreements with Austin Energy.

Entergy Corporation - Project Manager for a review of affiliated transactions between Entergy Corporation, Entergy Services, Inc., and a myriad of regulated and non-regulated subsidiaries. This engagement, performed for five regulatory agencies, is in response to the 1991 Settlement Agreement with the SEC, at which time the holding company was formed. The results of this audit included reallocation of almost \$5 million and a reconfiguration of reporting requirements.

Sempra Energy (SDG&E and SoCalGas) - Project Director for affiliated audit for 1998 and 1999 calendar years to verify compliance with California PUC restructuring requirements.



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Resume of Mr. Walter P. Drabinski

Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

PSE&G - Project Manager and Lead Witness for an audit of the Company's Unbundling, Stranded Cost, and Restructuring plans and testimony. On this assignment, under the auspices of the New Jersey Board of Public Utilities, Vantage was the lead firm for a consortium of five consulting firms that addressed numerous critical and cutting edge issues. These included areas such as reconciliation of the regulatory and FERC books, development of cost of service studies, assessment of capital additions proposed for stranded cost recovery, calculation of market prices for energy and capacity, calculation of stranded costs associated with nuclear, fossil and non-utility generation, assessment of securitization as a mitigation option, and development of a comprehensive model that determined the possible rate reduction that could be achieved.

Pacific Gas & Electric Co.- Project Director for affiliated audit for 2001,2002, 2003, 2004 and 2005 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

Public Service Electric & Gas Company - Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

ENERGY PROCUREMENT ASSIGNMENTS

Maryland Public Service Commission - Monitored all RFP solicitations for 2007 and 2008 bid years. This amounted to nine solicitations for all four utilities in Maryland. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.

Alleghany Power Virginia - Monitored RFP solicitations for 2007 and 2008 bid years. Provided oversight on bid day, reviewed applications, provided a final report on results for the Virginia regulatory agencies.

Delaware Public Service Commission - Monitored all RFP solicitations for 2006 and 2010-11 bid year. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.

Maryland Public Service Commission - Provided analysis and related testimony on restructuring-related cases in 2007 and 2008. Testimony involved wholesale market issues, portfolio options and rebuttal relative to utility witnesses.



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Duquesne Light Company - Project Manager on assignment in which Vantage conducted solicitation of energy for POLR customers. Vantage utilized its own proprietary software and secure web site to conduct bidding. Vantage also constructed webinar to educate potential bidders and acted as conduit for all information requests and dissemination of confidential load data.

Power Generation, Construction Management, and Engineering

Kansas City Power & Light Iatan 1&2 - At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of a Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

North West Energy - Mill Creek Station - Monitored the construction of this three unit, 150 MW combustion turbine power plant for the Montana Public Service Commission. Visited construction site on a regular basis and provided input to the construction team as well as the Montana PSC. Reviewed quarterly reports and testified before the Commission after each report. Provided insight on In-service criteria testing and other key design and operational elements.

Philadelphia Electric Company - Lead Consultant on a retrospective investigation of the Limerick Nuclear Power Plant. Analyzed the Company's financial condition during the construction program and reviewed construction management practices on the project. Prepared testimony for prudence hearings on construction management and financial performance.

Public Service Electric & Gas Co. - Project Manager for a retrospective investigation of the Hope Creek Nuclear Plant. Prepared cost reconciliation that identified reasons for cost overruns. Reviewed construction control tools, productivity results, and analyzed productivity programs for effectiveness. Wrote testimony, answered interrogatories, and assisted in cross-examination of witnesses. Made recommendations on cost tracking systems for future construction projects.

California Independent System Operator - FERC - Project Director on an Independent Operational Audit of the CAISO for the period of October 2001 through October 2002. Analysis involved all aspects of the CAISO interface with power plants and transmission systems in California and the western portion of the US. This assignment was performed at the request of the FERC and led to a series of five global recommendations. Shortly after the completion of the audit, Mr. Drabinski testified before the House of Representatives, Subcommittee on Subcommittee on Energy Policy, Natural Resources & Regulatory Affairs.



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Resume of Mr. Walter P. Drabinski

Massachusetts Municipal Wholesale Electric Utility (MMWEC)– Performed analysis on options for equipment upgrades and construction requirements at major power plant and performed limited life extension analysis. Assisted with economic analysis on new generation sources.

PJM Power Plant Arbitration – Provided testimony and technical assistance on arbitration for an independent power plant built in the PJM region. Issues involved interpretation of PJM rules and contractual issues such as commercial operation date and performance guarantees. Assesed operational completion and capability.

St. Vincent Energy Services Ltd. - At the request of the Board of Directors and Prime Minister, Vantage conducted a review of system reliability and fuel procurement for the utility generation sources. Significant findings resulted in a new strategic plan, a reorganization of management and a legal investigation into procurement practices. Made numerous recommendations related to the economics of refurbishment of older units and the construction of new generation sources.

Public Service Electric & Gas – Engagement Manager during a long-term engagement with PSE&G. Specific assignments he directed are listed below.

- Developed a 30-year environmental plan, addressing power generation and environmental strategy.
- Assisted in development of innovative rate strategy for Bergen combined cycle unit.
- Worked on a team of utility employees, lobbyists, legislative staff members and the DOE to develop a program for voluntary reduction of CO₂ and global warming initiatives.
- Reviewed gas procurement strategy for 1300 MW of combine cycle generation.
- Conducted a tactical and strategic alternatives study of the Company's fleet of 158 combustion turbine generation plants.
- Developed a plan for complying with the 1990 Clean Air Act Amendments.
- Assisted in a study of the 1992 Energy Policy Act and prepared a report that illustrated how it would impact company operations.
- Wrote and supported testimony in the area of fossil generation on behalf of the Company in a major rate case.
- Developed protocols for NO_x emission trading within NESCAUM.

Colonial Chemical Company – Assisted in identifying candidates for Selective Non-Catalytic Reduction systems to reduce nitrous oxide emissions from power plants throughout the east coast and Midwest..

Houston Light & Power – Consultant on South Texas Nuclear Project retrospective analysis. Reviewed construction management procedures and developed testimony for rate case.



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

Resume of Mr. Walter P. Drabinski

Public Service Electric & Gas Co. – Project Manager for a review of the Engineering & Construction Department budgeting and approval process for capital projects at PSE&G. Developed flowcharts and improved methods for processing capital budgeting requests.

Honeywell/Allied Signal – Provided strategic assistance and research in development of commercial fuel cell. Conducted market research and facilitated meetings with utilities interested in commercial development.

Operation Project Engineer for Niagara Mohawk Power Corporation. Participated in conceptual system design, construction management, and plant start-up of power plants, transmission lines, switchyards and plant electrical equipment.

- Assisted in design and then installation of new boiler control technology associated with conversion of four – 100 MW units from coal to oil in 1972.
- Provided design review and input on two 850 MW oil fired units (Oswego 5-6)
- Represented utility during acceptance testing, start-up, and turnover of all electrical power systems, auxiliary equipment, and turbine and boiler instrumentation and control systems for the Oswego 5 – 850 MW oil fired unit which went commercial in 1975.
- Monitored construction of two new switchyards, installation of two-115 KV underground transmission lines and three-345 KV overhead transmission lines.

Power Plant Operations and Fuel Procurement

Louisville Gas & Electric – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. A key element of this audit was the analysis of the Energy Services Company of LG&E Energy, a holding company which was the organizational entity responsible for all regulated generation and non-regulated generation, power marketing, and natural gas transmission activities. This included a special review of affiliated transactions. Acted as Lead Consultant in the areas of power production, fuel procurement, Affiliated Review, Clean Air Act compliance, Energy Policy Act response, and T&D engineering and construction. Assisted in review of strategic planning and power marketing activities. In conjunction with this audit, Mr. Drabinski met with the Commissioners a number of times to discuss issues of industry restructuring and the role the Commission should play.

Kentucky Utilities Company – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. Acted as Lead Consultant in the areas of power production, fuel procurement, transmission operations, and engineering and construction. Provided numerous recommendations to improve competitiveness of this already low-cost utility. Met with the leadership of the State House of Representatives and Senate to discuss utility competition and industry restructuring.

East Kentucky Power Cooperative – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the Board of Directors. Visited all power



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

Resume of Mr. Walter P. Drabinski

plants, coal tipples, and a sampling of mines. Recommendations addressed a broad range of strategic and operational issues.

Dayton Power & Light – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

Pennsylvania Power & Light – Lead Consultant for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Reviewed all aspects of customer service activities, including CIS and office operations. Also, reviewed system power & engineering, including fuel supply, T&D engineering, environmental, power plant staffing, and plant operations. Reviewed EMF issues and Clean Air Act Amendments compliance planning.

Centerior Companies (Cleveland Electric Illuminating Company and Toledo Edison) – Project Manager on audit of electric fuel procurement practices and procedures for the Public Utilities Commission of Ohio in 1991. Responsibilities included the review of fuel procurement planning, long-term contracts, and spot procurement. Made recommendations regarding coal contracts, interstate wheeling arrangements, and coal transportation costs. Testified twice regarding results of audit report.

Monongahela Power (Allegheny Power Systems) – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

American Electric Power Company – Project Manager on audit of electric fuel procurement practices and procedures of two AEP subsidiary companies, Ohio Power Company and Columbus Southern Power Company in 1989 and 1990 for the Public Utilities Commission of Ohio. Responsibilities included the review of affiliated mines (surface and deep mines) and fuel procurement planning, long-term contracts, and spot procurement. Made recommendations on strategic planning, purchasing policies, contract analysis, and marketing programs. Testified on four occasions regarding results of audits.

West Texas Utilities – Project Manager for a comprehensive management and operations review for the Texas Public Service Commission. Acted as a Lead Consultant in the areas of power production, fuel procurement, and customer services.

El Paso Natural Gas Company – Lead Consultant on a productivity improvement project. Performed an in-depth review of all positions in operating divisions and reorganized operating divisions into profit centers. Developed procedures for in-house vs. outside construction decisions, construction scheduling, and cost data collection. Developed a manpower planning model for restructuring responsibilities and staffing levels.



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Resume of Mr. Walter P. Drabinski

Implemented a workforce management program at gas processing plants, compressor stations, and throughout the gathering system.

Western Kentucky Gas Company - Lead Consultant for a management and operations audit of the customer services function for the Kentucky Public Service Commission. Developed plan for consolidating offices, resulting in significant changes in providing customer service.

National Gas and Oil Company of Ohio - Lead Consultant on audit of fuel procurement practices for the Ohio PUC in 1986. Reviewed purchasing practices, storage activities, sales practices and policies and procedures. Made recommendations on strategic planning, purchasing policies, and marketing programs.

East Kentucky Power Cooperative, Inc. - Performed as a subcontractor on a review of the bidding process for a series of combustion turbines. Analysis included reviews of individual proposals and the bidding process.

Ohio Electric Co./Ohio PUC - Lead Consultant on a prudence review of the Beaver Valley Power Station. Areas reviewed included CAPCO organization and financing, construction management, project accounting, compatibility of prudence standards, and compliance with Yellow Book standards.

OPERATIONAL AND MANAGEMENT AUDITS

Consolidated Edison Company - Performed an audit of emergency restoration and outage planning capabilities for the New York PSC. Audit followed a number of large and highly public outages. Major recommendations were made to develop new strategies and programs for addressing reliability and outage response.

Commonwealth Edison Company - Retained by the Illinois Commerce Commission to investigate outages suffered in downtown Chicago during the summer of 1999. The assessment provided a comprehensive analysis of eight separate outages, with details of causes and recommendations for improvement.

FERC - Interfaced with Commission and its staff on issues such as Transco structures, restructuring, and ISOs. Prepared a white-paper that addressed a Transmission PBR as a mechanism for incenting utilities.

Maryland Public Service Commission - Provided technical support in hearings and development of a final order relative to developing a formal procedure for addressing Standard Offer Service (SOS) supplies for its four electric utilities.

Seattle City Light - Conducted a controversial audit of Seattle City Light's financial, risk management and governance structure. Serious issues regarding debt, O&M and Capital expenditures were raised. Major recommendations on risk management were developed.



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New Hampshire Public Service Commission – Provide technical and strategic assistance under a long-term contract on transmissions and distribution issues. These have included ISO strategies, local distribution reliability, asset decisions and general regional concerns.

Louisville Gas and Electric/Kentucky Utilities Merger – Assisted with broad range of issues including regulatory strategy, synergy quantification, testimony development, witness preparation, interrogatory development and responses. System reliability and monitoring was a key element of this complex project.

Public Service Electric & Gas Company – Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

San Diego Gas & Electric – Project Manager on an assignment for the California PUC and SDG&E to review the implementation of Performance Based Ratemaking. This assignment included an assessment of financial, operational, performance and culture changes that were impacted by the two-year experimental program. While involved in this project, Mr. Drabinski developed an understanding of the SDG&E holding company formation and its interaction with the proposed industry restructuring.

New Jersey Board of Public Utilities – Director on major project to review hedging practices of the four gas distribution utilities in New Jersey. Working with Pace Energy as a sub-contractor, alternate hedging strategies were developed and proposed using more advanced techniques, including options.

Cumberland Valley Electric Cooperative – Performed a focused management audit of this small, rural cooperative. Worked with management to develop transition to new management team.

California Public Utilities Commission Telco Division (Attestation Exams) – Mr. Drabinski was the Project Director on seven separate assignments for the CPUC during the period of 2000 to 2002. These included:

- examinations of surcharge collections of “high cost fund” and “teleconnect fund” amounts for AT&T, Verizon, Sprint, and PacBell. In each project significant accounting, interpretational and transmittal errors were discovered, leading to the recovery of amounts well in excess of project costs;
- examinations of claims requests of “high cost fund” and “teleconnect fund” for Verizon, PacBell, and Roseville.

Indiana Power & Light – Vantage acted as the evaluator, at the request of the Indiana Utility Regulatory Commission, for a three-year program in which customer service and distribution system reliability are being monitored with penalties for missing targets. A major element of this program was enhanced vegetation control.



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Arizona Corporation Commission – Provided assistance to the Commission Staff and Commissioners on all restructuring issues under consideration. This includes development of an ISO. The reorganization of cooperatives and G&Ts for deregulation. Development of solutions regarding high costs resulting from California related issues. Reassessment of deregulation orders based on appellate decisions.

BellSouth Telecommunications, Inc. – Project Manager on a review of BellSouth performance under an alternative regulation plan for the state of Kentucky. This is the first of nine states in which the Price Regulation Plan was up for renewal and, as such, was of great interest to the Company and regulators.

GTE of California and Contel of California (now Verizon) – Audited collection procedures and practices for various surcharge activities. Provided a CPA Opinion Letter, (through a subcontractor.)

US West – Provided assistance with quality control and final reviews of work product while an officer with the lead firm. This project reviewed affiliate transactions between parent and its subsidiaries. Assisted in development of model for cost allocation analysis.

Pennsylvania Governor Task Force – Provided input to Governor’s office, legislature and PUC on restructuring issues in the State. Issues included handling of stranded costs, securitization, the development of competition, and the education of consumers.

Clean Air Action Corporation – Assisted in development of strategy regarding purchase and sale of emission credits throughout the Ozone Transport Region.

Duquesne Light Company – Project Manager for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Mr. Drabinski was also the Lead Consultant in the review of executive management, strategic planning, affiliated relations, and financial management.

Choptank Electric Cooperative – Lead Consultant on a management and operations review for this REA in the State of Maryland. Reviewed all aspects of operations including executive management, organization, construction management, electric operations, system planning, materials handling, purchasing, and customer service.

SDG&E, PG&E, SCE, and SCG – Project Manager on an audit of DSM administrative costs. Conducted for the CPUC CACD, this assignment took place during the period where working groups were assessing issues such as access to utility information and the future of DSM. Vantage provided feedback to a number of working groups on the needs of energy service companies.

Union Light, Heat and Power – Lead Consultant on a management and operations review for the Kentucky Public Service Commission. Responsibilities included all aspects of customer service and electric operations including: CIS; customer accounting; transmission & distribution; system planning; engineering; and construction. Also assisted in the review



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Resume of Mr. Walter P. Drabinski

of the financial reporting relationship of the company to its parent, Cincinnati Gas & Electric, with an emphasis on allocation of costs.

Philadelphia Gas Works – Project Manager for a management and operations audit for the Philadelphia Gas Commission. Lead consultant for the review of corporate organization and staffing, customer services, operations, and support functions. Addressed major gas supply planning issues. Managed a series of three follow-up reviews including development of Management Audit Actions Plans, an Audit Compliance Review, and a Review of the 1993 O&M Budget. Testified at numerous Commission hearings on capital budget planning, automatic meter reading, office aggregation, and theft of service.

Maryland Public Service Commission – Consultant for an assignment to review long-term gas purchasing practices of Columbia Gas of Maryland, Baltimore Gas & Electric, and Washington Gas Light. Responsibilities included review of the 1988 plans, recommendations on requirements for future plans, and the training of commission staff personnel relative to conducting similar reviews of future plans.

Kentucky-American Water Company – Project Manager and Lead Consultant for a management and operations review for the Kentucky Public Service Commission. A key element of this audit was the holding company relationship with the many subsidiaries of American Water Works. Investigated the areas of customer service and marketing and engineering/construction.

Pennsylvania Power Company – Lead Consultant on a management and operations review for the Pennsylvania Public Utility Commission. Responsibilities included review of customer services with a specific review of collection practices and policies, staffing, T&D, engineering, and system planning. Reviewed organization and staffing for the power production department.

Philadelphia Suburban Water Company – Lead Consultant/Project Manager on a comprehensive management audit for the Pennsylvania Public Utility Commission. Reviewed all aspects of field operations and water production.

General Waterworks Company - Pennsylvania Operations – Lead Consultant in a management and operations review. Reviewed compensation, benefits and staffing, executive management, organizational structure, and corporate policies and procedures.

General Waterworks Company - Pine Bluff Arkansas Operations – Project Manager on a management and operations review. Reviewed finance and accounting, staffing, system operations, organizational structure, and corporate policies and procedures.

General Electric Field Engineering group – Lead Consultant for the implementation of a Job Management Program that included seminars, teaching concepts on work breakdown structures, budgeting, performance measurement, and critical path scheduling techniques.



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Resume of Mr. Walter P. Drabinski

Overall program was aimed at improving construction management skills of field personnel.

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

System Training Director for Niagara Mohawk Power Corporation. Managed a staff of eleven supervisors and instructors, as well as numerous contractors and part-time training personnel. Developed and implemented a productivity program to improve operating and employee productivity at all fossil power plants. Developed a performance-based progression program for craft personnel and assisted in negotiating contract changes with the International Brotherhood of Electrical Workers. Member of Electric Power Research Institute committee on power plant staffing and training. Chaired Electric Utility Technical Education Council. Developed and taught a seminar on power plant efficiency improvement to operating, management, and regulatory personnel.

Electrical Maintenance Supervisor for Niagara Mohawk Power Corporation. Managed two supervisors and thirty electricians performing electrical construction, maintenance, and repair. Developed and implemented a preventive maintenance program for a six-unit/2000 megawatt power plant. Managed roving maintenance crew, providing personnel, equipment, and expertise to nuclear power plants during outages. Responsibilities included all plant, fuel handling, and pollution control electrical equipment, switchyards, 345 kV overhead and 115 kV underground transmission lines, relay systems, telemetering, and telecommunication systems.

TESTIMONY

Testimony was provided in the following cases.

- Cases 09-246 and 10-1025 for the Kansas Corporation Commission. Provided direct testimony on prudence of construction for Iatan 1 and Iatan 2 coal fired power plants.
- Montana PSC - Testify quarterly in results of monitoring Mill creek power plant construction project.
- Case 99-434 Bell South of Kentucky. Audit and modification of Price Regulation Plan.
- Maryland PSC - Testified approximately 20 times on Provider of Last Resort (POLR) rules, regulation and energy solicitation results.
- Duquesne Light Company - Testified six times on results of POLR solicitations.
- CPUC Telco cases - Testified on eight occasions regarding results of attestation exams of Verizon, PacBell, Sprint, AT&T, and Roseville.
- Various energy solicitation projects - Testified after acting as independent monitor during energy solicitations in Delaware (2 occasions)
- Commonwealth Edison - Testified before Illinois PSC on outages of 1999.



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- PSE&G Restructuring hearing. Lead witness on all aspects of unbundling, restructuring, stranded costs, and deregulation issues. Testified for eight days.
- Case No. 97-105-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Dayton Light Company for the PUC of Ohio.
- Case No. 95-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case No. 96-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case 93-02-041 Financial Audit of the Demand-Side Management Pilot Bidding Program Administrative Services of Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company for the California PUC.
- Case D94-08-023 Mid-Point Evaluation of SDG&E's Base Rates Performance Based Ratemaking Mechanism for the California PUC.
- Case No. 94-219-GA-GCR Management Performance Audit of West Ohio Gas Company for the PUC of Ohio.
- Case No. 91-103-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Toledo Edison for the PUC of Ohio.
- Case No. 91-104-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Cleveland Electric Illuminating Company for the PUC of Ohio.
- Case No. 89-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.
- Case No. 89-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.
- Case No. 90-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.
- Case No. 90-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.

PUBLICATIONS

Primary contributing author of five textbooks developed for the Electric Power Research Institute (EPRI) and the Center for Occupational Research and Development (CORD).

- Introduction to Instrumentation and Control.
- Electronic and Pneumatic Control Devices.
- Control Systems I.
- Control Systems II.
- Power Plant Control System Applications.

EDUCATION

MBA, The Wharton School, University of Pennsylvania, (Finance/Management).

BSEE, State University of New York at Buffalo, (Systems Engineering/Power Technology).



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Resume of Mr. Walter P. Drabinski

Lectured as a visiting executive at Clarkson College on management in a utility company.

PROFESSIONAL AFFILIATIONS

Institute of Electrical and Electronic Engineers.

Project Management Institute.

American Water Works Association

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**EXHIBIT WPD-3 – WORK PAPERS FROM PROJECT SULLIVAN BACKUP
BOOK DR1-4(B)**



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Attachment
DR 1-4(b)

Confidential Attorney Client Privileged Communication



booz&co.

Project Sullivan

Backup Book

Indianapolis, IN

This document is confidential and is intended solely for the use and information of the client to whom it is addressed.

