



MERGER NEWS

Published to answer questions and inform Sierra Pacific Power Co. and Washington Water Power employees about our merger. March 21, 1995

CEOs begin defining leadership selection process

Last week in San Francisco, CEOs Paul Redmond and Walt Higgins began their work to define the screens and selection process for the new company's top leadership team. The effort began just days after meetings with the Joint Steering Committee and core employee transition teams to develop the first "snapshot" of the new company. Working with human resources consultant Bob Marshall of the Marshall Group and organizational change expert Rich Moran of Price Waterhouse, the CEOs established a schedule and approach to this step in shaping our new company.

Defining officer positions and profiles

While line of business leadership positions are known, leadership of the corporate staff work has yet to be organized. The CEOs have asked for the transition teams' input on how these officer positions might best be structured as to location and mix of responsibilities.

The employee teams will also work with the staffing committees to profile the generic competencies of the new company's leadership. These first drafts of officer structure and position profiles will be reviewed by the current executives. Paul and Walt will use all the input gathered to define their preferred approach during an

early April meeting with the consultants.

Once affirmed by the compensation and organization committees of each company's board of directors, the next step will be to complete the profiles and competencies specific to each position. The transition teams have also been asked to initiate this work. The CEOs will again work with the consultants to finalize the position profiles in time for review by the full board of directors at meetings scheduled in May.

Initiating the selection process

With the board of directors' approval, the final officer organization and position profiles will be announced in mid-May. All employees currently in leadership positions will then be invited to review the position profiles and expectations and express their interest in serving as an officer in the new company. The process will follow that proposed for all other positions (see March 13 Merger News). Using the position profiles as the leadership screen, the CEOs will interview the top three candidates for each position during June and July and be prepared to announce the new company's officer team in early August. ■

Conferences initiate first step toward vision of new company

Commitment is the foundation of our new company on our path to becoming the recognized standard in the energy service industry. Merging our companies organizationally in the first step; the next is to blend culturally and unify our commitment around the new vision.

To this end, and to help transition teams in their implementation planning, employee conferences will be held in Spokane and Reno over the next few weeks. Various employees, transition teams, management representatives, the Transition Management Team, HR sub-committee members and officers will be involved.

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