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I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

Petitioner's Exhibit TJJ - 2

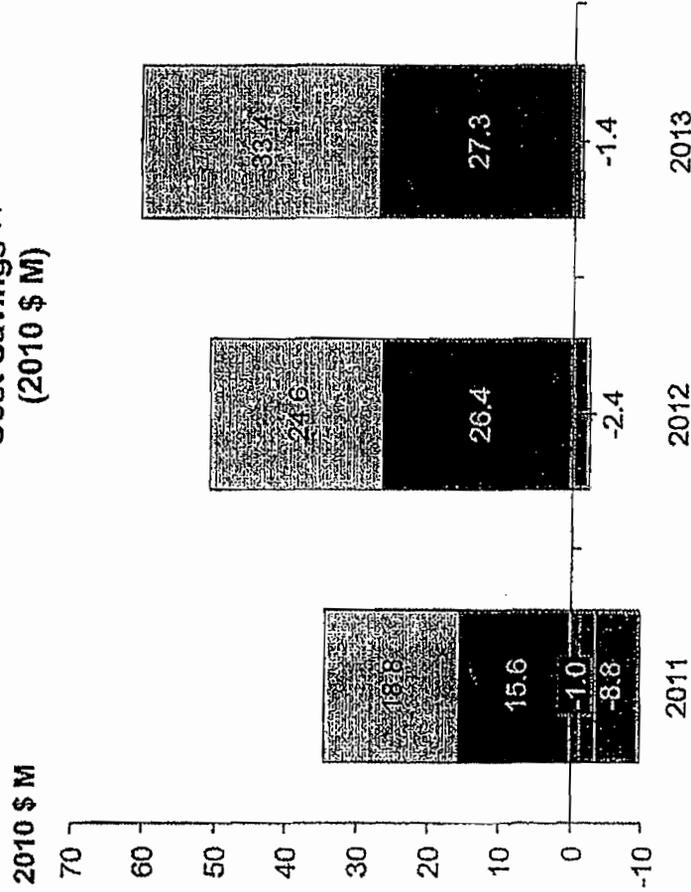
3 Year Net Synergy Summary \$ Millions

Synergy Category	Cost Type	Year 1	Year 2	Year 3
Corporate Center	O&M	\$2.4	\$2.5	\$2.6
Design and Engineering	Capital	\$5.3	\$6.1	\$6.3
Supply Chain				
Supply Chain Consolidation	Capital	\$7.0	\$14.4	\$14.9
Veolia Margin Savings	Capital	\$5.7	\$5.9	\$6.1
Contractor Role Realignment				
Incremental Corporate	O&M	\$7.1	\$7.3	\$12.6
Incremental Design & Engineering	O&M	\$0.4	\$5.6	\$6.6
Customer Service/ Billing	O&M	\$1.8	\$3.8	\$3.9
Field Services	O&M	\$1.8	\$1.9	\$3.6
Technical Services	O&M	\$2.6	\$2.7	\$2.8
Incremental Supply Chain	O&M	\$0.4	\$0.8	\$1.4
Total Synergies		\$34.4	\$50.9	\$60.7
Costs - to - achieve		\$9.8	\$2.4	\$1.4
Net Synergies		\$24.6	\$48.5	\$59.3

Note: Totals may not add due to rounding.

3-Year Savings Summary

Cost Savings ⁽¹⁾
(2010 \$ M)



3 Year Savings Summary
(2010 \$ M)

Gross Savings	Cost to Achieve	Net Savings
\$146	(61)	\$85

Further decomposition of synergies and cost to achieve on following two pages

- Synergy Savings (O&M)
- Synergy Savings (Capital)
- Cost to Achieve (O&M)
- Cost to Achieve (Capital)

Notes: 1) Savings include merger synergies for O&M and Capital
Source: Booz & Company Analysis

Synergy Summary (\$000s)

Each synergy area decomposed in sections identified below

Staged and Escalated (3.5% annual)

	Total Synergy	2011	2012	2013	Sy Total	% Allocated to O&M	% Allocated to Capital
(A) Corporate Labor	\$4,215	\$2,654	\$2,747	\$4,674	\$10,075	100%	0%
(A) Corporate Non-Labor	\$9,479	\$6,878	\$7,119	\$10,509	\$24,506	100%	0%
(B) Customer Service	\$3,619	\$1,785	\$3,770	\$3,902	\$9,457	100%	0%
(C) Design and Engineering	\$11,562	\$5,615	\$11,622	\$12,819	\$30,056	51%	49%
(E) Supply Chain - O&M	\$1,701	\$408	\$844	\$1,376	\$2,628	100%	0%
(D) Supply Chain - Capital	\$13,497	\$6,985	\$14,442	\$14,915	\$36,342	0%	100%
(F) Veolia Margin Savings on Capital	\$5,501	\$5,693	\$5,886	\$6,078	\$17,657	0%	100%
(G) Technical Services	\$2,559	\$2,568	\$2,658	\$2,837	\$8,063	100%	0%
(H) Field Services	\$3,234	\$1,793	\$1,856	\$3,586	\$7,235	100%	0%
Total Synergy	\$55,287	\$34,380	\$50,969	\$60,695	\$146,019		

1) Steady state defined as synergies before the application of escalation or timing to realize

Cost-to-Achieve Summary (\$000s)

CTA details in "Cost-to-Achieve" section

Staged and Escalated (where appropriate) - 3.5% annual

Category	Total Staged State/Fed	2011	2012	2013	2014	% Allocated to O&M	% Allocated to Capital
IT	\$10,408	\$8,801	\$1,530	\$440	\$10,772	0%	100%
Communication	\$1,000	\$1,000	\$-	\$-	\$1,000	100%	0%
Langsdale/G.O retrofit	\$1,660	\$-	\$888	\$917	\$1,805	0%	100%
Total	\$13,068	\$9,801	\$2,418	\$1,358	\$13,577	0%	100%
Total - O&M	\$1,000	\$1,000	\$-	\$-	\$1,000		
Total - Capital	\$12,068	\$8,801	\$2,418	\$1,368	\$12,577		

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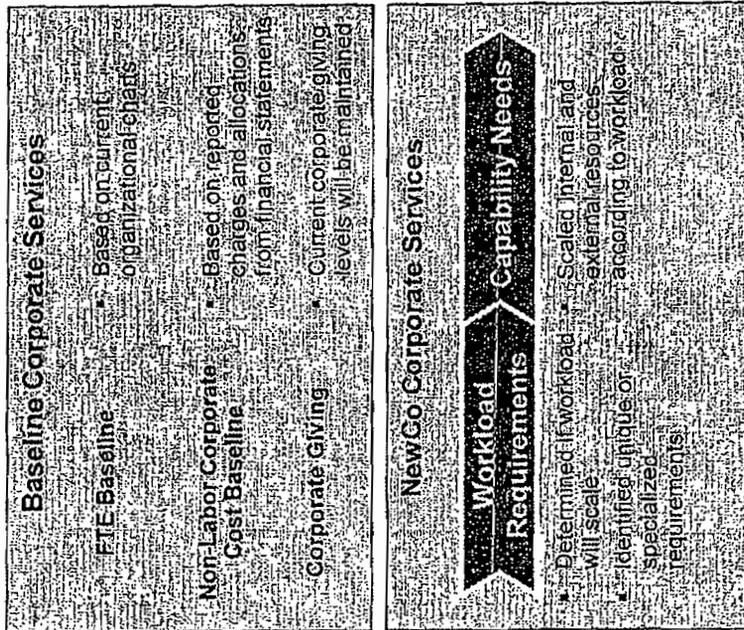
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Corporate Services Methodology

Corporate Services Areas

- Executive Management
- Legal
- External Affairs
- Finance, Accounting, & Planning
- Human Resources
- Information Systems
- Administration, Coordination, Health & Safety
- Purchasing & Sales
- Marketing & Sales
- Regulatory
- Environmental



Corporate Services Synergies Calculation

$$\left(\frac{\text{NewCo FTE}}{\text{Baseline FTE}} \right) \times \text{Avg. Salary}$$

Labor Synergy

NewCo Corporate Non-Labor Spend	--	Baseline Corporate Non-Labor Spend
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Non-Labor Synergy

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Legal: Operating Model Assumptions

Operating Model Assumptions

- One additional attorney from DOW would be necessary to support additional workload
- NewCo's outside counsel expenses expected to be \$2M per year for each year that the current operator agreements remain in place (increase of \$500K) - once operator agreements no longer in place, expense will rise to \$2.25M to handle benefit plans and potential discrimination suits

Source: Booz & Company Analysis, HR information provided by DPW, DOW, and CEG; Notes: Totals may differ from individual functions due to rounding of FTEs
1) Cost of Attorney based on CEG estimate

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Finance, Accounting, and Planning: Operating Model Assumptions

Operating Model Assumptions	
<p>S&I</p> <ul style="list-style-type: none"> ▪ No additional employees necessary - needs can be met by existing staff <p>Internal Audit</p> <ul style="list-style-type: none"> ▪ Additional audit personnel to manage additional workload to monitor risks associated with transaction (e.g., synergy realization) ▪ Ultimately, internal audit staffing will be driven by risk assessment completed during transition phase, and approved by CEO & Board of Directors ▪ Based on what is currently known, it is probable that two auditors (one with focus on water and another with a focus on sewer) would be needed ▪ While our due diligence process to date has not identified any positions responsible for audit functions, several positions at D:PW appear to include operational type audit activities <p>Accounting</p> <ul style="list-style-type: none"> ▪ Assuming operator contracts stay in place: ▪ 4 FTEs added to accommodate anticipated capacity -- consistent with the current structure of Divisional Controller and Senior Accountant for each operating unit ▪ 1 property record accounting FTE added to accommodate anticipated capacity ▪ There are a few in the current accounting department that will likely retire in the short-term ▪ Incremental FTE necessary to handle additional burden if either or both operators go away (see following pages for detail) 	<p>Treasury/AP</p> <ul style="list-style-type: none"> ▪ Additional personnel necessary to manage significant increase in bond issuance, administration of SRP program, increase in activities associated with balancing cash, and to assist in managing bank relationships ▪ Cost of additional employees estimated based on current market rates ▪ No incremental FTE necessary should operator structure change <p>Risk Management</p> <ul style="list-style-type: none"> ▪ If operator contracts stay in place in their current form, and CEG has no responsibility for credit or bad debt expense, no additional headcount will be necessary ▪ \$300k in year two for updated ICA project (firming TBD by leadership) ▪ Incremental \$100K for asset ownership liability if either operator goes away or is rescoped ▪ 10 collection FTE necessary if Veolia is rescoped to take over responsibility ▪ 1 additional credit rep needed if Veolia is rescoped to handle extra unique credit calls <p>System Planning</p> <ul style="list-style-type: none"> ▪ Incremental employees necessary to own enterprise-wide view of capital spending, given dramatic increase in capital costs post-acquisition <p>Non-labor spend</p> <ul style="list-style-type: none"> ▪ Assumes 20% of total consulting spend across entities can be saved due to redundancy and scale

HR: Operating Model Assumptions

Operating Model Assumptions

- One additional HR specialist necessary to deal with incremental HR issues
- Cost of incremental staff based on comparable administrator pay

Source: Booz & Company Analysis, HR information provided by DPW, DOW, and CEG; Notes: Totals may differ from individual functions due to rounding of FTEs

IS: Operating Model Assumptions

Operating Model Assumptions

- Fully loaded cost of additional employees estimated for Applications Developer and for Help Desk employee

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Purchasing: Operating Model Assumptions

Operating Model Assumptions

- One additional purchasing agent will be necessary if and when this function is consolidated as a result of renegotiating operator agreements
- Materials management remains decentralized function and is captured within operations

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Marketing & Sales: Operating Model Assumptions

Operating Model Assumptions

- No changes to Sales & Marketing Staff
- B2B Call Center included in Call Center Staffing
- Assumes that Sales Consultant roles are still necessary for large customer relations

Source: Booz & Company Analysis. HR information provided by DPW, DOW, and CEG; Notes: Totals may differ from individual functions due to rounding of FTEs
Note: Non-Labor expenses from FY2010 budget, Marketing Department (excludes variable A&G, which is captured elsewhere)

Environmental Stewardship: Operating Model Assumptions

Operating Model Assumptions	
<p>Environmental Stewardship</p> <ul style="list-style-type: none"> ▪ Facility Permit Compliance <ul style="list-style-type: none"> - Steam - Chilled Water - Gas Ops - Wastewater ▪ Facilities Operations (e.g., BHMM Energy Services) ▪ Environmental Training ▪ Environmental Planning ▪ ISO Program Implementation <ul style="list-style-type: none"> - EMS (ISO14001) ▪ Sustainability Initiatives ▪ Major Project Environmental Permitting <p>Env. Tech Services</p> <ul style="list-style-type: none"> ▪ ISO/Environmental Compliance Auditing ▪ Consent Decree/CSO-LTCP Implementation ▪ Water Quality Monitoring ▪ Voluntary Remediation Program ▪ Wellfield Protection Program ▪ Hazardous Materials Emergency Response ▪ Industrial Pretreatment Permitting 	<p>Comments</p> <ul style="list-style-type: none"> ▪ On behalf of water and wastewater, Environmental will contract for emergency response functions in the service territories (Unknown/unattributable spills in streams, streets, spills resulting from vehicle accidents; release from other emergency response activities). Efforts will be coordinated with DPW and Marion County Health Dept. ▪ On behalf of water and wastewater, Environmental will contract with DPW for ongoing water quality monitoring data necessary to support Water / Wastewater activities ▪ Environmental will facilitate communications and ongoing collaboration with other relevant agencies to ensure overall watershed protection goals are achieved. ▪ Environmental will support operations with the Technical Advisory Groups ▪ Environmental will support ongoing communication with Stormwater advisory bodies.

Regulatory: Operating Model Assumptions

Operating Model Assumptions

- Currently there is one vacant rates management position
- Expected increase in rate filings for water and sewer will require the addition of one senior regulatory analyst in addition to filling the current vacancy

Source: Booz & Company Analysis, HR information provided by DPW, DOW, and CEG; Notes: Totals may differ from individual functions due to rounding of FTEs

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Design and Engineering Synergy Summary (\$'000s)

% Realized	2011	2012	2013	3y Total
100%				
100%				
50%				
Staged and Escalated (3.5% annual)				
Steady State Synergy	\$11,562			
Total	\$5,615	\$11,622	\$12,819	\$30,056

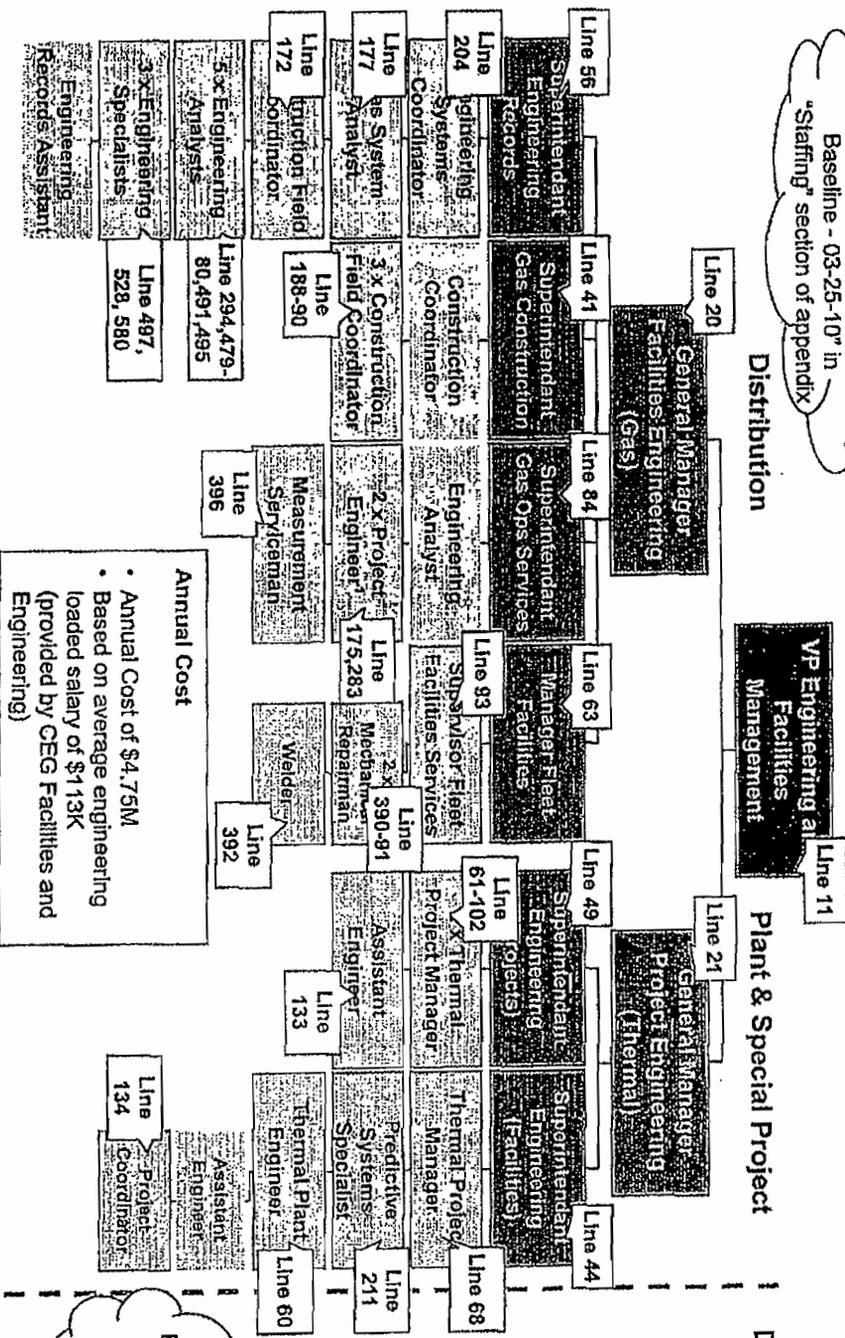
Details on p. 32

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CEG's Current Design and Engineering Department

See "2010 Citizens Staffing Baseline - 03-25-10" in "Staffing" section of appendix



CEG Outsourced Design & Engineering Spend

- Outsourcing is used for thermal projects
- Assume outsource spend to equal 8% of thermal CapEx
- CEG's annual average spend for these are:
 - Distribution: \$0M
 - Plant: \$0.53M

From Engineering and Facilities General Manager

1) There is one full-time and two-part-time engineers assigned but consolidated into two FTEs
 2) Equivalent FTE equals to \$5.77M divided by 42 FTE = \$137,445 which is then divided into \$0.53M to produce 3.9 FTEs to represent the size of the outsourced workforce
 Source: Input provided by CEG General Managers

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Capital Supply Chain Synergy Summary (\$000s)

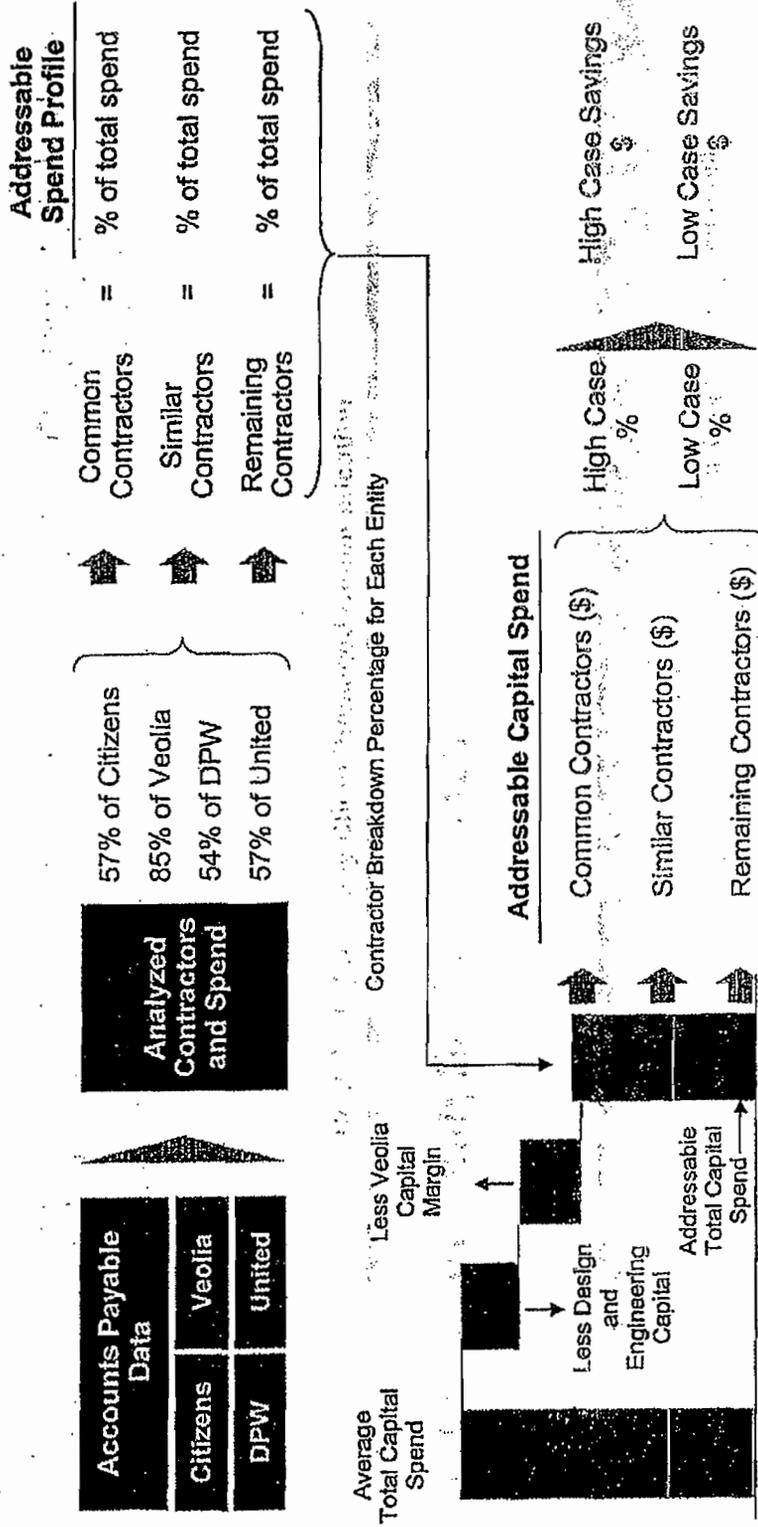
% Realized	2011	2012	2013	3y Total
100%	\$6,985	\$14,442	\$14,915	\$36,342
Staged and Escalated (\$.5% annual)				
50%				
100%				
Category	2011	2012	2013	3y Total
Supply Chain - Capital	\$6,985	\$14,442	\$14,915	\$36,342
	Steady State Synergy			
	\$13,497			

Details on p. 38

Supply Chain Analytical Approach

Data Reviewed	Analysis Performed
<ul style="list-style-type: none">2009 contractor spend information<ul style="list-style-type: none">CitizensVeoliaDPWUnited2010 - 2014 capital spend projections<ul style="list-style-type: none">CitizensVeoliaDPWContractor rate sheets provided by DPW	<ul style="list-style-type: none">Contractor spend aggregation<ul style="list-style-type: none">Aggregated the monthly AP data to build contractor spend profileContractor category decomposition<ul style="list-style-type: none">Identified common contractors as well as contractors who perform similar work across all the entitiesDeveloped spend profiles for each of the contractor categoriesPercentage normalization for capital spend<ul style="list-style-type: none">Calculated percentage distribution of contractor categories and applied to projected capital spendSavings assumptions validation<ul style="list-style-type: none">19 vendors from 10 different contracts were analyzed for unit rate variabilitySynergy calculation<ul style="list-style-type: none">High case and low case synergies calculated based on addressable spend and savings assumptions
Assumptions	Savings Rationale
<ul style="list-style-type: none">2009 contractor spend breakdown assumed to be representative for future contractors' usageContractor categorization (common contractors, contractors who perform similar work and remaining contractors) developed based on available contractor spend information is assumed to be consistent across the entire capital spend	<ul style="list-style-type: none">Vendor consolidation across entities to negotiate on scalePreferred supplier agreements for long term rates and lower administrative burden2 years to reach steady state

Supply Chain Capital Calculation Methodology



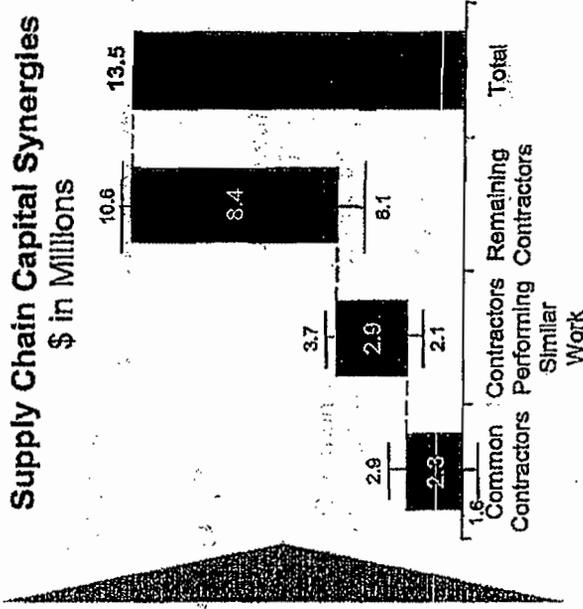
Critical Assumptions

- Contractors categorization (common, similar and remaining) analyses based on contractors analyzed (57% of Citizens AP spend, 85% of Veolia AP spend, 54% of DPW AP spend and 57% of United AP spend) is applicable to the total capital spend

Supply Chain Capital Savings Summary

Detail on following page

Contractor Category	Addressable Spend	Low Case Savings	High Case Savings
<ul style="list-style-type: none"> Common Contractors <ul style="list-style-type: none"> Contract rate variability ranges from 30% to 70% based on contract review Lower savings range used for conservative Prior transaction and industry experience 	\$ 41.1 M	4%	7%
<ul style="list-style-type: none"> Contractors Performing Similar Work <ul style="list-style-type: none"> Competitive bids Prior transaction and industry experience 	\$ 52.3 M	4%	7%
<ul style="list-style-type: none"> Remaining Contractors <ul style="list-style-type: none"> Lower range reflect lack of spend alignment Sourcing discipline and supplier/category management Prior transaction and industry experience 	\$ 152.0 M	4%	7%
TOTAL	\$ 245 M	4%	7%



Note: There is an additional margin savings on capital work (\$4.7 - 7.6M) if Veolia's contract is optimized and/or eliminated
 Source: Booz & Company analysis

Capital Spend Breakdown by Contractor Category

Contractor Spend Analyzed
\$ in Millions

Contractors reviewed can be found on following page

	Citizens	Veolia	DPW	United	Total
Total Contractor Spend	\$ 93	\$ 68	\$ 26	\$ 10	\$ 197
Common Contractors (Bucket 1)	3	8	6	4	21
Contractors Performing Similar Work (Bucket 2)	24	41	1	-	66
Remaining Contractors (Bucket 3)	68	16	19	6	109
Analyzed Contractors	54	56	14	6	130
Analyzed Contractors as a % of Total Spend	57%	58%	54%	57%	63%

Implied Contractor Category Breakdown (%)

	Citizens	Water	DPW	United
Total Contractor Spend	100%	100%	100%	100%
Common Contractors (Bucket 1)	3%	12%	23%	42%
Contractors Performing Similar Work (Bucket 2)	26%	62%	3%	0%
Remaining Contractors (Bucket 3)	71%	25%	75%	58%

Implied Capital Spend Breakdown by Contractor Category \$ in Millions

	Citizens	Water	Sewer	Total (\$ M)
Total Capital Spend	\$ 43	\$ 55	\$ 125	\$ 223.6
Common Contractors (Bucket 1)	1	7	28	36.6
Contractors Performing Similar Work (Bucket 2)	11	34	3	48.7
Remaining Contractors (Bucket 3)	31	14	93	138.2

Total Capital Spend applied to Implied Contractor Category Breakdown (above)

2011-2014 average capital spend (See Section "Capital Protections" in Appendix for detail), less capital synergies from design and engineering and Veolia margin savings (see sections for details)

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Supply Chain Savings - Benchmark Comparison

Category Management Levers for Sample Categories Supply Chain Savings

Category Groups	CM Savings Range	Operational Levers	Process Levers	Supply Market Levers	Overall Baseline (\$ Billions)*	Range of Savings from Supply Chain Initiatives
Engineered Equipment	12-22%	<ul style="list-style-type: none"> Standardize designs Optimize selection based on total system cost. 	<ul style="list-style-type: none"> Share requirements with suppliers 	<ul style="list-style-type: none"> Consolidate suppliers Reduce spare part inventory 	\$1.3	4% - 8%
Complex Services (Capital and Skill Intensive)	12-28%	<ul style="list-style-type: none"> Design and specification standardization 	<ul style="list-style-type: none"> Demand Level loading and improved crew utilization Improved supplier collaboration 	<ul style="list-style-type: none"> Leverage spend across categories Incentive based performance contracts 	\$1.4	8% - 11%
MRO (Maintenance, Repair, Operations)	6-16%	<ul style="list-style-type: none"> SKU Rationalization Specification Standardization Manage spend volume 	<ul style="list-style-type: none"> Improved forecasting Adopt inventory management best practices 	<ul style="list-style-type: none"> Reduce supplier cost-to-serve Volume leverage across Bus Logistics efficiency 	\$1.1	7% - 9%
Pipes and Tubes	5-10%	<ul style="list-style-type: none"> Specification standardization SKU reduction Reduce premium design 	<ul style="list-style-type: none"> Improve forecast accuracy Forecast sharing 	<ul style="list-style-type: none"> Evaluate global supply base Leverage volume Logistics efficiency 	\$2.2	7% - 11%
Chemicals	5-10%	<ul style="list-style-type: none"> Standardize specifications 	<ul style="list-style-type: none"> Improve forecast sharing 	<ul style="list-style-type: none"> Vendor Consolidation Logistics Efficiency 	\$1.8	7% - 12%

*Baseline includes external spend, Internal supply chain-related Capital / O&M, and Inventory Carrying Cost
Source: Booz & Company Analysis

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O&M Supply Chain Synergy Summary (\$000s)

% Realized	2011	2012	2013	3y Total
100%	\$408	\$844	\$1,376	\$2,628
Staged and Escalated (3.5% annual)				
100%				
Steady State Synergy	\$1,701			
Supply Chain - O&M				

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FIRST AMENDMENT TO THE MANAGEMENT AGREEMENT

Veolia Water Indianapolis, LLC ("VWI") and the Department of Waterworks of the Consolidated City of Indianapolis ("DOW") (collectively, the "Parties") hereby enter into this First Amendment to the Management Agreement ("First Amendment") effective as of June 26, 2007 (the "Effective Date").

I. Recitals.

A. VWI and DOW are parties to the Management Agreement dated March 21, 2002 (the "Management Agreement") and effective May 1, 2002, governing VWI's management and operation of DOW's water facilities, among other things.

B. Section 4.09(b) of the Management Agreement states in part:

After the fifth anniversary of the Commencement Date, the following threshold events may, upon request of either the Department or the Company, cause a negotiation to either increase or decrease the Service Fee.

- (1) The 12 month moving annual average of daily finished water demand increases or decreases by 5 million gallons per day; or
- (2) The customer base increases or decreases by 10,000 customers; or
- (3) A new water treatment plant, major water treatment plant upgrade, a decommissioning of a water treatment plan, or a major system configuration change due to a Capital Project that has a significant impact on operation and maintenance costs.

The fifth year of operations will serve as the base for determining the change.

C. Section 5.02(c) of the Management Agreement states, in part:

If (i) the Department sells or otherwise disposes of a portion of the Waterworks or eliminates a territory from the District and such transaction results in a decrease of more than 2,000 residential customers of the Waterworks or a loss of commercial customers for the Waterworks with average daily consumption of at least 100,000 gallons, the parties shall, in compliance with the Revenue Procedure and this Agreement, renegotiate the Agreement and the Fixed Fee.

EXHIBIT D

DOW and VWI each acknowledge the following with respect to Capital Projects:

- (1) Exhibit 8 to the original Management Agreement states that:
 - (a) "For purposes of identifying an annual cost for these services [the activities associated with Capital Projects], the Company should anticipate the value of this Capital Plan to be approximately \$20 million annually, inclusive of all costs[;]" and
 - (b) "It is anticipated that the Department may be able to fund an amount over \$20 million, up to \$40 million annually, inclusive of all costs."
- (2) In its 2007 case before the IURC (the "Rate Case"), DOW proposed Capital Projects with a value of approximately \$230 million during the years 2006 through 2009. Because some of these Capital Projects have been delayed, the DOW has estimated that the actual expenditures for Capital Projects will be \$15 million for the remainder of 2007 and the remaining amount will be spent during the years 2008, 2009 and 2010. For the years after completion of the Rate Case Capital Projects, DOW has indicated that it plans to seek regulatory approval to make expenditures for Capital Projects of approximately \$35 million in 2011 and that expenditures for Capital Projects will rise by approximately 3% each year thereafter. A schedule reflecting these assumptions is attached hereto as Exhibit D-1.
- (3) VWI, prior to entering into this First Amendment, calculated the financial effects that Capital Projects could have in providing consideration to it pursuant to this First Amendment. VWI has, in calculating these financial effects, assumed that:

(a) the Capital Project values in paragraph (2) above reflect the annual Capital Projects for which regulatory approval has been or is intended to be sought to be commissioned by the Department during the remaining term of the Management Agreement, and (b) it will earn a gross margin of approximately 14.24% on these Capital Projects.

- (4) The Parties stipulate and agree that this Exhibit D (and its associated Exhibit D-1) provides no guarantee or assurance of either the level of, or any future award of, any Capital Project to VWI. The recitations in this Exhibit D are provided for the purpose of providing context for administering this First Amendment in the future. The Parties stipulate and agree that nothing in this Exhibit D (or its associated Exhibit D-1) can be the basis for any claim, cause of action, dispute or argument relating to this First Amendment or the Management Agreement that a guarantee has been made relative to any Capital Project.

In the approximately first five years of operation of the Waterworks by VWI under the Management Agreement, VWI has been selected for almost all of the Capital Projects ("CPs"). The DOW will continue its practice of working with the most qualified contractor on the CPs. The DOW is currently unaware of any reason to make material changes in the selection process for the CPs and anticipates that VWI will continue to be selected as it has in the past during the remaining term of the Management Agreement, including selection for the five (5) largest CPs contemplated by the Rate Case. If the DOW desires to publicly bid any project, before publicly bidding such project, it shall raise the issue in a Coordination Committee meeting and explain the basis for its desire that the project be publicly bid, and DOW shall give VWI a reasonable opportunity to dissuade DOW from publicly bidding such project.

Confidential Attorney Client Privileged Communication

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Technical Services Synergy Summary (\$000s)

Category	Steady State Synergy	Staged and Escalated (3.5% annual)			3y Total
		2011	2012	2013	
Lab Services	\$633	\$655	\$678	\$702	\$2,035
Asset Management	\$154	\$80	\$82	\$171	\$333
Construction and Program Management	\$1,771	\$1,833	\$1,897	\$1,964	\$5,694
Total	\$2,559	\$2,568	\$2,658	\$2,837	\$8,062

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Field Services Synergy Summary (\$000s)

Staged and Escalated (3.5% annual)

Category	Steady State Synergy	2011	2012	2013	3y Total
Field Service O&M	\$1,155	\$598	\$619	\$1,281	\$2,498
Meter Reading	\$231	\$239	\$247	\$256	\$742
Production O&M	\$924	\$478	\$495	\$1,025	\$1,998
Production Engineering	\$154	\$80	\$82	\$171	\$333
Program Management	\$770	\$399	\$412	\$854	\$1,665
Total	\$3,234	\$1,793	\$1,856	\$3,586	\$7,236

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Costs-to-Achieve Categories



Category

Description

Information Technology

- Capital costs required for GIS and network connection, work management upgrades
- Capital costs per additional D&E staff
- Capital costs required for Customer Info System upgrades

Corporate

- Communication cost required to educate customers and public of new entity
- Facilities integration costs (e.g., redesign of walk-in center) required if call center consolidated

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Customer Information Systems

CAPITAL COSTS	Water	Sewer	Capital (Submittal)	Spent (AVOID)	Installation/Process
Customer Suite	4,000,000	0	4,000,000	4,000,000	Hardware / Software (\$310,000 for licenses)
Oracle EBusiness	760,000	750,000	1,500,000	1,500,000	Hardware / Software
Oracle HR	250,000	250,000	500,000	500,000	Hardware / Software
GIS / ESRI	500,000	0	500,000	500,000	Hardware / Software
SCADA	0	0	0	0	Hardware / Software (Note: CIP DPW 4x6M program)
Telephony	150,000	227,700	105,300	105,300	Hardware / Software
Networks & Telecom	0	50,000	200,000	200,000	Hardware / Software
Work Management	0	0	0	0	Licenses
Computer Aided Dispatch	70,000	30,000	100,000	100,000	Hardware / Software / Radio Equipment for 150 trucks
In Truck Systems	1,125,000	0	1,125,000	1,125,000	160 Trucks @ 7500/EA - Includes laptop, docking, radios, et al.
Hyperion	150,000	0	281,380	281,380	Assume 100 users (50 planning and 50 workforce) for water and 50 (20 planning and 30 workforce) for sewer
PC's and Peripherals	150,000	30,000	180,000	180,000	Hardware / Software (Note: 28K on DPW budget)
Mail	100,000	100,000	250,000	250,000	Hardware / Software
Network devices, e.g. shared drives	100,000	50,000	150,000	150,000	Hardware / Software
Web Presence	75,000	25,000	100,000	100,000	Hardware / Software
Construction Management	0	250,000	250,000	250,000	Hardware / Software (Note: 180K planned expenditure)
Sub Total	7,593,830	1,647,850	9,241,680	9,241,680	Hardware / Software

→ GIS CTA → PC, Network, Telephony, Web (City Depts)

SOURCE: CITIZENS ENERGY IT DEPARTMENT ANALYSIS

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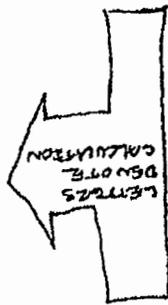
(A)

CEG OJM BASELINE SUMMARY

FIGURE TABLE BASED ON DATA FORWARDED (PP. 68 TO 105)

Cap/Exp	Expense
Exclude?	No

Sum of Budget Amt	
Category	Total
A&G Overhead	\$ 12,900,172
Advertising	\$ 1,803,891
Benefits	\$ 7,833,477
Contract Services	\$ 8,451,787
Facilities	\$ 559,493
Insurance	\$ 2,377,846
IT	\$ 2,523,510
Labor	\$ 44,834,203
Labor (benefits)	\$ 20,582,374
Labor (taxes)	\$ 3,929,650
Non-Fuel Procurement	\$ 13,247,514
Professional Services	\$ 3,499,384
Tax	\$ 197,385
Grand Total	\$ 122,850,655



A	Labor	\$ 69,456,227
B	A&G Overhead	\$ 12,800,172
C	Advertising	\$ 1,803,891
D	Benefits	\$ 7,833,477
E	Insurance	\$ 2,377,846
F	IT - O&M	\$ 2,523,510
G	Facilities	\$ 559,483
H	Non-Fuel Procurement	\$ 13,247,514
I	Contract Services	\$ 8,451,787
J	Professional Services	\$ 3,499,384
		\$ 122,853,270

(A)

Code	Description	Account	Amount	Category
2007	Gas Operations	2007 - Gas Operations	662	One Adoption
2008	Gas Operations	2008 - Gas Operations	43,170	One Adoption
2009	Gas Operations	2009 - Gas Operations	69,883	One Adoption
2010	Gas Operations	2010 - Gas Operations	7,180	One Adoption
2011	Gas Operations	2011 - Gas Operations	21,093	One Adoption
2012	Gas Operations	2012 - Gas Operations	2,443	One Adoption
2013	Gas Operations	2013 - Gas Operations	2,620	One Adoption
2014	Gas Operations	2014 - Gas Operations	18,974	One Adoption
2015	Gas Operations	2015 - Gas Operations	3,283	One Adoption
2016	Gas Operations	2016 - Gas Operations	41,749	One Adoption
2017	Gas Operations	2017 - Gas Operations	6,565	One Adoption
2018	Gas Operations	2018 - Gas Operations	2,387	One Adoption
2019	Gas Operations	2019 - Gas Operations	2,186	One Adoption
2020	Gas Operations	2020 - Gas Operations	2,186	One Adoption
2021	Gas Operations	2021 - Gas Operations	3,744	One Adoption
2022	Gas Operations	2022 - Gas Operations	49,080	One Adoption
2023	Gas Operations	2023 - Gas Operations	10,500	One Adoption
2024	Gas Operations	2024 - Gas Operations	18,000	One Adoption
2025	Gas Operations	2025 - Gas Operations	27,000	One Adoption
2026	Gas Operations	2026 - Gas Operations	646	One Adoption
2027	Gas Operations	2027 - Gas Operations	4,100	One Adoption
2028	Gas Operations	2028 - Gas Operations	3,400	One Adoption
2029	Gas Operations	2029 - Gas Operations	17,000	One Adoption
2030	Gas Operations	2030 - Gas Operations	19,825	One Adoption
2031	Gas Operations	2031 - Gas Operations	8,111	One Adoption
2032	Gas Operations	2032 - Gas Operations	24,543	One Adoption
2033	Gas Operations	2033 - Gas Operations	314,222	One Adoption
2034	Gas Operations	2034 - Gas Operations	8,115	One Adoption
2035	Gas Operations	2035 - Gas Operations	1,013	One Adoption
2036	Gas Operations	2036 - Gas Operations	1,667	One Adoption
2037	Gas Operations	2037 - Gas Operations	29,272	One Adoption
2038	Gas Operations	2038 - Gas Operations	3,874	One Adoption
2039	Gas Operations	2039 - Gas Operations	1,553	One Adoption
2040	Gas Operations	2040 - Gas Operations	1,624	One Adoption
2041	Gas Operations	2041 - Gas Operations	574	One Adoption
2042	Gas Operations	2042 - Gas Operations	3,780	One Adoption
2043	Gas Operations	2043 - Gas Operations	34,444	One Adoption
2044	Gas Operations	2044 - Gas Operations	170	One Adoption
2045	Gas Operations	2045 - Gas Operations	421	One Adoption
2046	Gas Operations	2046 - Gas Operations	195	One Adoption
2047	Gas Operations	2047 - Gas Operations	7,462	One Adoption
2048	Gas Operations	2048 - Gas Operations	4,330	One Adoption
2049	Gas Operations	2049 - Gas Operations	313	One Adoption
2050	Gas Operations	2050 - Gas Operations	1,977	One Adoption
2051	Gas Operations	2051 - Gas Operations	23,800	One Adoption
2052	Gas Operations	2052 - Gas Operations	10,000	One Adoption
2053	Gas Operations	2053 - Gas Operations	17,628	One Adoption
2054	Gas Operations	2054 - Gas Operations	10,100	One Adoption
2055	Gas Operations	2055 - Gas Operations	3,000	One Adoption
2056	Gas Operations	2056 - Gas Operations	3,200	One Adoption
2057	Gas Operations	2057 - Gas Operations	131	One Adoption
2058	Gas Operations	2058 - Gas Operations	119	One Adoption
2059	Gas Operations	2059 - Gas Operations	1,000	One Adoption
2060	Gas Operations	2060 - Gas Operations	13,076	One Adoption
2061	Gas Operations	2061 - Gas Operations	31,076	One Adoption
2062	Gas Operations	2062 - Gas Operations	38,000	One Adoption
2063	Gas Operations	2063 - Gas Operations	10,000	One Adoption

A

Exp No	Exp Desc	Exp Code	Exp Name	Exp Type	Exp Amt
2102	Operating Expenses	2102-01	Advertising	Operating	1,234.56
2102	Operating Expenses	2102-02	Printing	Operating	567.89
2102	Operating Expenses	2102-03	Travel	Operating	345.67
2102	Operating Expenses	2102-04	Telephone	Operating	123.45
2102	Operating Expenses	2102-05	Postage	Operating	89.01
2102	Operating Expenses	2102-06	Repairs	Operating	234.56
2102	Operating Expenses	2102-07	Supplies	Operating	456.78
2102	Operating Expenses	2102-08	Utilities	Operating	789.01
2102	Operating Expenses	2102-09	Insurance	Operating	1,012.34
2102	Operating Expenses	2102-10	Professional Fees	Operating	345.67
2102	Operating Expenses	2102-11	Legal Fees	Operating	567.89
2102	Operating Expenses	2102-12	Accounting Fees	Operating	123.45
2102	Operating Expenses	2102-13	Consulting Fees	Operating	89.01
2102	Operating Expenses	2102-14	Training	Operating	234.56
2102	Operating Expenses	2102-15	Salaries	Operating	456.78
2102	Operating Expenses	2102-16	Wages	Operating	789.01
2102	Operating Expenses	2102-17	Benefits	Operating	1,012.34
2102	Operating Expenses	2102-18	Retirement	Operating	345.67
2102	Operating Expenses	2102-19	Depreciation	Operating	567.89
2102	Operating Expenses	2102-20	Amortization	Operating	123.45
2102	Operating Expenses	2102-21	Interest	Operating	89.01
2102	Operating Expenses	2102-22	Dividends	Operating	234.56
2102	Operating Expenses	2102-23	Income Tax	Operating	456.78
2102	Operating Expenses	2102-24	Capital Gains	Operating	789.01
2102	Operating Expenses	2102-25	Losses	Operating	1,012.34
2102	Operating Expenses	2102-26	Provisions	Operating	345.67
2102	Operating Expenses	2102-27	Reserves	Operating	567.89
2102	Operating Expenses	2102-28	Contingencies	Operating	123.45
2102	Operating Expenses	2102-29	Other	Operating	89.01
2102	Operating Expenses	2102-30	Total	Operating	2,345.67

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City of Indianapolis-Department of Waterworks
NAME OF UTILITY

YEAR OF REPORT
December 31, 2009

COMPARATIVE DETAIL OF WATER OPERATION
AND MAINTENANCE EXPENSES

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	1		2	
			SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)		
801	Salaries & Wages - Employees.....	\$ 479,681	\$	\$		
603	Salaries & Wages - Officers, Directors and Majority Stockholders.....	-				
604	Employee Pensions and Benefits.....	6,249,620				
610	Purchased Water.....	1,098,175	1,098,175			
615	Purchased Power.....	-				
616	Fuel for Power Production.....	-				
618	Chemicals.....	-				
620	Materials and Supplies.....	1,104				
630	Contractual Services - Billing*	-				
631	Contractual Services - Engineering/Professional*	407,817				
632	Contractual Services - Accounting.....	425,772				
633	Contractual Services - Legal.....	1,140,725				
634	Contractual Services - Management Fees.....	50,284,408				
635	Contractual Services - Other/Testing*	491,560				
636	Contractual Services - Other.....	529,830				
640	Rents*	-				
641	Rental of Building/Real Property.....	1,686				
642	Rental of Equipment.....	3,278				
650	Transportation Expenses.....	29,011				
655	Insurance*	-				
656	Insurance - Vehicle.....	-				
657	Insurance - General Liability.....	409,855				
658	Insurance - Workman's Compensation.....	13,198				
659	Insurance - Other.....	-				
660	Advertising Expense.....	1,407				
666	Regulatory Commission Expense*	-				
866	Regulatory Commission Expenses - Amortization of Rate Case Expense.....	-				
867	Regulatory Commission Expenses - Other	-				
670	Bad Debt Expense.....	926,757				
875	Miscellaneous Expenses.....	1,075,653				
	Total Operation and Maintenance Expenses**	\$ 63,478,985	\$ 1,098,175	\$ -		

*For Class C only. Class C utilities use Account 635 for Contractual Services-Testing and Account 636 for Contractual Services-Other.

**Total Operation and Maintenance Expenses should equal Water Utility Operating Expenses shown on page F-3.

From: Blaire B. Dougherty

To: Don Lukes

Date: May 20, 2010

Re: Department of Water ("DOW") Model Input – Post Retirement Benefit Obligation Cost

Financial Model Line Item – Post Retirement Benefit Cost

The Department of Water carries a post retirement benefit obligation ("PRBO") relating to retirees of the former Indianapolis Water Company ("IWC") who were eligible for retirement as of December 31, 2004. The PRBO for former employees eligible after that date is carried by Veolia until the end of its current operating agreement in 2022, at which point it reverts back to DOW if and when Veolia ceases to be the water utility operator. This arrangement was agreed upon in the Amendment to the operating agreement between DOW and Veolia which went into effect in 2007. The PRBO on the books of DOW was \$59.7 million at 12/31/2008. The PRBO liability carried on the books of Veolia was \$ 6.3 million at 12/31/2008

The PRBO is an 'unfunded' plan – that is, the plan has no assets and the former employer has made no contributions to fund the plan. However, in 1995, the IURC did authorize the collection of funds to cover the costs of these benefits through rates, as well as the creation of a grantor trust fund to receive and invest the funds collected from ratepayers, and to disburse benefit payments to eligible retirees. The grantor trust fund is a restricted fund of the City of Indianapolis, Department of Waterworks and had a balance of \$9.2 million at 12/31/08.

It is anticipated that both the PRBO and the grantor trust funds will be acquired with the purchase of the City's waterworks by Citizens Energy Group. The ongoing cash funding of the plan is reflected in the operating financial model line item "Post Retirement Benefit Costs". In some previous versions of the model, the line item was titled "DOW Pension" costs.

Conclusion

The amount projected for this line item from 2011 to 2025 is \$5.9 million annually.

This conclusion was based on the recommendations of the Mercer actuary who provided testimony on behalf of DOW during the current water rate case (Gary D. Dickson) – and is supported by actuarial calculations provided by Mercer and entered into evidence in this case.

The documents reviewed included:

1. 2010 Mercer Actuarial Valuation Report dated February 16, 2010.
2. Testimony from PRBO witness Gary D. Dickson from the current water rate case.
3. Review of the 2008 audited annual financial report of the Department of Waterworks and review of the 2007 and 2008 annual Consolidated Audited Financial Report of the City of Indianapolis ("CAFR")
4. Review of testimony from witness Dickson on the Grantor Trust.
5. Review of Grantor Trust documents.



6. Review of DOW proposed order in its current rate case.
7. Review of DOW 2009 audit schedule "Cash Summary".

Assumptions made to reach this conclusion:

1. The line item projection must cover the annual cash cost of funding the PRBO plan. This includes annual benefit payments to be made as well as making up for the current shortfall between the accumulated post retirement benefit obligation and the current assets of the grantor trust fund. The annual funding level recommended over 20 years will allow the funded status of the plan to reach 100%, per witness Dickson.
2. The most credible and reliable source for the funding requirement is the actuarial expert witness's recommendations.
3. Assumes CEG will fund the plan at the level recommended by DOW's Mercer actuary witness. Assumes the IURC will approve funding of the plan at this level.
4. Assumes Veolia will continue to fund its portion of the plan.

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(B)

Department of Waterworks, City of Indianapolis
Statement of Cash Flows
for the Twelve Months Ended December 31, 2009

*Original - Addl'l
data point used in
FPing Corp Mgt
YTD*

	Month Ended 12/31/2009	Twelve Months Ended 12/31/2009	2009 Budget	Actual as % of Budget
Operating Revenue				
Receipts from Sale of Water	11,614,545	\$ 128,907,748	\$ 130,331,208	98.9%
Interest Income	135,073	1,081,047	4,250,000	25.4
Other Utility Receipts	258	278,137	250,000	111.3
System Development Charges	218,400	3,666,009	3,500,000	104.7
Other Operating Receipts	799,322	1,949,612	1,250,000	156.0
Total Operating Revenue	<u>12,767,598</u>	<u>135,882,553</u>	<u>139,581,208</u>	<u>97.4</u>
Operating Expenses				
Veolia Water Fixed Fee and Service Level Payments	3,356,294	50,202,188	53,443,431	93.9
Veolia Reimbursement Agreement	0	-	1,667,000	-
PILOT	0	13,583,852	10,000,000	135.8
Pension Trust Payments	875,000	3,500,000	3,500,000	100.0
Financial Services	227,699	448,628	220,000	203.9
Attorney	635,223	1,162,712	325,000	357.8
Consulting Services	64,183	664,111	635,000	104.6
Miscellaneous Expenses	6,193	53,260	109,250	48.8
Purchased Water and Water Rights	129,772	1,288,761	500,000	257.8
Personal Services	50,397	623,485	773,470	80.6
Supplies	0	2,088	1,400	149.1
Damage Claims	0	84,623	450,000	18.8
IDEM Fees	0	284,295	300,000	94.8
IUPPS	0	261,646	500,000	52.3
Environmental Monitoring	15,106	797,026	-	n/a
Sales Tax	671,847	7,686,237	-	n/a
Utility Receipts Tax	495,172	1,820,444	1,850,688	98.4
Total Operating Expenses	<u>6,526,885</u>	<u>82,463,355</u>	<u>74,275,239</u>	<u>n/a</u>
Net Available for Debt Service	<u>6,240,712</u>	<u>53,419,198</u>	<u>65,305,969</u>	<u>81.8</u>
Debt Proceeds				
Total Debt Proceeds				N/A
Debt Service Expenses				
Bond Interest and Principal	23,637,004	67,496,151	48,638,395	138.8
Note Principal	0	-	217,222	-
Bank and Trustee Service Fees	(73,177)	1,545,723	1,100,000	140.5
Total Debt Service Expenses	<u>23,563,828</u>	<u>69,041,874</u>	<u>49,955,617</u>	<u>138.2</u>
Net Available for Capital	<u>(17,323,115)</u>	<u>(15,622,676)</u>	<u>15,350,352</u>	<u>n/a</u>
Capital Expenses				
Bond Proceeds Reimbursement	-	(506,520)	-	n/a
2009 Capital Projects	7,075,874	58,534,517	59,116,872	99.0
Property and Equipment	-	748,400	1,000,000	74.8
Main Extension Refunds and Deposits	298,428	(346,329)	-	n/a
Total Capital Expenses	<u>7,374,302</u>	<u>58,430,067</u>	<u>60,116,872</u>	<u>n/a</u>
Net Change in Cash	<u>\$ (24,697,417)</u>	<u>\$ (74,052,743)</u>	<u>\$ (44,766,520)</u>	<u>n/a</u>

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Veolia Water Indianapolis, LLC

Statements of Operations

	Year Ended December 31	
	2009	2008
Revenue		
Service fee	\$ 40,856,277	\$ 40,525,823
Performance incentive fee	9,447,601	9,801,796
Construction revenue	65,644,164	41,768,320
Billing services	3,230,965	3,420,973
Total revenue	<u>119,179,007</u>	<u>95,516,912</u>
Operating expenses		
Construction cost of sales	\$ 60,344,255	38,324,176
Salaries and wages	19,633,326	20,083,784
Administrative supplies	211,215	302,149
Bad debt expense	1,692,450	(34,111)
Benefits	7,634,498	8,096,042
Charitable contributions and donations	526,190	597,788
Chemicals	5,830,572	4,642,320
Communications expense	776,209	631,656
Contract services	3,312,559	3,035,775
Depreciation and amortization	3,145,042	3,405,593
Insurance	2,226,765	1,930,916
Miscellaneous expenses	1,451,691	2,410,995
Operating materials and supplies	4,140,949	4,542,532
Postage	1,544,385	1,513,355
Purchased power	5,492,539	5,229,232
Residual disposal	578,684	666,758
Total operating expenses	<u>118,541,329</u>	<u>95,378,960</u>
Operating income	637,678	137,952
Interest, net	(1,027,129)	(1,105,121)
Net loss	<u>\$ (389,451)</u>	<u>\$ (967,169)</u>

See accompanying notes.

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Veolia Water Indianapolis, LLC

Balance Sheets

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 200	\$ 200
Accounts receivable	24,732,967	20,936,763
Allowance for uncollectible accounts	(1,734,867)	(68,400)
Costs in excess of billings	9,863,166	6,258,600
Inventory	1,760,062	1,938,741
Prepaid assets	115,869	156,120
Total current assets	34,737,397	29,222,024
Property and equipment, net of accumulated depreciation	6,741,733	3,743,341
Deferred contract costs, net of accumulated amortization	23,163,801	25,202,601
Customer relationships intangible, net of accumulated amortization	1,897,508	2,051,360
Total assets	\$ 66,540,439	\$ 60,219,326
Liabilities and member's deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,150,915	\$ 16,291,755
Billings in excess of costs	182,210	239,135
Payroll, benefits, and other	3,518,548	3,335,332
Total current liabilities	27,851,673	19,866,222
Other contract liabilities	1,277,099	1,277,099
Pension and postretirement benefits	14,710,322	12,778,073
Intercompany payable	48,957,409	51,603,769
Total liabilities	92,796,503	85,525,163
Commitments and contingencies (Note 14)		
Member's deficit:		
Retained loss	(22,152,061)	(21,762,610)
Accumulated other comprehensive loss	(4,104,003)	(3,543,227)
Total member's deficit	(26,256,064)	(25,305,837)
Total liabilities and member's deficit	\$ 66,540,439	\$ 60,219,326

See accompanying notes.

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Veolia Water Indianapolis, LLC

Statements of Changes in Member's Deficit

	Year Ended December 31	
	2009	2008
Beginning member's deficit	\$ (25,305,837)	\$ (19,800,855)
Net loss	(389,451)	(967,169)
Other comprehensive loss:		
Retirement benefits	(560,776)	(4,537,813)
Comprehensive loss	(950,227)	(5,504,982)
Ending member's deficit	<u>\$ (26,256,064)</u>	<u>\$ (25,305,837)</u>

See accompanying notes.

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Veolia Water Indianapolis, LLC

Statements of Cash Flows

	Year Ended December 31	
	2009	2008
Operating activities		
Net (loss) income	\$ (389,451)	\$ (967,169)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Provision for doubtful accounts	1,692,450	(65,200)
Depreciation and amortization	3,145,042	3,405,593
Loss on disposal of assets	56,535	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,822,187)	(6,297,872)
Costs in excess of billings	(3,604,566)	(3,565,935)
Inventory	178,679	246,736
Prepaid assets	40,251	(16,356)
Accounts payable and accrued expenses	7,963,163	7,401,983
Billings in excess of costs	(56,925)	178,778
Pension and postretirement benefits	1,371,473	659,303
Payroll, benefits, and other	183,216	993,928
Net cash provided by operating activities	6,757,680	1,973,789
Investing activities		
Purchase of property and equipment	(2,310,213)	(2,432,570)
Client-owned assets	(420,541)	(70,404)
Net cash used in investing activities	(2,730,754)	(2,502,974)
Financing activities		
Change in intercompany payable	(2,646,360)	498,460
Change in outstanding checks	(1,380,566)	30,725
Net cash provided by financing activities	(4,026,926)	529,185
Increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	200	200
Cash and cash equivalents at end of year	\$ 200	\$ 200

See accompanying notes.

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DPW O&M Cost Breakdown

Cost Category	Sum of 2010 Adopted Budget		DPW Corporate		Grand Total
	N	(blank)			
A&G Overhead		64700	2993609		3058309
Contract Services		2950050	297905		3247955
Facilities			104180		104180
Insurance		481000	20305		501305
IT - O&M		18434	54310		72744
Labor			3023230		3023230
Non-Fuel Procurement		11121609.49	83750		11205369.49
Professional Services		205900	0		205900
Grand Total		14841693.49	6577209		21418962.49

Labor	\$	3,023,230	
A&G Overhead	\$	3,058,309	
Advertising	\$	-	
Benefits	\$	-	
Insurance	\$	501,305	
IT - O&M	\$	72,744	
Facilities	\$	104,180	
Non-Fuel Procurement	\$	17,598,708	Chemicals and Oxygen Pass Through added, ASA & Fleet Added
Contract Services	\$	3,662,126	Line Locates Added
Professional Services	\$	205,800	
	\$	<u>28,228,482</u>	

BASED ON CITIZENS ANALYSIS SUMMARIZED ON PP. 121-122

Electric	\$	9,688,878
Gas	\$	1,290,656
Water	\$	134,000
Sewer Billing Fees	\$	2,950,000

BASED ON "SEWER HISTORICAL BUDGET/EXPENSES BY DIVISION 11-10-20032310.pdf" ON PP. 123-127

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Project Sullivan
Sewer Operating and Maintenance Cost Baseline

	COST BASELINE YEAR			
	2007	2008	2009	2010
Total Costs	\$ 52,239,664	\$ 53,777,661	\$ 64,129,462	\$ 81,716,896
CapEx	\$ 2,624,054	\$ 3,540,659	\$ 6,071,148	\$ 8,223,881
Total Initial O&M	\$ 49,605,610	\$ 50,236,992	\$ 58,058,314	\$ 73,493,015
United Water base contract	\$ 28,444,409	\$ 28,865,136	\$ 28,854,100	\$ 31,258,076
United Water contract increase for CIP included and materials premium (20% of base & added for CIP)	\$ 8,939,562	\$ 7,410,034	\$ 5,021,000	\$ 6,500,000
Estimated 1994 Storm water Activities	\$ (4,238,083)	\$ (4,544,771)	\$ (7,459,349)	\$ 7,893,950
Original Pass Through	\$ 62,210	\$ 1,285,000	\$ (4,564,738)	\$ (4,703,871)
Original Pass Through	\$ 3,050,553	\$ 3,029,530	\$ 128,021	\$ 128,021
Total Sanitary United Cost	\$ 31,357,138	\$ 31,267,161	\$ 31,267,161	\$ 31,267,161
Original values provided by DPW	\$ 31,357,138	\$ 31,267,161	\$ 31,267,161	\$ 31,267,161
Excludes Pass Through	\$ 7,687,282	\$ 7,687,282	\$ 7,687,282	\$ 7,687,282
Original values provided by DPW	\$ 7,687,282	\$ 7,687,282	\$ 7,687,282	\$ 7,687,282
Gas Pass Through	\$ 1,427,302	\$ 1,381,814	\$ 1,381,814	\$ 1,381,814
Original values provided by DPW	\$ 1,427,302	\$ 1,381,814	\$ 1,381,814	\$ 1,381,814
Water Pass Through	\$ 170,710	\$ 125,688	\$ 141,000	\$ 145,239
Original values provided by DPW	\$ 170,710	\$ 125,688	\$ 141,000	\$ 145,239
Management Contract Pass Through Cost	\$ 222,916	\$ 15,764	\$ 200,000	\$ 200,000
Telecom Network/IT Pass Through Cost	\$ 167,210	\$ 89,669	\$ 25,116	\$ 25,668
Stormwater Utility Fees Pass Through Cost	\$ 218,850	\$ 219,808	\$ 495,000	\$ 503,650
Priority and Casualty Insurance Pass Through Cost	\$ 30	\$ 10,485	\$ 65,700	\$ 70,752
Utility Late Fees Pass Through Cost	\$ 50,275	\$ 39,093	\$ 48,532,168	\$ 48,532,168
Liquids and Permits Pass Through Cost	\$ 23,877,722	\$ 48,721,188	\$ 47,174,212	\$ 50,678,747
Total United Contract & O&M Pass Through Charges	\$ 2,778,833	\$ 3,003,020	\$ 3,049,698	\$ 3,137,003
Vendor Third Party Billing	\$ 6,040,387	\$ 7,344,035	\$ 6,608,668	\$ 6,869,355
DPW Corporate O&M Calculation	\$ 1,487,381	\$ 2,352,228	\$ 2,237,557	\$ 2,354,808
ASA & Fleet Costs	\$ -	\$ -	\$ -	\$ -
ADD-Back- Storm for responsibilities tied to CSO	\$ -	\$ -	\$ -	\$ -
Sewer Curb	\$ -	\$ -	\$ -	\$ -
Line Locates	\$ -	\$ -	\$ -	\$ -
TOTAL SEWER O&M	\$ 53,904,083	\$ 56,470,489	\$ 61,022,078	\$ 64,982,647
			\$ 67,453,020	\$ 69,609,368

- ①, ⑩, ⑫, ⑭ - "SEWER HISTORICAL BUDGET/EXPENSES BY DEVISION 11-10-2003 TO 10-PPF," P. 91
- ② - SUM OF "PROCUREMENT - CAPITAL" FROM "SEWER HISTORICAL BUDGET/EXPENSES BY DEVISION 11-10-2003 TO 10-PPF," P. 91
- ③ = ① - ②
- ④, ⑦ - UPDATED COSTS BASED ON UNITED WATER MEMO TO DPW, P. 76
- ⑤ - COSTS ESTIMATION OF UNITED'S COST STEMMING FROM STORM WATER ACTIVITIES
- ⑥, ⑧, ⑩, ⑬, ⑮ - "AWT FACILITIES AND COLLECTION FROM STORM WATER ACTIVITIES"
- ⑦ - COSTS ESTIMATION BASED ON DUE DILIGENCE; "AWT FACILITIES AND COLLECTION SYSTEM UNITED WATER O&M AGREEMENT," P. 98; TERMS PRESENTED IN SOUTHWEST-PARKWAY CONTRACT, P. 102; AND TERMS PRESENTED IN BELMONT-AIR LIQUIDE CONTRACT, P. 112
- ⑧ - "BASED ON M BUDGET EST FOR SEWER PLANTS AND COLLECTIONS -- MPE 06 02 2010 (2). XLS," P. 120
- ⑬ - BASED ON DUE DILIGENCE INFORMATION COLLECTED ON "COMPONENTS OF OTHER STORMWATER CHARGES - COSTS RELATED TO UNITED'S VEOLIA," P. 121; AND THEN RECALCULATED BASED ON "SEWER HISTORICAL BUDGET/EXPENSES BY DEVISION 11-10-2003 TO 10-PPF," P. 91
- ⑰ - UTILITY LOCATE COST ESTIMATE FOR NOVEMBER 2009 TO DECEMBER 2010," P. 123

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Project Sullivan
Sewer Operating and Maintenance Cost Base/In

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
\$	34,767,625	\$	35,584,622	\$	37,244,270	\$	38,647,620	\$	39,884,684	\$	41,263,388	\$	42,728,857	\$	44,284,610
\$	820,020	\$	800,000	\$	800,000	\$	800,000	\$	800,000	\$	800,000	\$	800,000	\$	800,000
\$	8,881,881	\$	8,188,201	\$	8,541,058	\$	8,858,205	\$	9,135,455	\$	9,385,597	\$	9,610,000	\$	9,810,000
\$	(8,215,189)	\$	(5,387,720)	\$	(5,688,891)	\$	(5,782,173)	\$	(5,884,548)	\$	(5,984,008)	\$	(6,084,008)	\$	(6,184,008)
\$	182,032	\$	182,032	\$	182,032	\$	182,032	\$	182,032	\$	182,032	\$	182,032	\$	182,032
\$	2,784,765	\$	2,828,137	\$	2,854,520	\$	2,881,008	\$	2,907,496	\$	2,933,984	\$	2,960,472	\$	2,986,960
\$	42,231,514	\$	43,884,451	\$	46,025,218	\$	47,715,800	\$	49,337,560	\$	50,912,270	\$	52,536,683	\$	54,222,143
\$	8,428,525	\$	8,691,382	\$	8,841,823	\$	8,921,078	\$	9,080,360	\$	9,270,972	\$	9,494,101	\$	9,758,024
\$	1,688,253	\$	1,728,811	\$	1,781,078	\$	1,844,811	\$	1,900,155	\$	1,957,160	\$	2,016,876	\$	2,078,361
\$	158,697	\$	153,468	\$	168,381	\$	172,412	\$	178,616	\$	183,673	\$	188,402	\$	193,177
\$	212,180	\$	213,645	\$	226,102	\$	231,855	\$	239,810	\$	245,876	\$	253,354	\$	260,955
\$	28,268	\$	28,118	\$	28,969	\$	30,889	\$	31,818	\$	32,770	\$	33,753	\$	34,766
\$	657,127	\$	573,841	\$	691,058	\$	808,788	\$	927,052	\$	1,045,863	\$	1,165,239	\$	1,285,186
\$	76,071	\$	77,324	\$	78,643	\$	80,033	\$	81,404	\$	82,767	\$	84,122	\$	85,478
\$	53,378,646	\$	55,087,028	\$	56,823,323	\$	58,587,785	\$	60,384,871	\$	62,216,911	\$	64,084,718	\$	65,987,340
\$	3,428,872	\$	3,631,736	\$	3,837,680	\$	4,046,821	\$	4,259,228	\$	4,474,002	\$	4,691,252	\$	4,911,080
\$	7,816,931	\$	7,844,408	\$	8,079,741	\$	8,322,133	\$	8,571,787	\$	8,828,891	\$	9,093,820	\$	9,366,036
\$	3,685,870	\$	3,776,841	\$	3,888,810	\$	4,005,677	\$	4,128,744	\$	4,258,517	\$	4,394,517	\$	4,536,312
\$	2,518,380	\$	2,593,842	\$	2,671,760	\$	2,754,913	\$	2,844,470	\$	2,939,604	\$	3,007,090	\$	3,087,202
\$	182,489	\$	187,874	\$	193,813	\$	199,422	\$	204,404	\$	211,868	\$	217,813	\$	224,481
\$	408,153	\$	400,138	\$	404,842	\$	409,378	\$	413,853	\$	418,268	\$	422,623	\$	426,928
\$	71,287,152	\$	73,600,869	\$	76,818,678	\$	79,883,008	\$	82,806,773	\$	85,599,652	\$	88,281,604	\$	90,861,093

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Division	Department	Account	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030						
ENGINEERING	POLICY AND PLANNING SERVICES	OTHER IMPROVEMENTS																																		
ENGINEERING	POLICY AND PLANNING SERVICES	CHAIRS, DESKS, TABLES & BOOKCASES																																		
ENGINEERING	POLICY AND PLANNING SERVICES	PRINTERS																																		
ENGINEERING	POLICY AND PLANNING SERVICES	OTHER FURNISHINGS AND OFFICE EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	COMMUNICATION EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	LAB & MEDICAL EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	SAFETY EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	TESTING & METERING EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	AUDIO VISUAL EQUIPMENT																																		
ENGINEERING	POLICY AND PLANNING SERVICES	OTHER EQUIPMENT																																		
ENGINEERING	ENGINEERING	LAND																																		
ENGINEERING	ENGINEERING	ENSEMBLES																																		
ENGINEERING	ENGINEERING	COMMUNICATION EQUIPMENT																																		
ENGINEERING	ENGINEERING	CULVERT																																		
ENGINEERING	ENGINEERING	SEWER																																		
ENGINEERING	ENGINEERING	LIFT STATIONS																																		
ENGINEERING	ENGINEERING	AWT FACILITIES																																		
ENGINEERING	ENGINEERING	PROJECT SURVEY & DESIGN																																		
ENGINEERING	ENGINEERING	PROJECT INSPECT/TESTING																																		
ENGINEERING	ENGINEERING	PROJECT MANAGEMENT																																		
ENGINEERING	ENGINEERING	DATA PROCESSING EQUIPMENT																																		
ENGINEERING	ENGINEERING	CHAIRS, DESKS, TABLES & BOOKCASES																																		
ENGINEERING	ENGINEERING	PRINTERS																																		
ENGINEERING	ENGINEERING	OTHER FURNISHINGS AND OFFICE EQUIPMENT																																		
ENGINEERING	ENGINEERING	COMMUNICATION EQUIPMENT																																		
ENGINEERING	ENGINEERING	MAINTENANCE EQUIPMENT																																		
ENGINEERING	ENGINEERING	SAFETY EQUIPMENT																																		
ENGINEERING	ENGINEERING	SHOP EQUIPMENT & MACHINERY																																		
ENGINEERING	ENGINEERING	APPUNDICES																																		
ENGINEERING	ENGINEERING	LAWN & GARDEN EQUIPMENT																																		
ENGINEERING	ENGINEERING	RVAC EQUIPMENT																																		
ENGINEERING	ENGINEERING	TEXTURE & METERNING EQUIPMENT																																		
ENGINEERING	ENGINEERING	OTHER EQUIPMENT																																		
ENGINEERING	ENGINEERING	HEAVY DUTY TRUCK																																		
ENGINEERING	ENGINEERING	POLICY AND PLANNING SERVICES																																		
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Server Hardware Budget Expenses by Division 11-10-2002310.pdf

Category	Item	Q1	Q2	Q3	Q4	YTD	Balance	Notes
POLICY AND PLANNING SERVICES	CONFERENCE REGISTRATION	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	INSTRUCTORS FEES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	RADIO COMPUTER SERVICE CHARGES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	SOFTWARE SYSTEMS AND LICENSING	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OTHER INFORMATION TECHNOLOGY	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	LEGAL NOTICES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	PRINT ADVERTISING	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	ELECTRONIC MEDIA	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	FORGING SERVICES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	PRINTING & BINDING SERVICES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	SCREEN PRINTING	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OTHER PRINTING SERVICES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	PARKING SPACE RENTAL	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	ELECTRIC	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	CAR WASHES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OFFICE EQUIPMENT MAINT & REPAIRS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	LAB & MEDICAL EQUIPMENT MAINT & REPAIR	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	APPLIANCES MAINT & REPAIR	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	COMMUNICATION EQUIPMENT MAINT & REPAIRS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OTHER EQUIPMENT MAINT & REPAIR	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	EQUIPMENT SHORT TERM RENTAL	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	ALUMINUM REPAIR	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	ELECTRICAL REPAIRS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	PAINTING AND COULING REPAIRS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	STRUCTURAL REPAIRS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	CARPET AND FLOORING	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	VEHICLE LIABILITY INSURANCE	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OFFICAL BONDS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	MEMBERSHIP DUES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	NEWSPAPERS	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	MAGAZINES	\$	\$	\$	\$	\$	\$	
POLICY AND PLANNING SERVICES	OTHER PERIODICALS	\$	\$	\$	\$	\$	\$	
ENGINEERING	ATTORNEY	\$	\$	\$	\$	\$	\$	
ENGINEERING	OTHER CONSULTING SERVICES	\$	\$	\$	\$	\$	\$	
ENGINEERING	PLANNING & DESIGN	\$	\$	\$	\$	\$	\$	
ENGINEERING	ON CALL ENGINEERING SERVICES	\$	\$	\$	\$	\$	\$	
ENGINEERING	ENVIRONMENTAL SURVEYS AND TESTS	\$	\$	\$	\$	\$	\$	
ENGINEERING	ENGINEERING DESIGN	\$	\$	\$	\$	\$	\$	
ENGINEERING	ENGINEERING INSPECTIONS	\$	\$	\$	\$	\$	\$	
ENGINEERING	APPRAISAL SERVICE	\$	\$	\$	\$	\$	\$	
ENGINEERING	PRINTING & BINDING SERVICES	\$	\$	\$	\$	\$	\$	
ENGINEERING	OFFICAL BONDS	\$	\$	\$	\$	\$	\$	
ENGINEERING	DANK SERVICE FEES	\$	\$	\$	\$	\$	\$	
ENGINEERING	MANAGEMENT CONSULTING	\$	\$	\$	\$	\$	\$	
OPERATIONS	ENGINEERING INSPECTIONS	\$	\$	\$	\$	\$	\$	
OPERATIONS	ALARM SERVICES	\$	\$	\$	\$	\$	\$	
OPERATIONS	MOVING SERVICES	\$	\$	\$	\$	\$	\$	
OPERATIONS	EXTERMINATION/PEST CONTROL	\$	\$	\$	\$	\$	\$	
OPERATIONS	JANITORIAL & CLEANING SERVICES	\$	\$	\$	\$	\$	\$	
OPERATIONS	RECORDING FEES-NON LAND	\$	\$	\$	\$	\$	\$	
OPERATIONS	UNIFORM RENTAL	\$	\$	\$	\$	\$	\$	
OPERATIONS	PORTRABLE TOILET RENTAL/SERVICE	\$	\$	\$	\$	\$	\$	
OPERATIONS	BOTTLE WATER DELIVERY SERVICES	\$	\$	\$	\$	\$	\$	
OPERATIONS	RENTAL OF TOWELS & FLOOR MATS	\$	\$	\$	\$	\$	\$	
OPERATIONS	MANAGEMENT OF AVT FACILITIES	\$	\$	\$	\$	\$	\$	
OPERATIONS	MANAGEMENT OF BILLING & COLLECTION SVCS	\$	\$	\$	\$	\$	\$	
OPERATIONS	MANAGEMENT OF SEWER COLLECTION SYSTEM	\$	\$	\$	\$	\$	\$	
OPERATIONS	POSTAGE & MAIL SERVICES	\$	\$	\$	\$	\$	\$	
OPERATIONS	SHIPPING & FREIGHT	\$	\$	\$	\$	\$	\$	
OPERATIONS	COURIER SERVICE	\$	\$	\$	\$	\$	\$	
OPERATIONS	TELEPHONE SERVICE	\$	\$	\$	\$	\$	\$	
OPERATIONS	DEDICATED LINES	\$	\$	\$	\$	\$	\$	
OPERATIONS	PAGER/VOICE MAIL SERVICE	\$	\$	\$	\$	\$	\$	
OPERATIONS	TELEPHONE/CELLULAR	\$	\$	\$	\$	\$	\$	
OPERATIONS	MONTHLY SERVICE & EQUIPMENT - CIO	\$	\$	\$	\$	\$	\$	
OPERATIONS	MOVES, ADDS & CHANGES - CIO	\$	\$	\$	\$	\$	\$	

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(D)



Timothy A. Blaszewski
Project Manager
UNITED WATER SERVICES
700 S. Cass Street, Indianapolis, IN 46221
t.800.445.2100
tim.blaszewski@unitedwater.com

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700 S. Cass Street, Indianapolis, IN 46221
t.800.445.2100
tim.blaszewski@unitedwater.com

March 27, 2009

Mr. Mario Mazza
Administrative Water Services
Department of Public Works
City of Indianapolis
1200 S. Meridian Avenue
Indianapolis, IN 46225

Re: Estimated 2010 Service Fee

Dear Mario:

In accordance with Article IX, Section 9.08 (b) of the Agreement, United Water is submitting an estimate of the Service Fee for 2010. We have developed this estimate based on the best available current information, however the estimate is subject to change as indices and actual cost data are finalized for the year and verified by our accounting staff.

The Service Fee is comprised of three components, the Fixed Component, Reimbursable Costs and Credits.

The Fixed Component is adjusted each year by multiplying the previous billing year's Fixed Component by the Adjustment Factor. The Adjustment Factor is defined in Section 9.04 of the Agreement and is determined by using the CPI and the ICI Indices.

The Reimbursable Costs are pass through costs to the city and include costs for:

- Oxygen supply agreement monthly fees
- Liquid oxygen

Please note that United Water is maintaining the Ozone Disinfection Systems to be in operation for the 2010 disinfection season.

The third part of the Service Fee is Credits due the city. As of the date, United Water does not anticipate any credits will be due to the city at the end of 2009.

In addition, Section 9.08 (f) requires an adjustment in the Service Fee due to an increase/decrease in the number of lift stations. At this time, United Water is not expecting a net change.

The 2010 estimates are summarized below and additional detail is provided in the attached table.

Category	2010 estimate
Base Fee	\$29,834,100
Reimbursable Costs	\$5,532,300
Credits due the City	0
ASA and vehicles	\$1,033,900
MCI funds	\$3,200,000
Incentive Fees	\$7,458,500
Total Fees	\$47,058,800

Please call me if you have questions or require additional information.

Sincerely,

Timothy A. Blaszewski, P.E.
Project Manager

Attachment

cc: Steve Nielsen
Larry Maddox
Steve Smiley
Mark Stonorville

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AWT Facilities and Collection System United Water O&M Agreement
 Department of Public Works Water Management Services Character 030 (Other Services and Charges) Sanitary General Costs and Budgets

United Water Contract	2008	2009	2010	2011	2012	2013
	(Actual Costs)	(Actual Costs)	(Approved Budget)	(Proposed Budget)	(Proposed Budget)	(Proposed Budget)
Service Fee Fixed Component ¹	\$ 28,129,772.77	\$ 28,919,658.52	\$ 29,415,765	\$ 30,298,238	\$ 31,207,185	\$ 32,143,401
Performance Incentives ²	\$ 5,249,481.40	\$ 6,517,156.50	\$ 7,353,941	\$ 7,574,560	\$ 7,801,796	\$ 8,035,850
Disinfection ³	\$ 924,269.00	\$ 1,280,209.00	\$ 1,285,000	\$ 1,323,550	\$ 1,363,257	\$ 1,404,155
Belmont Air Liquide Oxygen Contract ⁴	\$ 703,374.95	\$ 713,520.43	\$ 830,000	\$ 855,000	\$ 880,650	\$ 907,070
Southport Praxair Oxygen Contract	\$ 45,131.91	\$ 1,261,582.00	\$ 1,440,000	\$ 1,483,200	\$ 1,527,696	\$ 1,573,527
Electric (AWT, Lift Stations) ⁵	\$ 7,026,514.00	\$ 6,619,503.52	\$ 7,270,520	\$ 7,488,636	\$ 7,713,295	\$ 7,944,694
Natural Gas	\$ 1,563,602.14	\$ 1,257,171.46	\$ 1,500,000	\$ 1,500,000	\$ 1,545,000	\$ 1,591,350
City Water	\$ 170,710.46	\$ 125,869.71	\$ 134,000	\$ 141,000	\$ 145,230	\$ 149,587
Property & Casualty Insurance	\$ 481,000.00	\$ 481,000.00	\$ 481,000	\$ 495,000	\$ 509,850	\$ 525,146
Permit Fees (NPDES and Air)	\$ 60,275.14	\$ 36,095.24	\$ 64,700	\$ 66,700	\$ 68,701	\$ 70,762
Management Consulting (oversight)	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
O&M Subtotal	\$ 44,354,317.77	\$ 47,217,766.38	\$ 49,974,926	\$ 51,425,824	\$ 52,962,667	\$ 54,554,272
Minor Capital Improvements and Additional Service Agreements ⁶	\$ 967,361.28	\$ 1,862,226.47	\$ 2,200,000	\$ 2,200,000	\$ 2,300,000	\$ 2,369,000
Vehicle Program ⁷	\$ 436,652.00	\$ 270,324.29	\$ 1,023,891	\$ 1,196,956	\$ 1,436,347	\$ 1,723,617
MC Subtotal	\$ 1,404,013.28	\$ 2,132,550.76	\$ 3,223,891	\$ 3,396,956	\$ 3,736,347	\$ 4,092,617
Reconciliation 2007 Contract Charges ⁸	\$ 868,861.36					
Total	\$ 46,627,192.41	\$ 49,350,317.14	\$ 53,198,817.00	\$ 54,822,780.00	\$ 56,699,007.00	\$ 58,646,889.00

- Notes:
- (1) 2008 - Annual service fee reduced for Omni scrap metal (\$5,582.64), Dec 19-31, 2007 IPL (\$123,066.19), and Green Power purchased (\$52,102.40)
 - (1) 2009 - Adjusted fee 1.0348 index annual fee reduced \$319,475 (\$309,600 insurance plus \$9875 lift stations - Amendment No: 1) and lowered \$45,479 for sale of two Southport cryogenic compressors (\$45,000) and Omni scrap metal (\$479)
 - (1) 2010 - Annual service fee adjustment - 1.0156 index
 - (1) 2011 - 2013 - Budgeted costs based on 1.030 index (estimate) except for consulting and vehicle leases
 - (2) 2008 - Performance incentive fee earned by UWS (\$6,900,689.86) was reduced to \$5,249,481.40 after deducting for Collection contract quantities not met (\$742,749), recurring SSO's (\$10,000), energy guarantees, KWH/MG, (\$322,249), Southport grit pump (\$30,000), and Flow and Loading from previous contract (\$546,210.48)
 - (2) 2009 - Final performance incentive fee may be increased \$300K after negotiations between City and UWS are settled
 - (2) 2010-2013 - Performance incentive fee, was budgeted each year based upon 100% achievement

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- (3) 2010-2013 - Continued to budget for Interim Chlor/Dechlor chemicals until 2013 or until decision is made to start up Ozone CIP; until a decision is made about ozone no oxygen and power costs are included for Belmont/Southport ozone systems and no power cost is included for Southport Praxair oxygen system
- (4) 2013 - DPW anticipates going to UV disinfection at Belmont for treatment of wet weather; additional costs above Chlor/Dachlor are not available
- (4) 2010 - Budgeted additional funds for supplemental oxygen required to protect mothballed LOX system
- (5) 2008 - Electric (Belmont - \$3,606,699, Southport \$2,383,151 Lift Stations - \$1,036,664)
- (5) 2009 - Electric (Belmont - \$3,463,696, Southport - \$2,353,081, Lift Stations - \$802,727)
- (6) 2008 - AWT MCI (\$769,361.28), Collection System MCI and ASAs (\$198,000)
- (6) 2009 - AWT MCI (\$1,372,078.28), Selenium Ash Lagoon ASA (\$155,807.55), Collection System MCI and ASA (\$334,340.64)
- (7) 2010 - New vehicle lease program first year; contact Steve Stahley (DPW) and UWS to confirm costs for leasing vehicles between 2011-2013
- (8) 2008 - Reconciliation 2007 UWS contract for Minor Corrective Maintenance and MCI projects started under different contract and rules

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Analysis of United Water's BAFO (Best and Final Offer) Proposal July 19, 2007
Based on Commencement Date of January 1, 2008

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Summary of Service Fee Fixed Component		Service Fee Fixed Component Per Year
AWT Facilities and Other Management Services	\$	16,234,501
Wastewater Collection System	\$	7,996,512
Stormwater Collection System	\$	4,241,643
Total Insurance Cost	\$	1,003,866
Sub-Total (inc. major cost changes from BAFO-1)	\$	29,476,522
Transferred following two increases in BAFO-1 fixed component to pass through costs paid by City:		
Addition of Belmont pure oxygen contract with Air Liquide and LOX for new ozone system	\$	(725,000)
Addition of Southport chemical for disinfection until the pure oxygen system is available	\$	(441,000)
2008 Fixed Component (Section 9.03 Service Agreement)	\$	28,310,522

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From: Oakley, John [JOAKLEY@indy.gov]
Sent: Friday, April 30, 2010 9:17 AM
To: Nielsen, Stephen; Hansen, Jeff; Dillard, James; Shell, John R.; Ford, Jeff; Dugan, Carol; Smith, Barbara
Cc: Little, James; mjacob@dlz.com; Thorne, Jayson; Stahley, Steve; Maddux, Larry; Westropp, Beth; Masbaum, Bob; Jones, Larry
Subject: RE: Street Cut Permits and Line Locates

Steve – Larry Jones, Mike Smith, Jay Thorne and I met with DCE staff yesterday regarding their proposed fee structure changes. The information we received through ACEC was somewhat in error. DCE is not proposing to charge fees for DPW capital/O&M projects. Work performed by DPW, our employees or contractors on City projects will still receive gratis permits.

We also discussed the pending transfer. Once ownership of the sanitary system goes to Citizens Waterworks Authority, work that the Authority conducts will be treated the same way current installations by CEG are. As pointed out by DCE staff, all applicable fees needed for a project would be applied. With respect to right-of-way permits, they are also proposing changing the permit duration to a daily basis.

From: Nielsen, Stephen
Sent: Friday, April 30, 2010 8:50 AM
To: jhansen@citizensenergygroup.com; Dillard, James; jshell@citizensenergygroup.com; Ford, Jeff; cdugan@citizensenergygroup.com; Smith, Barbara
Cc: Little, James; 'mjacob@dlz.com'; Thorne, Jayson; Stahley, Steve; Maddux, Larry; Westropp, Beth; Masbaum, Bob; Oakley, John; Jones, Larry
Subject: FW: Street Cut Permits and Line Locates
Importance: High

Jeff:

The City/DPW has just gone to outside location services for the IUPPS program requirements. I will get information on the estimated cost for sanitary sewer locates as it is all wrapped up with storm and transportation locates. This is managed through our Transportation division. United Water does not do the locates. When United has a

(A)

construction project being performed they coordinate with the department staff but also call in for locate services.

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I will also get information on the number of street cut permits per year for DPW sanitary and storm, however, recognize that in the past DPW; because we are a sister department, received "Gratis" right-of-way" permits. Currently the Department of Code Enforcement and its permitting is proposing elimination of Gratis permits for DPW and also increasing permit fees for others. We are looking into this as it will have a definite impact.

Steve

Stephen R. Nielsen, PE

Deputy Director/Chief Engineer

Department of Public Works

1200 S. Madison Ave, Ste 200

Indianapolis, IN 46225

Telephone: 317-327-2381

Fax: 317-327-4548

Please note my email address has changed to the following: srnielsen@indy.gov

Sign up for the City of Indianapolis/Mayor's Office Newsletter Visit:

<http://www.indy.gov/Newsletters/pages/home.aspx>

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From: Maddux, Larry
Sent: Friday, April 30, 2010 8:04 AM
To: Nielsen, Stephen; Thorne, Jayson
Cc: Stahley, Steve
Subject: FW: Street Cut Permits and Line Locates

Additional CEG requests that are outside my area.

From: Hansen, Jeff [mailto:JHansen@citizensenergygroup.com]
Sent: Friday, April 30, 2010 6:47 AM
To: Maddux, Larry
Cc: Dillard, James; Shell, John R.; Ford, Jeff; Dugan, Carol; Smith, Barbara
Subject: Street Cut Permits and Line Locates

Good morning Larry..., as we continue to look at future budget items we could use your help on the following;

Estimated number of Street Cut Permits and cost for an average year, please estimate number required for sewer repairs and number for storm related repairs.

I thought I heard that United was doing the line locates in the past and now SMP is performing this service? Was the responsibility of locating lines under United's contract and if so is a credit due

back to the City at the end of 2010? If this service has been contracted out, please provide an estimated cost for SMP to provide this service, please estimate the sewer portion and storm portion.

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Estimate the IUPPS (Indiana Underground Plant Protection Service)
service for sewer and storm.

Thanks again for all of your help...

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I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

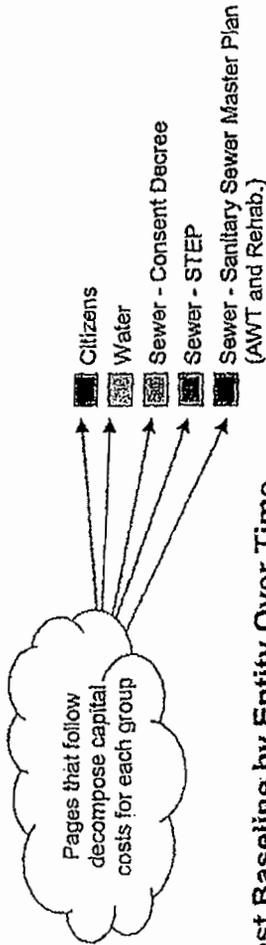
IV. Cost Baseline

A. O&M

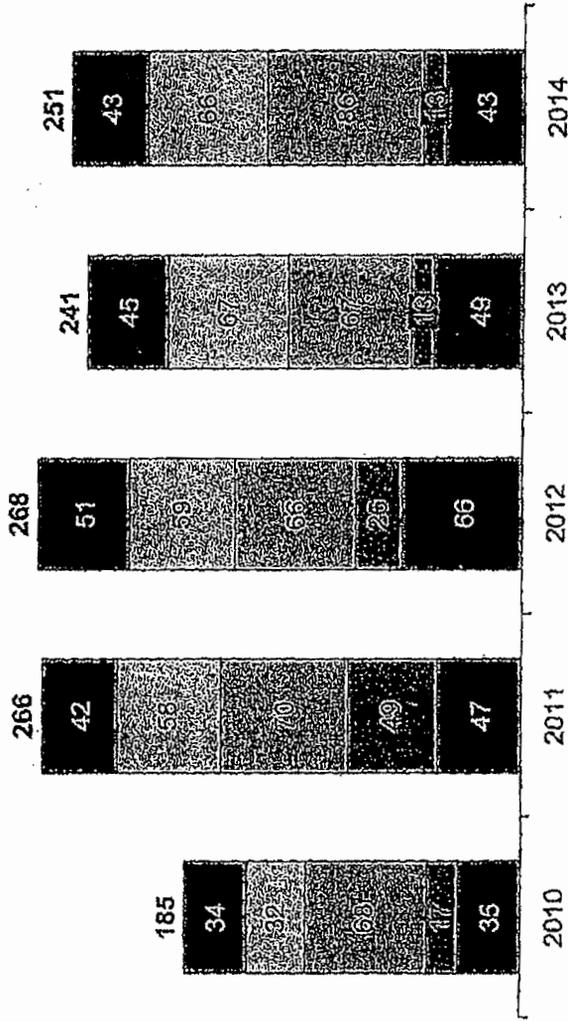
B. Capital

V. Appendix

Combined Capital Profile



Capital Cost Baseline by Entity Over Time
\$ in Millions



Source: Citizens Energy Group 2009 to 2014 Capital Plan - Consolidated Trust; Water System Capital Budget v40910; DFW Current Sanitary Cash Flow 2007 to 2014 092610 (D)



*Fiscal Year 2010 Budget
and 2009-2014 Forecast*

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Consolidated Trust

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Capital Expenditures (in 000s)

Line No.		Projected 2009	Budget 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014
Gas Operations							
1	Computers & Related Equipment	\$ 410	\$ 885	\$ 1,651	\$ 623	\$ 635	\$ 421
2	Machinery, Tools and Related Equipment	102	104	106	108	110	113
3	Mains - Loadings/Other	2,820	2,938	2,998	3,058	3,117	3,180
4	Mains-New Business	1,500	1,530	1,561	1,592	1,624	1,656
5	Mains-Public Improvements	2,550	2,601	2,653	2,706	2,760	2,815
6	Mains-Replacements	3,438	3,547	3,618	3,690	3,764	3,839
7	Mains-Transmission	1,020	1,040	1,061	1,082	1,104	1,128
8	Meters/Regulators - Installations	1,665	1,898	1,732	1,787	1,802	1,838
9	Services-New Business	1,500	1,530	1,561	1,592	1,624	1,656
10	Services-Other	3,276	3,341	3,408	2,031	1,867	1,904
11	Structures and Improvements	1,038	550	1,351	1,923	2,305	1,983
12	Underground Storage and Development	190	194	158	120	130	150
13	Vehicles and Work Equipment	850	750	765	780	796	812
14	Total Gas Operations	20,418	20,688	22,618	21,071	21,639	21,494
Thermal - Steam Operations							
15	Computers & Related Equipment	41	525	25	25	40	-
16	Machinery, Equipment, & Tools	3,498	1,755	2,845	2,383	2,753	2,278
17	Mains - Replacements	840	705	755	805	815	885
18	Structures & Improvements	803	880	1,155	1,410	850	310
19	Vehicles & Work Equipment	75	30	130	50	230	125
20	Machinery, Equipment, & Tools - Growth	-	-	-	-	-	-
21	Mains & Services - Growth	425	250	275	300	300	150
22	Total Thermal - Steam Operations	5,280	4,145	5,185	4,673	4,788	3,748
Thermal - Chilled Water Operations							
23	Computers & Related Equipment	361	-	113	113	98	98
24	Machinery, Equipment, & Tools	582	613	1,037	1,983	823	1,328
25	Structures & Improvements	-	-	-	200	-	150
26	Vehicles & Work Equipment	20	-	30	-	-	30
27	Machinery, Equipment, & Tools - Growth	455	50	2,051	-	-	-
28	Mains - Growth	1,683	600	1,050	100	100	100
29	Structures & Improvements - Growth	-	-	200	-	-	-
30	Total Thermal - Chilled Water Operations	3,101	1,263	4,461	2,396	1,021	1,706
31	Oil Operations	300	300	300	300	300	300
Corporate Support Services							
32	Computers & Related Equipment	5,049	4,834	3,140	3,100	4,400	7,770
33	Structures and Improvements	1,951	300	1,875	1,000	1,400	1,400
34	Total Corporate Support Services	7,000	5,134	5,015	4,100	5,800	9,170
35	Subtotal (excl. CR & SGI and Disc Ops)	36,099	31,630	37,800	32,539	33,547	36,417
Citizens Resources							
Existing Business							
Westfield							
36	New Mains & Services	411	611	629	848	668	688
37	System Improvements	20	79	82	84	87	89
38	Subtotal Westfield	431	690	711	732	754	777
39	Total Existing Business	431	690	711	732	754	777
New Business							
40	USM - Covance Labs	400	-	-	-	-	-
41	Midstream - Cahersville	100	475	750	750	7,750	-
42	New Albany Shale Infrastructure	-	500	500	500	500	500
43	Flatiron / Longhaul	-	25	-	12,500	-	-
44	Total New Business	500	1,000	1,250	13,750	8,250	500
45	Total Citizens Resources	931	1,690	1,961	14,482	9,004	1,217
Discontinued Operations							
46	Demolition Costs Charged to ARO Liability	-	-	743	2,285	788	4,290
47	Remediation Costs Charged to ARO Liability	150	865	1,860	1,753	1,541	1,481
48	Total Discontinued Operations	150	865	2,403	4,038	2,329	5,771
49	Total Trust	\$ 37,181	\$ 34,085	\$ 41,904	\$ 51,069	\$ 44,880	\$ 43,445

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I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

A. Staffing

- i. CEG*
- ii. DPW*
- iii. DOW*
- iv. United*
- v. Veolia*

B. Salary

C. Additional Supply Chain Analysis

CEG Functions Pivot - Headcount

Sum of Count	
Functions	Total
Administrative Support	23.5
Customer Service - Accounts & Billing	16.5
Customer Service - Call Center	97.5
Engineering & Support	20
Executive Management	5
External Relations	7
Finance, Accounting, and Planning	45.5
Gas Distribution	163.5
Gas Supply & Capacity Management	26.5
Gas System Ops and Transmission	78
Human Resources	12.5
Information Systems	37
Legal	4
Purchasing and Materials Management	4
Regulatory	7
Retail Marketing & Sales	17
Thermal Operations	155
EHS	2
Grand Total	721.5

Sum of Count	
Union or Non-Union	Total
Non-Union	523.5
Union	198
(blank)	
Grand Total	721.5

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BASED ON DATA FOUND IN FILE STARTING ON P. 209

I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

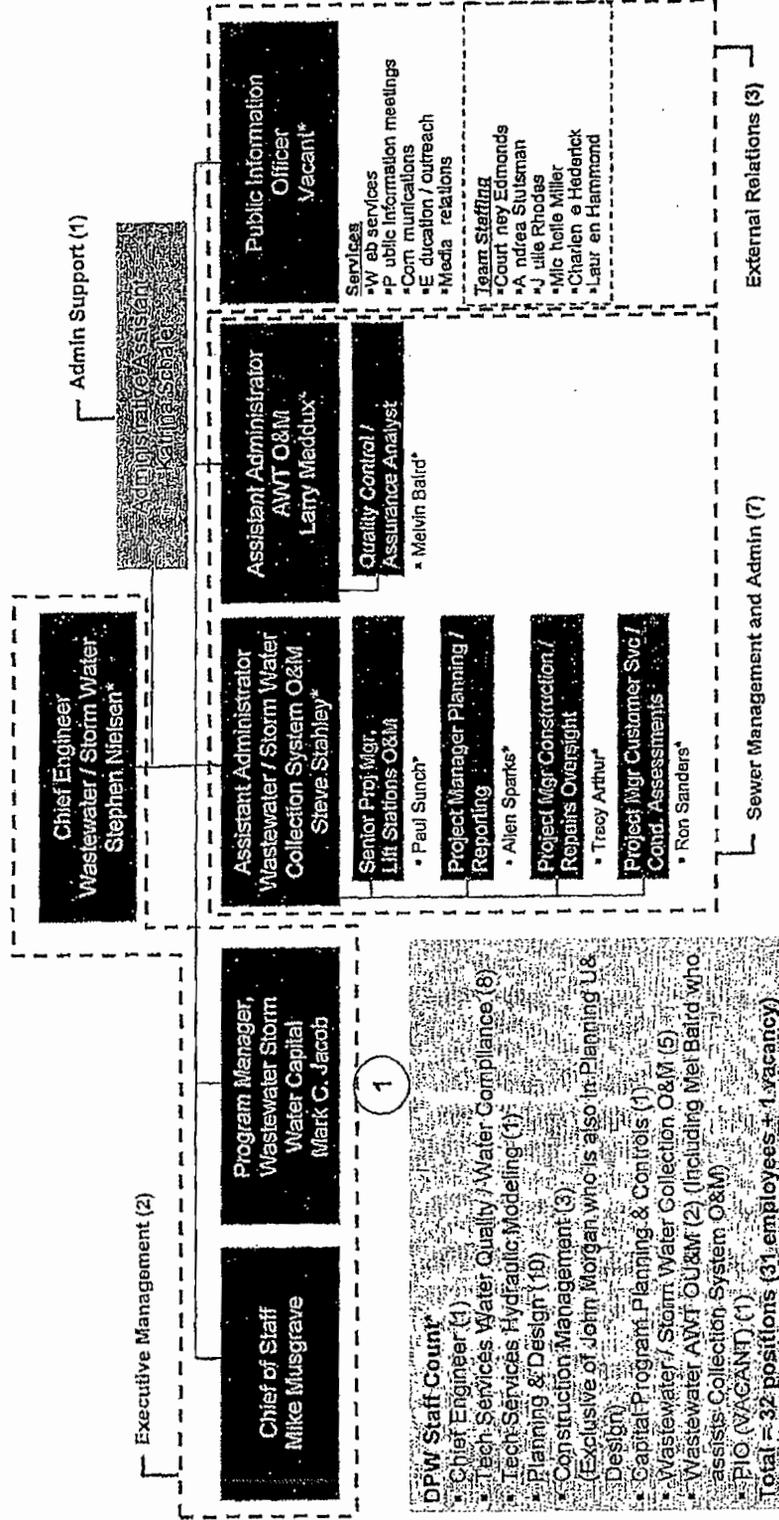
A. Staffing

- i. CEG*
- ii. DFW*
- iii. DOW*
- iv. United*
- v. Veolin*

B. Salary

C. Additional Supply Chain Analysis

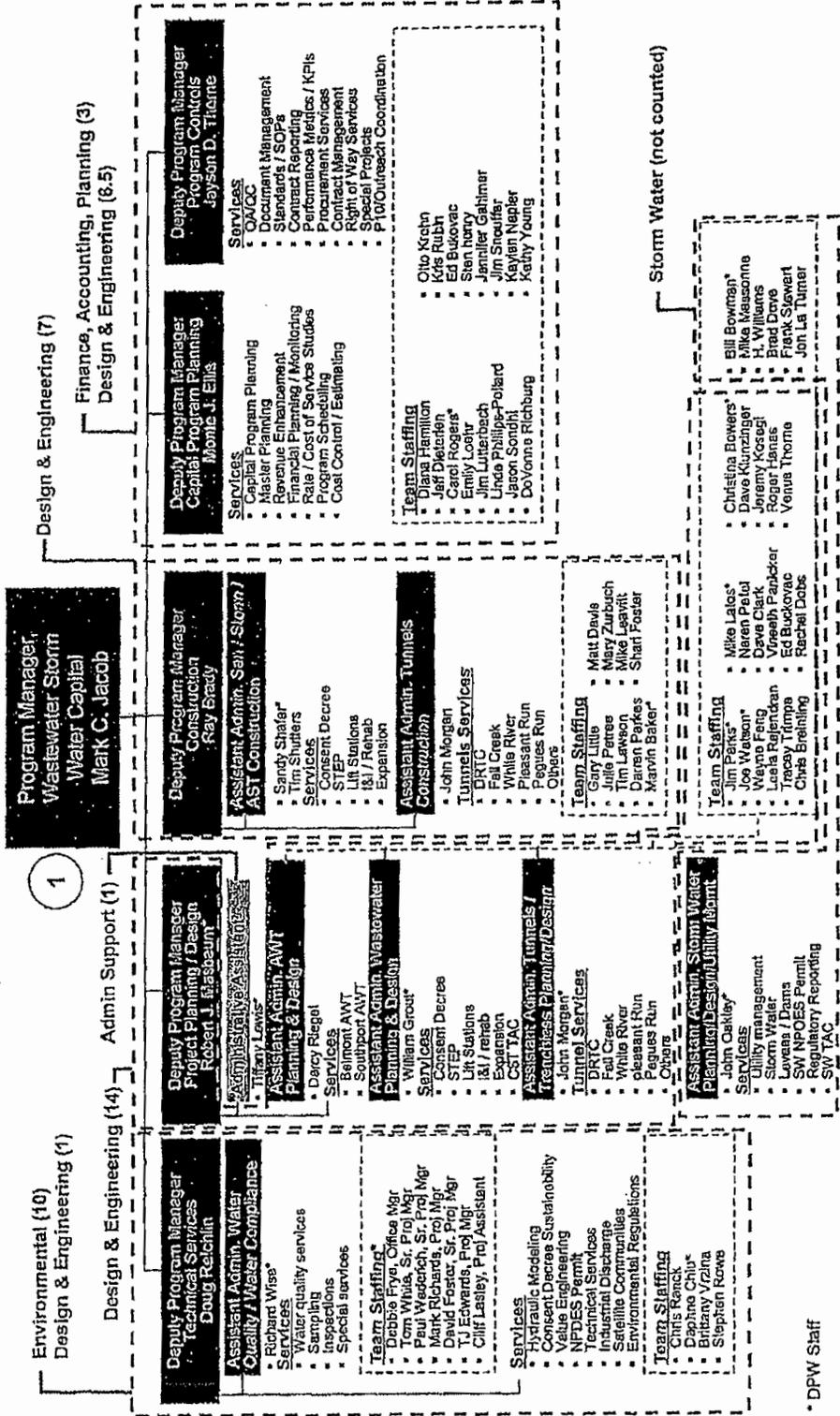
DPW Org Charts



* DPW Staff

Booz & Company

DPW Org Charts (cont'd)



* DPW Staff

I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

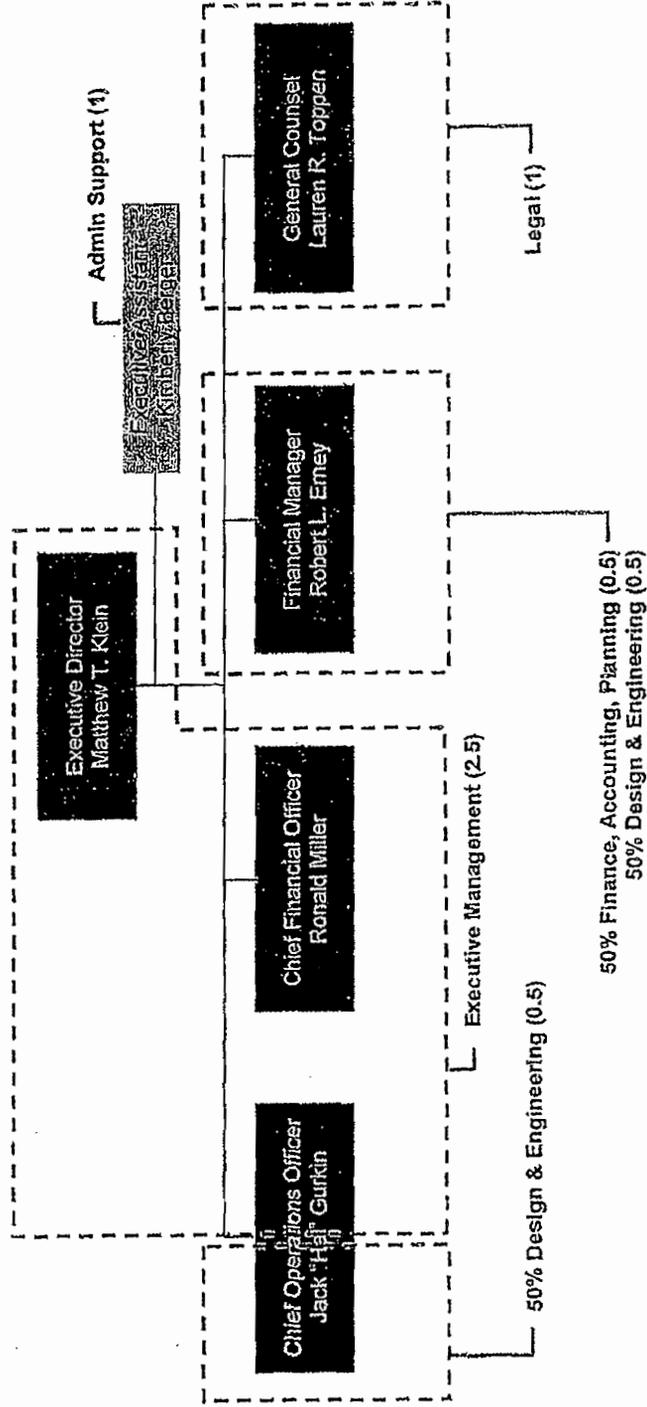
A. Staffing

- i. CEG*
- ii. DFW*
- iii. DOW*
- iv. United*
- v. Veolia*

B. Salary

C. Additional Supply Chain Analysis

DOW Org Chart



I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

A. Staffing

- i. CEG*
- ii. DPW*
- iii. DOW*
- iv. United*
- v. Veolite*

B. Salary

C. Additional Supply Chain Analysis

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A. Staffing

- i. CEG*
- ii. DFW*
- iii. DOW*
- iv. United*
- v. Veolia*

B. Salary

C. Additional Supply Chain Analysis

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2010 Citizens Staffing Baseline - 03-25-10

Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Thermal Operations	Operations Supervisor	Fulltime-Regular	82,210	129,958	EXF
1	Executive Management	President & Chief Executive Officer	Fulltime-Regular	484,000	765,107	EGA
1	Executive Management	Senior Vice President and CFO	Fulltime-Regular	268,000	423,854	EGB
1	Executive Management	Senior Vice President & Chief Admin	Fulltime-Regular	258,000	407,845	EGB1
1	Executive Management	Sr Vice President & General Counsel	Fulltime-Regular	258,000	407,848	EGB1
1	Executive Management	Senior Vice President, Operations	Fulltime-Regular	255,000	403,104	EGB
1	Gas System Ops and Transmission	Vice President, Gas & Steam Operati	Fulltime-Regular	228,000	360,422	EGC
1	Human Resources	Vice President of Human Resources	Fulltime-Regular	212,000	335,130	EGC
1	Information Systems	Vice President, Information Technol	Fulltime-Regular	200,000	318,160	EGC
1	Engineering & Support	Vice President, Engineering and Fac	Fulltime-Regular	196,000	309,837	EGC
1	Retail Marketing & Sales	Vice President of Market Developmen	Fulltime-Regular	185,000	292,448	EGC
1	External Relations	Vice President of Community Relatio	Fulltime-Regular	164,000	259,251	EGC
1	Finance, Accounting, and Planning	Executive Director & Controller	Fulltime-Regular	103,589	268,817	EGD
1	Gas System Ops and Transmission	General Manager of Gas Operations	Fulltime-Regular	159,650	245,048	EGD
1	Finance, Accounting, and Planning	Director of Internal Audit	Fulltime-Regular	159,135	251,561	EGD
1	Thermal Operations	General Manager	Fulltime-Regular	155,015	245,048	EGD
1	Finance, Accounting, and Planning	General Manager, Strategic Growth I	Fulltime-Regular	152,843	241,814	EGD
1	Regulatory	Executive Director of Regulatory Af	Fulltime-Regular	152,287	240,739	EGD
1	Engineering & Support	General Manager of Facilities Engin	Fulltime-Regular	149,949	232,297	EGD
1	Engineering & Support	General Manager of Protect Engineer	Fulltime-Regular	143,782	227,259	EGD
1	Legal	Associate Counsel	Fulltime-Regular	143,437	228,745	EGD
1	Legal	Associate Counsel	Fulltime-Regular	143,437	228,745	EGD
1	Information Systems	Director of Systems	Fulltime-Regular	137,773	217,792	EGD
1	Retail Marketing & Sales	Director of Sales And Marketing	Fulltime-Regular	133,256	210,861	EGD
1	Customer Service - Accounts & Billing	Director of Customer Service	Fulltime-Regular	132,957	210,178	EGD
1	Retail Marketing & Sales	Director of Sales And Marketing	Fulltime-Regular	129,304	204,404	EGD
1	Finance, Accounting, and Planning	Director of Risk Management	Fulltime-Regular	127,547	201,525	EGD
1	Gas System Ops and Transmission	Director of Underground Storage	Fulltime-Regular	125,089	197,739	EGD
1	Gas Distribution	Director of Distribution Operations	Fulltime-Regular	125,088	197,739	EGD
1	Administrative Support	Director of Occupational Health & S	Fulltime-Regular	124,315	186,653	EGD
1	Thermal Operations	Director of Steam Operations	Fulltime-Regular	123,289	194,895	EGD
1	Human Resources	Director of Human Resources	Fulltime-Regular	121,540	182,130	EGD
1	Purchasing and Materials Management	Director of Purchasing, Stores & Su	Fulltime-Regular	121,058	191,308	EGD
1	Finance, Accounting, and Planning	Director of Treasury	Fulltime-Regular	120,304	190,177	EGD
1	Thermal Operations	Director of Facility Operations	Fulltime-Regular	118,800	184,837	EGD
1	EHS	Director of Environmental Affairs	Fulltime-Regular	118,800	184,837	EGD
1	Human Resources	Senior Manager of Human Resources	Fulltime-Regular	114,174	180,486	EXEE
1	Gas System Ops and Transmission	Filler-Underground Maintenance	Fulltime-Regular	80,635	88,610	HR07
1	Human Resources	Human Resources Specialist	Fulltime-Regular	64,635	86,387	EXH
1	Gas System Ops and Transmission	Superintendent of Engineering	Fulltime-Regular	108,160	170,878	EXEE
1	Gas Distribution	Gas Service Specialist	Fulltime-Regular	53,893	85,194	HR05
1	Gas Distribution	Gas Service Specialist	Fulltime-Regular	53,893	85,194	HR06
1	Thermal Operations	Superintendent of Engineering	Fulltime-Regular	106,889	169,070	EXEE
1	Finance, Accounting, and Planning	Exec Mgr, Financial Planning and An	Fulltime-Regular	105,985	167,541	EXEE
1	Retail Marketing & Sales	Manager of Market Development	Fulltime-Regular	105,070	166,095	EXEE
1	Legal	Counsel	Fulltime-Regular	104,579	165,318	EGD
1	Thermal Operations	Facilities Manager, Chilled Water P	Fulltime-Regular	102,986	162,800	EXEE
1	Thermal Operations	Superintendent of Engineering	Fulltime-Regular	102,013	161,262	EXEE
1	Finance, Accounting, and Planning	Senior Manager of Business Applicat	Fulltime-Regular	100,708	159,199	EXEE
1	Finance, Accounting, and Planning	Divisional Controller, Gas, Thermal	Fulltime-Regular	100,708	159,199	EXEE
1	Information Systems	Systems Manager	Fulltime-Regular	93,764	157,812	EXEE
1	Information Systems	IS Mgr of Security and Continuity	Fulltime-Regular	89,241	156,860	EXEE
1	Information Systems	Systems Manager	Fulltime-Regular	89,241	156,863	EXEE
1	Thermal Operations	Manager of Operations & Maintenance	Fulltime-Regular	96,571	155,821	EXEE
1	Engineering & Support	Superintendent of Engineering & Con	Fulltime-Regular	99,290	155,380	EXEE
1	Gas System Ops and Transmission	Manager LNG Plants	Fulltime-Regular	95,028	151,169	EXEE
1	Customer Service - Call Center	Manager of Customer Relations	Fulltime-Regular	95,444	150,878	EXEE
1	Customer Service - Accounts & Billing	Customer Billing Services Manager	Fulltime-Regular	95,444	150,878	EXEE
1	Thermal Operations	Thermal Project Manager	Fulltime-Regular	94,800	149,860	EXF
1	Thermal Operations	Thermal Plant Engineer	Fulltime-Regular	84,800	149,800	EXF
1	Information Systems	Applications Database Administrator	Fulltime-Regular	84,800	149,800	EXF
1	Gas System Ops and Transmission	Manager of Fleet & Facility Service	Fulltime-Regular	84,123	148,780	EXEE
1	Human Resources	Sr Mgr, HR EE Development and Labor	Fulltime-Regular	94,000	148,585	EXEE
1	Thermal Operations	Construction Superintendent	Fulltime-Regular	93,473	147,762	EXEE
1	Finance, Accounting, and Planning	Manager, Financial Analysis	Fulltime-Regular	93,378	147,812	EXF
1	Gas Supply & Capacity Management	Manager of Gas Control	Fulltime-Regular	93,378	147,812	EXEE
1	Thermal Operations	Thermal Project Manager	Fulltime-Regular	92,000	145,437	EXF
1	Finance, Accounting, and Planning	Divisional Controller, Gas, Thermal	Fulltime-Regular	91,072	145,389	EXEE
1	Thermal Operations	Facilities Manager, Chilled Water P	Fulltime-Regular	91,877	145,239	EXEE
1	Regulatory	Rules Manager	Fulltime-Regular	81,000	143,853	EXF
1	Thermal Operations	Customer Service Manager	Fulltime-Regular	80,790	143,521	EXEE
1	Information Systems	Systems Project Leader	Fulltime-Regular	80,743	143,447	EXF
1	Retail Marketing & Sales	Manager, Economic Development	Fulltime-Regular	80,000	142,272	EXF
1	Information Systems	Quality Assurance Manager	Fulltime-Regular	80,000	142,272	EXF
1	Retail Marketing & Sales	Manager of Sales	Fulltime-Regular	88,931	140,502	EXEE
1	Gas Distribution	Superintendent of Field Operations	Fulltime-Regular	87,840	138,857	EXEE
1	Gas Supply & Capacity Management	Manager of UGS Fields	Fulltime-Regular	87,550	138,983	EXF
1	Customer Service - Call Center	Manager of Customer Relations	Fulltime-Regular	86,520	138,771	EXEE
1	Finance, Accounting, and Planning	Budget Manager	Fulltime-Regular	85,890	135,458	EXF
1	Finance, Accounting, and Planning	Sr. IT Auditor	Fulltime-Regular	85,284	134,817	EXF

Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Information Systems	Software Analyst	Fulltime-Regular	85,000	134,368	EXF
0.5	Human Resources	Leadership Development Consultant	Parttime-Regular	124,900	134,347	UNGR
1	Engineering & Support	Superintendent of Gas Operations Sr	Fulltime-Regular	84,450	133,514	EXEE
1	Customer Service - Accounts & Billing	Customer Service & Metering Foreman	Fulltime-Regular	83,502	132,003	EXF
1	Thermal Operations	Steam & Chilled Water Distribution	Fulltime-Regular	83,502	132,003	EXF
1	Information Systems	Software Analyst	Fulltime-Regular	83,106	131,374	EXF
1	Information Systems	Systems Project Leader	Fulltime-Regular	82,490	130,258	EXF
1	Thermal Operations	Operations Supervisor	Fulltime-Regular	82,227	129,594	EXF
1	Thermal Operations	Instrument & Electrical Supervisor	Fulltime-Regular	82,120	129,515	EXF
1	Thermal Operations	Utility Engineer	Fulltime-Regular	81,759	129,245	EXF
1	External Relations	Manager, Community Redevelopment	Fulltime-Regular	81,811	129,011	EXF
1	Gas System Ops and Transmission	Fleet & Facilities Services Supervi	Fulltime-Regular	81,504	128,842	EXF
1	Finance, Accounting, and Planning	Manager, Financial Analysis	Fulltime-Regular	81,370	128,800	EXF
1	Information Systems	Systems Project Leader	Fulltime-Regular	80,973	128,002	EXF
1	Information Systems	Systems Project Leader	Fulltime-Regular	80,870	127,835	EXF
1	Finance, Accounting, and Planning	Financial Accounting Manager	Fulltime-Regular	80,729	127,616	EXF
1	Finance, Accounting, and Planning	Financial Accounting Manager	Fulltime-Regular	80,465	127,231	EXF
1	Information Systems	Systems Project Leader	Fulltime-Regular	80,340	127,801	EXF
1	Gas Distribution	Technical Administrator	Fulltime-Regular	80,279	126,906	EXF
1	Thermal Operations	Utility Engineer	Fulltime-Regular	80,168	126,728	EXF
1	Thermal Operations	Thermal Project Manager	Fulltime-Regular	80,130	126,870	EXF
1	Information Systems	Systems Project Leader	Fulltime-Regular	80,046	126,537	EXF
1	Administrative Support	Manager of Safety	Fulltime-Regular	79,954	126,391	EXF
1	Thermal Operations	Senior Operator	Fulltime-Regular	79,800	125,832	EXG
1	Gas Distribution	Manager of Distribution Dispatch	Fulltime-Regular	79,389	125,486	EXF
1	Thermal Operations	Instrument & Electrical Supervisor	Fulltime-Regular	79,105	125,051	EXF
1	External Relations	Manager, Corporate Communications	Fulltime-Regular	78,808	124,284	EXF
1	Finance, Accounting, and Planning	Enterprise Risk Manager	Fulltime-Regular	78,357	123,507	EXF
1	Information Systems	Network Administrator	Fulltime-Regular	77,500	122,512	EXG
1	Information Systems	Software Analyst	Fulltime-Regular	77,353	122,283	EXF
1	Finance, Accounting, and Planning	Insurance Risk Manager	Fulltime-Regular	77,252	122,120	EXG
1	Thermal Operations	Maintenance Foreman	Fulltime-Regular	77,168	121,975	EXG
1	Information Systems	Systems Analyst	Fulltime-Regular	77,000	121,722	EXG
1	Information Systems	Systems Project Leader	Fulltime-Regular	77,000	121,722	EXF
1	Information Systems	Software Analyst	Fulltime-Regular	76,977	121,585	EXF
1	Customer Service - Call Center	Customer Relations Supervisor	Fulltime-Regular	76,871	121,518	EXF
1	Gas Distribution	Distribution Operations Field Admin	Fulltime-Regular	76,547	121,005	EXF
1	Thermal Operations	Instrument & Electrical Supervisor	Fulltime-Regular	76,504	120,938	EXF
1	Customer Service - Call Center	Customer Relations Supervisor	Fulltime-Regular	75,959	120,076	EXF
1	Information Systems	Systems Analyst	Fulltime-Regular	75,835	119,820	EXG
1	Customer Service - Call Center	Customer Relations Supervisor	Fulltime-Regular	75,769	119,776	EXF
1	Customer Service - Call Center	Customer Relations Supervisor	Fulltime-Regular	75,769	119,776	EXF
1	Thermal Operations	Utility Engineer	Fulltime-Regular	75,595	119,501	EXF
1	Gas System Ops and Transmission	Manager Compression & Purification	Fulltime-Regular	76,337	119,093	EXF
1	Retail Marketing & Sales	Industrial Sales Consultant	Fulltime-Regular	75,028	118,604	EXG
1	Retail Marketing & Sales	Industrial Sales Consultant	Fulltime-Regular	75,000	118,600	EXG
1	Information Systems	Systems Analyst	Fulltime-Regular	75,000	118,560	EXG
1	Thermal Operations	Utility Engineer	Fulltime-Regular	74,432	117,692	EXF
1	Administrative Support	Manager of Safety	Fulltime-Regular	74,378	117,577	EXF
1	Information Systems	Systems Customer Coordinator	Fulltime-Regular	74,330	117,601	EXG
1	Administrative Support	Manager of Security	Fulltime-Regular	74,160	117,232	EXF
1	Thermal Operations	Assistant Engineer, Electrical	Fulltime-Regular	73,955	116,908	EXG
1	Thermal Operations	Project Coordinator	Fulltime-Regular	73,955	116,908	EXG
1	Gas Distribution	Distribution Operations Field Admin	Fulltime-Regular	73,899	116,820	EXF
1	Thermal Operations	Utility Engineer	Fulltime-Regular	73,563	116,288	EXF
1	Information Systems	Systems Analyst	Fulltime-Regular	73,000	115,389	EXG
1	Information Systems	Telecommunications Analyst	Fulltime-Regular	72,821	115,110	EXG
1	Finance, Accounting, and Planning	Senior Auditor	Fulltime-Regular	72,481	114,534	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	72,376	114,412	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	72,057	113,908	EXG
1	Gas Distribution	Gas Transportation Analyst	Fulltime-Regular	71,429	112,918	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	71,015	112,261	EXG
1	Gas Distribution	Gas Service Specialist	Fulltime-Regular	70,762	111,860	HR05
1	Thermal Operations	Mechanical Foreman	Fulltime-Regular	70,616	111,628	EXG
1	Customer Service - Accounts & Billing	Energy Efficiency Portfolio Manager	Fulltime-Regular	70,555	111,533	EXF
0.5	Thermal Operations	Thermal Project Manager	Parttime-Regular	103,334	111,239	EXF
1	Retail Marketing & Sales	Commercial Sales Consultant	Fulltime-Regular	70,270	111,083	EXG
1	Information Systems	Systems Analyst	Fulltime-Regular	70,000	110,656	EXG
1	Gas Supply & Capacity Management	Senior System Control Technician	Fulltime-Regular	69,900	110,438	NXT
1	Legal	Consumer Affairs & Claims Administ	Fulltime-Regular	69,854	110,425	EXG
1	Customer Service - Call Center	Customer Relations Supervisor	Fulltime-Regular	69,680	110,150	EXF
1	Thermal Operations	Mechanical Foreman	Fulltime-Regular	69,518	109,694	EXG
1	Regulatory	Senior Rates & Regulatory Analyst	Fulltime-Regular	69,500	109,666	EXF
1	Information Systems	Systems Analyst	Fulltime-Regular	69,293	109,536	EXG
1	Finance, Accounting, and Planning	Senior Auditor	Fulltime-Regular	69,293	109,536	EXG
1	Administrative Support	Safety/Training Supervisor	Fulltime-Regular	69,037	109,134	EXG
1	Information Systems	Systems Analyst	Fulltime-Regular	68,825	108,758	EXG
1	Finance, Accounting, and Planning	Senior Accountant	Fulltime-Regular	68,805	108,767	EXG
1	Finance, Accounting, and Planning	Supervisor of Risk Management	Fulltime-Regular	68,705	108,809	EXG
1	Finance, Accounting, and Planning	Financial Business Applications Ana	Fulltime-Regular	68,645	108,514	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	68,408	108,139	EXG
1	Thermal Operations	Steam & Chilled Water Distribution	Fulltime-Regular	68,341	108,033	EXF

Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Information Systems	Systems Analyst	Fulltime-Regular	87,980	107,463	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	87,834	107,232	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	87,721	107,053	EXG
1	Customer Service - Accounts & Billing	Industrial Steam Meter Man	Fulltime-Regular	87,585	106,807	NXTI
1	Customer Service - Accounts & Billing	Industrial Steam Meter Man	Fulltime-Regular	87,585	106,807	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	87,585	106,807	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	87,585	106,807	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	87,585	106,807	NXTI
1	Engineering & Support	Construction Field Coordinator	Fulltime-Regular	67,231	108,278	NXTI
1	Thermal Operations	Project Coordinator	Fulltime-Regular	67,046	105,986	EXG
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	88,958	108,310	NXTI
1	Engineering & Support	Project Engineer	Fulltime-Regular	68,850	105,835	EXG
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	66,822	105,632	NXTI
1	Engineering & Support	Gas Systems Analyst	Fulltime-Regular	69,588	105,262	EXG
1	Finance, Accounting, and Planning	Senior Accountant	Fulltime-Regular	68,648	105,196	EXG
1	Gas Supply & Capacity Management	Geologist	Fulltime-Regular	68,350	104,888	EXP
1	Regulatory	Senior Rates & Regulatory Analyst	Fulltime-Regular	66,350	104,888	EXP
1	EHS	Environmental Coordinator	Fulltime-Regular	66,350	104,888	EXP
1	Gas Supply & Capacity Management	Gas Controller	Fulltime-Regular	65,229	103,114	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	65,205	103,076	NXTI
1	External Relations	Graphic Arts Coordinator	Fulltime-Regular	65,065	102,855	EXG
1	Gas Supply & Capacity Management	Gas Controller	Fulltime-Regular	65,043	102,820	NXTI
1	Regulatory	Rates Administrator	Fulltime-Regular	69,000	102,762	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	64,688	102,258	EXG
1	Thermal Operations	Construction Field Coordinator	Fulltime-Regular	64,293	101,634	NXTI
1	Thermal Operations	Construction Field Coordinator	Fulltime-Regular	64,283	101,634	NXTI
1	Thermal Operations	Construction Field Coordinator	Fulltime-Regular	64,293	101,634	NXTI
1	Human Resources	Payroll Supervisor	Fulltime-Regular	64,165	101,432	EXG
1	Information Systems	ISD Quality Analyst	Fulltime-Regular	64,000	101,171	EXG
1	Information Systems	Systems Analyst	Fulltime-Regular	64,000	101,171	EXG
1	Gas Supply & Capacity Management	Storage Field Foreman	Fulltime-Regular	63,802	100,985	EXG
1	Gas Distribution	District Supervisor	Fulltime-Regular	63,850	100,950	EXG
1	Administrative Support	HSE Specialist	Fulltime-Regular	63,860	100,850	EXG
1	Thermal Operations	Technical Training Coordinator	Fulltime-Regular	63,852	100,937	EXG
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	63,651	100,620	NXTI
1	Gas System Ops and Transmission	Senior System Control Technician	Fulltime-Regular	63,581	100,508	NXTI
1	Gas Supply & Capacity Management	Senior System Control Technician	Fulltime-Regular	63,559	100,474	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	63,558	100,471	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	63,558	100,472	NXTI
1	Thermal Operations	Coal And Ash Supervisor	Fulltime-Regular	62,989	99,573	EXG
1	Engineering & Support	Engineering Systems Coordinator	Fulltime-Regular	62,972	99,546	EXG
1	Gas System Ops and Transmission	Senior LNG Operator	Fulltime-Regular	62,936	99,485	NXTI
1	Human Resources	Benefits Supervisor	Fulltime-Regular	62,846	99,347	EXG
1	Thermal Operations	Project Coordinator	Fulltime-Regular	62,531	98,849	EXG
1	Thermal Operations	Maintenance Foreman	Fulltime-Regular	62,000	98,010	EXG
1	Information Systems	Cad Admin/Pc Specialist	Fulltime-Regular	62,000	98,010	EXG
1	Finance, Accounting, and Planning	General Accounting Supervisor	Fulltime-Regular	62,000	98,010	EXG
1	Thermal Operations	Thermal Predictive Systems Specialist	Fulltime-Regular	61,831	97,742	EXG
1	Gas Supply & Capacity Management	Gas Controller	Fulltime-Regular	61,708	97,545	NXTI
1	External Relations	Corporate Affairs Coordinator	Fulltime-Regular	61,347	96,977	EXG
1	Purchasing and Materials Management	Purchasing Agent	Fulltime-Regular	61,243	96,813	EXG
1	Finance, Accounting, and Planning	Risk Management Analyst	Fulltime-Regular	61,032	96,479	EXG
1	Human Resources	Senior Employment Administrator	Fulltime-Regular	60,813	96,133	EXG
1	Administrative Support	Executive Assistant To The President	Fulltime-Regular	60,800	96,118	EXI
1	Customer Service - Accounts & Billing	Customer Service & Billing Represen	Fulltime-Regular	60,467	95,585	EXH
1	Gas System Ops and Transmission	Gas & Steam Operations Supervisor	Fulltime-Regular	59,822	94,077	EXF
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	59,750	94,453	NXI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	59,503	94,082	NXTI
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	59,503	94,082	NXTI
1	Gas Supply & Capacity Management	Storage Field Administrator	Fulltime-Regular	59,380	93,888	EXG
1	Engineering & Support	Sales Project Coordinator	Fulltime-Regular	59,380	93,888	EXG
1	Retail Marketing & Sales	Inside Sales Supervisor	Fulltime-Regular	59,380	93,888	EXG
1	Thermal Operations	Technical Training/Procedures Coord	Fulltime-Regular	59,378	93,888	EXG
1	Human Resources	Labor Relations Administrator	Fulltime-Regular	59,092	93,413	EXG
1	Human Resources	Learning Coordinator	Fulltime-Regular	58,808	92,981	EXG
1	Finance, Accounting, and Planning	Treasury Analyst I	Fulltime-Regular	58,808	92,961	EXG
1	Retail Marketing & Sales	Market Research Analyst	Fulltime-Regular	58,350	92,248	EXG
1	Purchasing and Materials Management	Purchasing Agent	Fulltime-Regular	58,100	91,844	EXG
1	Finance, Accounting, and Planning	Treasury Analyst II	Fulltime-Regular	57,946	91,599	EXG
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	57,403	90,743	NXI
1	Finance, Accounting, and Planning	Supervisor of Risk Management	Fulltime-Regular	57,371	90,692	EXG
1	Finance, Accounting, and Planning	Senior Accountant	Fulltime-Regular	57,371	90,692	EXG
1	Finance, Accounting, and Planning	Senior Accountant	Fulltime-Regular	57,371	90,692	EXG
1	Regulatory	Rates Administrator	Fulltime-Regular	57,370	90,620	EXG
1	Regulatory	Rates Administrator	Fulltime-Regular	57,370	90,650	EXG

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Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Thermal Operations	Utility Mechanical Maintenance	Fulltime-Regular	53,394	84,405	HR04
1	External Relations	Graphic Arts Specialist	Fulltime-Regular	53,257	84,189	EXH
1	Purchasing and Materials Management	Buyer	Fulltime-Regular	53,257	84,189	EXH
1	Gas Distribution	Leak Survey Coordinator	Fulltime-Regular	53,066	83,887	NXTJ
1	Gas System Ops and Transmission	LNG Operator	Fulltime-Regular	53,058	83,874	NXTJ
1	Finance, Accounting, and Planning	Accountant	Fulltime-Regular	53,000	83,782	EXH
1	Thermal Operations	Mechanics	Fulltime-Regular	52,898	83,621	NXTJ
1	Thermal Operations	Mechanics	Fulltime-Regular	52,737	83,387	NXTJ
1	Gas Supply & Capacity Management	Oil Field Pumper-Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Oil Field Pumper-Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Oil Field Pumper-Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Oil Field Pumper-Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas Supply & Capacity Management	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Storage Field Operator	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Stockman A	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Stockman A	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Stockman A	Fulltime-Regular	52,458	82,925	HR04
1	Gas Distribution	Piping Press Control Helper	Fulltime-Regular	52,458	82,925	HR04
1	Gas Distribution	Gas Service Specialist "B" T	Fulltime-Regular	52,458	82,925	HR04
1	Gas Distribution	Gas Service Specialist "B" T	Fulltime-Regular	52,458	82,925	HR04
1	Gas Distribution	Gas Service Specialist "B" T	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Heavy Equip Material Hauler	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Gas System Ops and Transmission	Machine Operator A Gas	Fulltime-Regular	52,458	82,925	HR04
1	Thermal Operations	Instrument/Controls Technician	Fulltime-Regular	52,600	82,202	NXTJ
1	External Relations	Graphic Arts Specialist	Fulltime-Regular	51,900	82,044	EXH
1	Administrative Support	Executive Coordinator	Fulltime-Regular	51,900	82,044	EXH
1	Gas Supply & Capacity Management	System Control Technician	Fulltime-Regular	51,752	81,810	NXTJ
1	Gas System Ops and Transmission	Gas Control Specialist	Fulltime-Regular	51,751	81,809	NXTJ
1	Thermal Operations	Shift Coordinator - Thermal	Fulltime-Regular	51,750	81,806	NXI
1	Thermal Operations	Construction Coordinator	Fulltime-Regular	51,427	81,296	NXTJ
1	Gas Distribution	Cathodic Protection Technician	Fulltime-Regular	51,312	81,116	NXTK
1	Gas System Ops and Transmission	Gas & Steam Maintenance Supervisor	Fulltime-Regular	51,297	81,090	EXG
1	Thermal Operations	Plant Operator	Fulltime-Regular	51,141	80,844	NXTK
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas Distribution	Leak Survey Inspector	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Filter "B" Hauler	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Machine Operator "B" T	Fulltime-Regular	51,043	80,689	HR03
1	Gas System Ops and Transmission	Machine Operator "B" T	Fulltime-Regular	51,043	80,689	HR03
1	Engineering & Support	Engineering Analyst	Fulltime-Regular	50,988	80,639	NXTJ
1	Engineering & Support	Engineering Analyst	Fulltime-Regular	50,986	80,599	NXTJ
1	Gas Distribution	Cathodic Protection Technician	Fulltime-Regular	50,803	80,305	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,502	79,960	NXTK
1	Gas System Ops and Transmission	LNG Operator	Fulltime-Regular	50,025	79,081	NXTJ
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	50,000	79,040	NXTK
1	Thermal Operations	Water Operator	Fulltime-Regular	49,882	78,853	NXTK
1	Gas System Ops and Transmission	LNG Operator	Fulltime-Regular	49,741	78,631	NXTJ
1	Engineering & Support	Engineering Analyst	Fulltime-Regular	49,542	78,310	NXTJ

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Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Customer Service - Accounts & Billing	Customer Billing Services Team Lead	Fulltime-Regular	49,500	78,250	NXJ
1	Gas Supply & Capacity Management	Gas Controller	Fulltime-Regular	49,299	77,932	NXTI
1	Thermal Operations	Plant Operator	Fulltime-Regular	49,142	77,694	NXTK
1	Engineering & Support	Engineering Analyst	Fulltime-Regular	48,990	77,443	NXTJ
0.5	Thermal Operations	Construction Coordinator Thermal	Parttime-Regular	71,573	77,048	NXTJ
1	Engineering & Support	Engineering Specialist	Fulltime-Regular	48,300	76,363	NXTL
1	Thermal Operations	Fireman	Fulltime-Regular	47,738	75,481	HR03
1	Thermal Operations	Fireman	Fulltime-Regular	47,738	75,481	HR03
1	Thermal Operations	Fireman	Fulltime-Regular	47,738	75,481	HR03
1	Thermal Operations	Fireman	Fulltime-Regular	47,738	75,481	HR03
1	Thermal Operations	Plant Operator	Fulltime-Regular	47,445	75,001	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	47,330	74,833	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	47,060	74,392	NXTK
1	Gas Distribution	Senior Distribution Dispatcher	Fulltime-Regular	46,426	73,390	NXJ
1	Thermal Operations	Plant Operator	Fulltime-Regular	46,350	73,270	NXTK
1	Administrative Support	Executive Assistant	Fulltime-Regular	45,309	71,823	NXJ
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Coal And Ash Handler	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Thermal Operations	Turbine-Boiler Auxiliary Operator	Fulltime-Regular	45,178	71,417	HR02
1	Gas Distribution	Gas Service Technician	Fulltime-Regular	45,178	71,417	HR02
1	Gas System Ops and Transmission	Gas Control Specialist	Fulltime-Regular	45,000	71,136	NXTJ
1	Gas System Ops and Transmission	Auxiliary Lng Operator	Fulltime-Regular	44,608	70,608	NXTM
1	Customer Service - Accounts & Billing	Client Eligibility Services Tier 3	Fulltime-Regular	44,150	69,792	NXK
1	Engineering & Support	Engineering Specialist	Fulltime-Regular	44,134	69,767	NXTL
1	Thermal Operations	Plant Operator	Fulltime-Regular	43,925	69,437	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	43,925	69,437	NXTK
1	Gas System Ops and Transmission	Auxiliary Lng Operator	Fulltime-Regular	43,856	69,326	NXTM
1	Gas Supply & Capacity Management	Material Procurement Administrator	Fulltime-Regular	43,643	69,091	NXL
1	Gas System Ops and Transmission	Auxiliary Lng Operator	Fulltime-Regular	43,505	68,968	NXTK
1	Thermal Operations	Plant Operator	Fulltime-Regular	42,944	67,886	NXTM
1	Thermal Operations	Plant Operator	Fulltime-Regular	42,937	67,875	NXTK
0.5	Customer Service - Call Center	CR Quality Assurance Analyst	Parttime-Regular	62,082	67,801	EXG
1	Gas Distribution	Meter Reading Coordinator	Fulltime-Regular	42,744	67,570	NXK
1	Gas Distribution	Meter Reading Coordinator	Fulltime-Regular	42,744	67,570	NXK
1	Information Systems	Help Desk Coordinator	Fulltime-Regular	42,737	67,559	NXTJ
1	Finance, Accounting, and Planning	Associate Accountant	Fulltime-Regular	42,310	66,936	NXK
1	Gas System Ops and Transmission	Auxiliary Lng Operator	Fulltime-Regular	42,295	66,893	NXTM
1	Thermal Operations	Plant Operator	Fulltime-Regular	42,233	66,782	NXTK
1	Thermal Operations	Executive Assistant	Fulltime-Regular	42,230	66,757	NXK
1	Thermal Operations	Plant Operator	Fulltime-Regular	42,093	66,541	NXTK
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	42,090	66,348	NXL
1	Thermal Operations	Plant Operator	Fulltime-Regular	41,686	65,897	NXTK
1	Retail Marketing & Sales	Sales Assistant	Fulltime-Regular	41,612	65,780	NXL
1	Retail Marketing & Sales	Sales Assistant	Fulltime-Regular	41,612	65,780	NXL
1	Finance, Accounting, and Planning	Risk Management Team Leader	Fulltime-Regular	41,515	65,827	NXK
1	Information Systems	Help Desk Coordinator	Fulltime-Regular	41,509	65,817	NXTJ
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	41,342	65,353	NXJ
1	Thermal Operations	Executive Assistant	Fulltime-Regular	41,202	65,132	NXK
1	Retail Marketing & Sales	Sales Assistant	Fulltime-Regular	41,200	65,129	NXL
1	Retail Marketing & Sales	Sales Assistant	Fulltime-Regular	41,200	65,129	NXL
1	Gas Distribution	Gas Operations Administrative Sec	Fulltime-Regular	41,184	65,104	NXL
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	40,770	64,449	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Gas Distribution	Meter Reader	Fulltime-Regular	40,769	64,448	NXL
1	Finance, Accounting, and Planning	Risk Management Representative	Fulltime-Regular	40,764	64,440	NXL
1	Information Systems	Computer Operator	Fulltime-Regular	40,731	64,388	NXJ
1	Customer Service - Call Center	Client Eligibility Services Tier 3	Fulltime-Regular	40,687	64,310	NXK
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	40,510	64,038	NXL
1	Retail Marketing & Sales	Sales Assistant	Fulltime-Regular	40,467	63,970	NXJ
2	Gas Distribution	Distribution Dispatcher	Fulltime-Regular	40,404	63,871	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	40,297	63,701	NXL
1	Customer Service - Accounts & Billing	Customer Account Representative	Fulltime-Regular	40,080	63,358	NXL
1	Administrative Support	Administrative Assistant for Customer	Fulltime-Regular	40,078	63,352	NXL
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	39,830	62,963	NXL

Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes. Part time = Payroll taxes)	Grade
1	Finance, Accounting, and Planning	Risk Management Representative	Fulltime-Regular	39,680	62,728	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	39,629	62,497	NXL
1	Gas Distribution	Senior Distribution Dispatcher	Fulltime-Regular	39,620	62,473	NXJ
1	Customer Service - Call Center	Client Eligibility Services Tier 2	Fulltime-Regular	39,444	62,353	NXK
1	Gas System Ops and Transmission	Pipeline Construction and Maintenance	Fulltime-Regular	39,300	62,125	NXTL
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	39,200	61,907	NXL
1	Engineering & Support	Engineering Specialist	Fulltime-Regular	39,140	61,673	NXTL
1	Gas Distribution	Senior Distribution Dispatcher	Fulltime-Regular	39,000	61,651	NXJ
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	38,970	61,634	NXJ
1	Gas Distribution	Senior Distribution Dispatcher	Fulltime-Regular	38,800	61,355	NXJ
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	38,785	61,280	NXL
1	Administrative Support	Regulatory/Legal Coordinator	Fulltime-Regular	38,750	61,258	NXK
1	Customer Service - Accounts & Billing	Customer Billing Services Rep	Fulltime-Regular	38,730	61,224	NXL
1	Customer Service - Call Center	Customer Relations Clerk	Fulltime-Regular	38,721	61,210	NXL
1	Finance, Accounting, and Planning	Cash Disbursement Coordinator	Fulltime-Regular	38,623	60,897	NXL
1	Thermal Operations	Material Inventory Adm	Fulltime-Regular	38,509	60,875	NXL
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	38,455	60,780	NXJ
1	Gas Distribution	Distribution Dispatcher	Fulltime-Regular	38,218	60,418	NXL
1	Finance, Accounting, and Planning	Risk Management Pool Representative	Fulltime-Regular	38,082	60,168	NXK
1	Customer Service - Call Center	Client Eligibility Services Tier 2	Fulltime-Regular	38,033	60,123	NXK
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	38,019	60,100	NXJ
1	Finance, Accounting, and Planning	Risk Management Pool Representative	Fulltime-Regular	37,975	60,031	NXK
1	Finance, Accounting, and Planning	Risk Management Pool Representative	Fulltime-Regular	37,898	59,909	NXK
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	37,837	59,813	NXL
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	37,652	59,521	NXJ
1	Customer Service - Call Center	Client Eligibility Services Tier 2	Fulltime-Regular	37,550	59,369	NXK
1	Information Systems	Administrative Services Specialist	Fulltime-Regular	37,544	59,350	NOXN
1	Gas Distribution	Distribution Dispatcher	Fulltime-Regular	37,500	59,280	NXL
1	Customer Service - Call Center	Customer Account Services Tier 1	Fulltime-Regular	37,448	59,185	NXL
1	Gas Distribution	Distribution Dispatcher	Fulltime-Regular	37,349	59,041	NXL
1	Finance, Accounting, and Planning	Risk Management Representative	Fulltime-Regular	37,349	59,041	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	37,341	58,929	NXL
1	Finance, Accounting, and Planning	Treasury Associate	Fulltime-Regular	37,077	58,611	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 2	Fulltime-Regular	36,740	58,079	NXK
1	Finance, Accounting, and Planning	Revenue Protection Investigator	Fulltime-Regular	36,602	57,880	NXK
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	36,555	57,788	NXJ
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	36,491	57,685	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	36,453	57,625	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 2	Fulltime-Regular	36,403	57,548	NXK
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	36,314	57,405	NXL
1	Gas Distribution	Distribution Dispatcher	Fulltime-Regular	36,256	57,313	NXL
1	Customer Service - Call Center	Customer Relations Team Leader	Fulltime-Regular	36,200	57,225	NXJ
1	Finance, Accounting, and Planning	Field Collector	Fulltime-Regular	36,200	57,225	NXL
1	Administrative Support	Security Officer	Fulltime-Regular	36,072	57,023	NXN
1	Finance, Accounting, and Planning	Risk Management Pool Representative	Fulltime-Regular	36,000	56,909	NXK
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	35,287	55,750	NXL
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	35,231	55,693	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	35,221	55,677	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	35,050	55,407	NXL
1	Administrative Support	Administrative Assistant Treasury &	Fulltime-Regular	35,020	55,360	NXL
1	Customer Service - Call Center	Customer Account Services Tier 2	Fulltime-Regular	34,820	55,043	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	34,813	55,032	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	34,781	54,982	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	34,743	54,922	NXL
1	Customer Service - Call Center	Customer Relations Cashier	Fulltime-Regular	34,550	54,817	NXN
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	34,193	54,052	NXL
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	33,968	53,693	NXJ
1	Customer Service - Call Center	Customer Relations Receptionist	Fulltime-Regular	33,885	53,632	NXO
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	33,768	53,380	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	33,758	53,380	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	33,455	52,886	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	33,001	52,168	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,992	52,154	NXL
1	Customer Service - Call Center	Customer Account Services Tier 2	Fulltime-Regular	32,920	52,040	NXL
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	32,728	51,730	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,639	51,599	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,639	51,599	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,639	51,599	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,639	51,599	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,639	51,599	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,628	51,579	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,607	51,549	NXL
1	Administrative Support	Security Officer	Fulltime-Regular	32,158	50,801	NXN
0.9	Administrative Support	General Office Security Guard	Parttime-Regular	47,133	50,738	NXO
0.5	Administrative Support	General Office Security Guard	Parttime-Regular	47,133	50,738	NXO
0.5	Administrative Support	General Office Security Guard	Parttime-Regular	47,133	50,738	NXO
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	32,040	50,648	NXL
1	Customer Service - Call Center	Customer Account Services Tier 2	Fulltime-Regular	32,000	50,588	NXL
1	Customer Service - Call Center	Customer Account Services Tier 2	Fulltime-Regular	32,000	50,588	NXL
1	Customer Service - Call Center	Customer Account Services Tier 3	Fulltime-Regular	31,914	50,450	NXL
1	Customer Service - Call Center	Client Eligibility Services Tier 1	Fulltime-Regular	31,689	50,092	NXL

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Count	Functions	Job Description	Employment Status	Base	Loaded (Full time = Base, insurance, pension, thrift, other benefits, nonproductive loading, and Payroll taxes, Part time = Payroll taxes)	Grade
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	32,884		35,378 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	32,884		35,378 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,307		34,778 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,307		34,779 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,307		34,779 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,307		34,779 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,151		34,810 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,151		34,810 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	32,151		34,810 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,994		34,441 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,994		34,441 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,956		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,360		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,366		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,366		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,368		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,368		33,788 NXL
0.5	Gas Distribution	Meter Reader	Parttime-Regular	31,368		33,788 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	30,979		33,349 NXL
0.5	Customer Service - Call Center	Customer Account Services Tier 2	Parttime-Regular	30,818		33,178 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	29,401		31,650 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	29,401		31,650 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	29,401		31,650 NXL
0.5	Gas Distribution	Distribution Dispatcher	Parttime-Regular	29,401		31,650 NXL
0.5	Customer Service - Accounts & Billing	Customer Billing Services Rep	Parttime-Regular	29,401		31,650 NXL
0.5	Gas Supply & Capacity Management	UGS Facility Maintenance Technician	Parttime-Regular	28,944		31,158 NXM
0	Engineering & Support	Intern	Parttime-Temporary	18,720		20,152 UNGR
				\$44,828	\$70,863	

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Bennett, Bryan

From: Halsworth, Lisa [L.Halsworth@citizensenergygroup.com]
Sent: Friday, March 26, 2010 5:09 PM
To: Bennett, Bryan
Cc: Hummel, Robert; Underwood, Jodi L.; Miles, Craig
Subject: Staffing Baseline Spreadsheet

Hi Bryan,

I learned all about how Citizens does their benefit loads accounting and what gets charged to each organization - what is on that R&R report. The short answer is they use a budgeted percentage to cost benefit and tax loads to the organizational level.

The accountant's explanation is:

"The "actual" loading % excludes any over/under budget variances for benefit costs. For example, health insurance costs may have been greater than budget but most divisions would leave that variance as "unloaded costs". If there was a large unfavorable variance in insurance costs, this could cause the "actual" loading % to be lower than what it could be if that variance was "loaded". Only Gas Division trues up those loadings with any budget variances in benefit costs. I think that you are better off using the budgeted loading %s."

Looking at what was previously submitted, it does appear that was the way the benefit load was calculated the last time. I must have had my cursor in the wrong box when I first looked at the spreadsheet, because I did not see the formulas. But when I went back to your spreadsheet to duplicate the format for this spreadsheet, I did see that they did use one number (54.79%) for all full time employees and the tax only (7.65%) for the part time employees. Therefore it makes sense to use the FY2010 budgeted amounts of 50.43% benefit loads and 7.65% tax loads.

Lisa

4/13/2010

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**CITIZENS GAS & COKE UTILITY
CALCULATION OF FRINGE BENEFITS LOADINGS %
2010 using FY10 Budgeted Wages and Benefits**

Final

Based on 2010 budget data as of 11/11/09

ACCOUNT	DESCRIPTION	CORP	GAS	STEAM	CHILLED WATER (WSPCV exp's only)	MFG	OIL	TOTAL
1	926020 Employee Insurance	\$ 2,475,840	\$ 4,100,000	\$ 949,428	\$ 257,124	\$137,091	\$ 30,000	\$ 7,949,463
2	926080 Employee Life Insurance	\$ 19,992						\$ 19,992
3	926040 Disability Insur - Long Term	\$ 53,040	\$ 5,004	\$ 8,972				\$ 84,416
4	926030 Disability Insur - Short Term	\$ 21,216	\$ 11,676	\$ 6,036				\$ 38,928
5	926100 Workmans Comp Self Insurance	\$ 24,924	\$ 212,659	\$ 91,128	\$ 4,118		\$ 4,800	\$ 337,627
6	926050 Employee Thrift Plan	\$ 826,128	\$ 446,810	\$ 182,019	\$ 65,843	\$10,762	\$ 14,807	\$ 1,224,857
7	926090 Deferred Compensation	\$ 130,000	\$ 35,094	\$ 27,516	\$ 20,134			\$ 212,744
8	926055 Supplement Restoration Plan	\$ 827,078						\$ 827,078
9	926080 Post Retirement Benefits	\$ 179,660	\$ 743,716	\$ 241,908	\$ 42,732	-\$40,000	\$ 18,000	\$ 1,182,912
10	926070 Employee Pension	\$ 3,900,488	\$ 4,806,798	\$ 1,012,934	\$ 254,004	-\$4,178	\$ 42,900	\$ 10,112,855
11	926999 Earned Vacation Not Taken	\$	\$ 90,000					\$ 90,000
12	TOTAL BENEFITS	\$ 7,857,268	\$ 10,851,757	\$ 2,497,341	\$ 843,763	\$ 103,665	\$ 107,318	\$ 21,761,000
13	Budgeted Regular F-T wage exp	\$17,803,838	\$14,671,428	\$ 5,589,746	\$ 1,890,576	\$537,612	\$310,102	40,803,101
14	Budgeted Wages to capital/other	\$108,181	\$1,750,000	\$ 130,996	\$ 229,410		\$0	2,218,587
15	Total Regular Wages	\$17,911,789	\$16,421,428	\$ 5,720,742	\$ 2,119,986	\$537,612	\$310,102	\$43,021,688
16	Budgeted Paid Absent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Budgeted Regular F-T wage exp, PTO, + OT	\$17,911,789	\$16,421,428	\$ 5,720,742	\$ 2,119,986	\$537,612	\$310,102	\$43,021,688
18	Budgeted Overtime	\$ 145,647	\$ 2,142,737	\$ 335,758	\$ 454,748		\$ 38,771	\$ 3,115,661
19	Total Regular F-T wage, PTO, + OT	\$ 18,057,436	\$ 18,564,165	\$ 6,056,488	\$ 2,588,734	\$ 537,612	\$ 348,873	\$ 46,137,298
20	Estimated NonProductive @ 11.00%	1,970,295	1,805,357	629,281	232,538	59,197	34,111	4,731,720
21	Productive Wages w/o PTO, + OT	\$16,087,141	\$16,758,808	\$ 5,427,207	\$ 2,356,196	\$ 478,415	\$ 314,762	\$ 41,405,578
	Total Wage expense - estimated NonProductive wages							
	% LOADING ON WAGES							
22	Employee Insurance	26.46%	34.62%	22.42%	14.99%	4.00%	18.07%	27.98%
23	Employee Life Insurance	14.49%	28.36%	18.41%	12.36%	25.50%	11.22%	19.55%
24	Disability Insurance	2.91%	2.41%	2.68%	2.55%	2.00%	4.21%	2.88%
25	Workmans Comp Self Insurance	0.00%	0.62%	0.00%	0.00%	0.50%	0.00%	0.24%
26	LOADING % ON ANNUAL WAGES	43.85%	64.01%	43.51%	29.91%	32.00%	34.10%	60.43%
	% LOADING ON CHARGE PER HOUR							
27	PROD LABOR	43.85%	64.01%	43.51%	29.91%	32.00%	34.10%	60.43%
28	NON-PROD LABOR	12.38%	12.38%	12.38%	12.38%	0.00%	12.38%	12.38%
29	TOTAL	56.21%	76.37%	55.87%	42.27%	32.00%	46.46%	62.78%

1 Productive Wages is derived by taking the budgeted wages for productive and paid absent and then calculating an estimated Nonproductive component. This is necessary because many departments budget their wages in total, rather than breaking out the paid absent piece separately.
 2 Under Oracle system, the actual "payroll taxes" paid by employees are charged directly by the payroll system to the accounts where the employee charged their wages in each pay period, whether to capital or expense accounts. Likewise, the "benefit loadings" are also charged to the accounts where the employee charged their wages in each pay period, via an Oracle table-driven burdening procedure.

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CEG Variable A&G Analysis

Corporate Labor + Consolidated Operations	315
Total A&G	\$ 12,878,689
Variable A&G	\$ 5,287,357
Variable A&G/Employee	\$ 16,785

Expense Type	Expense	% Variable	Variable (\$)
1024 - Other/Misc	\$ 5,759,074	20%	\$ 1,174,851
1025 - Postage	\$ 1,217,056		\$ -
1031 - Telephone	\$ 847,928	100%	\$ 847,928
1001 - Admin & General Employee Expense	\$ 604,449	100%	\$ 604,449
1011 - Employee Dues & Memberships	\$ 541,515	100%	\$ 541,515
1034 - Utilities	\$ 515,669		\$ -
1005 - Business Travel Expense	\$ 393,126	100%	\$ 393,126
1003 - Billing/Printing	\$ 390,000		\$ -
2319 - Permits, Licenses & Fees	\$ 332,197		\$ -
1023 - Office Supplies	\$ 303,829	100%	\$ 303,829
1035 - Commissions	\$ 303,600	100%	\$ 303,600
1009 - Copying Machine	\$ 218,000		\$ -
1028 - Seminars	\$ 198,469	100%	\$ 198,469
1030 - Telecommunications Equipment	\$ 164,495	100%	\$ 164,495
0112 - Uniforms & Safety Shoes	\$ 164,198	100%	\$ 164,198
1102 - Occup Exp - Electricity	\$ 156,000	100%	\$ 156,000
1010 - Direct Mail	\$ 141,680		\$ -
1021 - Mileage Reimbr	\$ 136,620	100%	\$ 136,620
1020 - Meals and Entertainment	\$ 104,593	100%	\$ 104,593
1103 - Occup Exp - Gas	\$ 61,200	100%	\$ 61,200
1007 - Contract/License Fee	\$ 54,996		\$ -
1026 - Publications	\$ 36,512		\$ -
2313 - Electric Power	\$ 35,992	100%	\$ 35,992
1012 - Food Service	\$ 33,906	100%	\$ 33,906
0114 - Meal Allowances	\$ 24,877	100%	\$ 24,877
1033 - Trade Association Dues	\$ 21,000		\$ -
1054 - Post Offer Physical	\$ 19,552	100%	\$ 19,552
1022 - Office Furniture & Equipment	\$ 17,698		\$ -
0162 - Expense Reimbursement	\$ 16,921	100%	\$ 16,921
1008 - Contributions and Donations	\$ 13,276		\$ -
1016 - Janitorial Cleaning Supplies	\$ 10,718		\$ -
1004 - Books & Periodicals	\$ 9,822		\$ -
1032 - Telephone Directory	\$ 9,000		\$ -
1101 - Occup Exp - Water	\$ 8,600		\$ -
1006 - Code Updates & Publications	\$ 6,240		\$ -
1051 - DOT Drug Screening	\$ 3,400		\$ -
1013 - Freight and Express	\$ 3,000		\$ -
1052 - Drug & Alcohol Screening	\$ 1,236	100%	\$ 1,236
0103 - Employee Awards	\$ 245		\$ -

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Indianapolis Department of Waterworks
Cause No. 43645
2009 General Rate Case
Cost of Service Study Workpapers

Workpaper WP-1
Billing Detail (Included on CD)

FILED
OCT 23 2009
INDIANA UTILITY
REGULATORY COMMISSION

528

Please fill in the following information:

- 1. Number of full-time employees 7
- 2. Number of part-time employees 1
- 3. Number of union employees _____

Please complete the following information. Column A is the number of employees in that salary range. Column B is the total gross dollar amount paid to those employees in that pay category. Column C is the total dollar cost for fringe benefits for employees in that salary range:

Salary Range	Number of Employees Column A	Salary Column B	Cost of Benefits Column C
500000+			
450,001 -- 500,000			
400,001 -- 450,000			
350,001 -- 400,000			
300,001 -- 350,000			
250,001 -- 300,000			
200,001 -- 250,000			
190,001 -- 200,000			
180,001 -- 190,000			
170,001 -- 180,000			
160,001 -- 170,000			
150,001 -- 160,000			
140,001 -- 150,000			
130,001 -- 140,000	1	\$ 135,000	\$ -
120,001 -- 130,000			
110,001 -- 120,000			
100,001 -- 110,000	1	\$ 109,647	\$ 1,673
90,001 -- 100,000			
80,001 -- 90,000			
70,001 -- 80,000	1	\$ 72,100	\$ 14,545
60,001 -- 70,000			
50,001 -- 60,000	2	\$ 111,239	\$ 21,635
40,001 -- 50,000	1	\$ 40,845	\$ 3,077
30,001 -- 40,000	2	\$ 72,509	\$ 24,355
20,001 -- 30,000			
10,001 -- 20,000			
0 -- 10,000			

This information is requested pursuant to I.C. 8-1-2-48.

DOW Variable A&G Analysis

Corporate Labor + Consolidated Operations		6
Total A&G	\$	601,288
Variable A&G	\$	55,347
Variable A&G/Employee	\$	9,225

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DOW A&G Line Items - Statement of Cash Flows

Operating Expenses	Twelve Months Ended 12/31/2009	
Miscellaneous Expenses	53,260	Variable
Supplies	2,088	Variable
IDEM Fees	284,295	
IUPPS	261,646	

DPW Variable A&G Analysis

Corporate Labor + Consolidated Operations
 Total A&G
 Variable A&G
 Variable A&G/Employee

08
 3,058,309
 342,416
 5,038

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Sum of 2010 Adopted Budget	Subject Title	Total	Variable %	Variable \$
Char Title	DIRECTOR'S OFFICE	2318957	2%	\$ 46,339
INTERNAL CHARGES	DIVISIONAL INTERNAL CHARGE	442584	2%	\$ 8,852
INTERNAL CHARGES Total		2769541		\$ -
MATERIALS AND SUPPLIES	BATTERIES	500	100%	\$ 500
	COMPUTER SUPPLIES	300	100%	\$ 300
	DRAFTING SUPPLIES	0		\$ -
	FIRST AID SUPPLIES	100	100%	\$ 100
	FOOD AND ICE	650	100%	\$ 650
	FORMS, LICENSES AND OFFICIAL DECALS	43		\$ -
	GENERAL BUSINESS SUPPLIES	6460	100%	\$ 5,450
	JANITORIAL SUPPLIES	2300		\$ -
	KITCHENWARE AND SUPPLIES	0		\$ -
	MAGNETIC TAPES AND DISKETTES	100	100%	\$ 100
	NURSERY STOCK AND SUPPLIES	600	100%	\$ 600
	OTHER CHEMICAL AND LAB SUPPLIES	800	100%	\$ 800
	OTHER GENERAL OFFICE SUPPLIES	700	100%	\$ 700
	OTHER INSTL, MEDICAL & FOOD SUPPLIES	400	100%	\$ 400
	OTHER MATERIALS AND SUPPLIES	0		\$ -
	OTHER MEDICAL AND DENTAL SUPPLIES	0		\$ -
	OTHER PERSONAL SUPPLIES	0		\$ -
	OTHER REPAIR PARTS AND TOOLS	0		\$ -
	PHOTOGRAPHY SUPPLIES	100		\$ -
	PRINTER SUPPLIES	2800	100%	\$ 2,800
	PRINTING COPYING & BLUEPRINTING SUPPLIES	600	100%	\$ 600
	TEACHING, TRAINING & TESTING MATERIALS	275	100%	\$ 275
MATERIALS AND SUPPLIES Total		15618		\$ -
OTHER SERVICES AND CHARGES	AIR FARE	1700	100%	\$ 1,700
	AUTO MILEAGE-IN COUNTY	700	100%	\$ 700
	AUTO MILEAGE-OUT OF COUNTY	200	100%	\$ 200
	CAR WASHES	200	100%	\$ 200
	CONFERENCE REGISTRATION	3750	100%	\$ 3,750
	CONSTRUCTION EQUIPMENT RENTAL	400	100%	\$ 400
	COPYING SERVICES	7000	100%	\$ 7,000
	ELECTRIC	30000	100%	\$ 30,000
	ELECTRONIC MEDIA	5000	100%	\$ 5,000
	EMPLOYEE LICENSE REIMBURSEMENTS	0		\$ -
	GROUND TRANSPORTATION	200	100%	\$ 200
	INSTRUCTORS FEES	1500	100%	\$ 1,500
	LEGAL NOTICES	400	100%	\$ 400
	LICENSES & PERMITS	84700	100%	\$ 84,700
	LODGING	2100	100%	\$ 2,100
	MAGAZINES	250	100%	\$ 250
	MEALS	1250	100%	\$ 1,250
	MEMBERSHIP DUES	2500	100%	\$ 2,500
	NEWSPAPERS	400	100%	\$ 400
	OTHER PERIODICALS	600	100%	\$ 600
	OTHER PRINTING SERVICES	1000	100%	\$ 1,000
	OTHER TRAVEL AND MILEAGE	200	100%	\$ 200
	PLANNING & DESIGN	150000	100%	\$ 150,000
	PROCESSING OF RECYCLABLE	0		\$ -
	SCREEN PRINTING	0		\$ -
	STORMWATER UTILITY FEES	0		\$ -
	UTILITY LATE FEES	0		\$ -
OTHER SERVICES AND CHARGES Total		274050		\$ -
PROPERTIES AND EQUIPMENT	AUDIO VISUAL EQUIPMENT	600		\$ -
	CHAIRS, DESKS, TABLES & BOOKCASES	2000		\$ -
	OTHER FURNISHINGS AND OFFICE EQUIPMENT	500		\$ -
	OTHER IMPROVEMENTS	0		\$ -
	PRINTERS	6000		\$ -
PROPERTIES AND EQUIPMENT Total		9100		\$ -
Grand Total		3058309		\$ -

Tab: United Statement of Operations

United Loading Rate Analysis
Salaries and Wages (from 2009 Financials) \$11,320,306
Benefits (from 2009 Financials) \$4,452,804
Implied Loading Rate 39%

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Tab: Veolia FY09 Expense

YWH Loading Rate Analysis
Salaries and Wages (from 2009 Financials) \$19,633,326
Benefits (from 2008 Financials) \$7,634,498
Implied Loading Rate 39%

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I. Synergy Summary

II. Synergy Details

III. Cost-to-Achieve

IV. Cost Baseline

V. Appendix

A. Staffing

B. Salary

C. Additional Supply Chain Analysis

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