WWP CONNECTIONS
Engaging Employees in the Business of Washington Water Power

Issue Number Three *March 1995*

Quotables

"This change from sales to marketing is not merely a matter of terminology, but stems from a realization that today's competitive business climate demands a new concept. Yesterday's way of doing business will not meet the challenge of today's marketing-oriented economy."

—Mason C. Albrittain, who in 1965 was vice president of Baltimore Gas and Electric Company.

From the Nov. 11, 1965 *Public Utilities Fortnightly*

COMPETITION

WWP goes the extra mile and wins the new Mead high school contract

What does it take to win new business in a competitive situation?

As the WWP employees who worked on the successful bid to serve the new Mead high school can tell you, it takes listening to the customer's needs, being responsive as well as flexible and providing the services, expertise and long-term stability the customer wants.

Ed Arnhold, marketing representative and project lead, worked with Mead School District representatives for more than two years to secure the contract, which will generate about $210,000 of revenue annually. That means an annual electric load of 3 million kilowatt hours and natural gas usage of 160,000 therms each year.

And because it was a competitive situation with another local utility, Arnhold said the school district closely analyzed everything from long-term price stability to customer services offered.

Listening to Mead's needs

"This is the first time Mead has had the opportunity to choose who would provide their energy services, so it was an educational process from the beginning," Arnhold said. "It was imperative to listen to what their needs were and even help them develop needs they might not have considered. Because bottom line—Mead had a choice."

The metaphor Arnhold uses to describe the situation is shopping for a car. If a salesperson is only talking about engine performance and the customer really asked if the car gets good gas mileage, the salesperson isn't listening. And chances are the customer will walk away unsatisfied and the salesperson will lose the deal.

To ensure WWP met Mead's needs, Arnhold listened to their questions and helped to develop a list of factors the district should consider before selecting their utility company. For example, where does the majority of the company's generation come from? What kind of rate structure is offered to commercial customers? What options are available for heating sources? And, are there programs offered for energy conservation?

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In This Issue

Mead

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After creating this list of issues, Mead indicated several key areas where they wanted additional information such as rate schedule comparisons, construction cost estimates and future rate projections.

Responsive employees

With the assistance of several employees from throughout the company, Arnhold worked to answer Mead's questions. Several other employees offered their time and expertise on the project.

Doug Young from power supply attended the proposal presentation and addressed resource supply issues of interest to the district. Pete Kerwien, business strategist, met with the administration and school board and discussed the possibility of piloting an educational program for high school students. The proposed program would create a partnership between the school and various business leaders to find ways to better prepare students for the workforce.

"We're hoping this program will bring the classroom and workplace closer together," Kerwien said. "Not only will it increase the interface of WWP with students, but it will enhance our relationship with the school district."

Other employees who offered their time to secure the new Mead high school contract include:

Dave DeFelice—marketing
Art Dorval—construction
Blaine French—DSM
Darrel Padayao—DSM
Joan Peters—marketing
Debbie Simock—public relations
Mark Wallace—construction

Long-term price stability

While WWP worked diligently to meet the school district's needs through innovative partnerships, another major deciding factor was WWP's ability to provide long-term price stability.

Arnhold said he also emphasized with Mead how WWP is undergoing redesign to better serve customers. And he explained how the proposed merger with Sierra Pacific will help the company remain as a low-cost, high-quality energy service provider.

Mead construction manager John Dormaier said the school considered WWP's diverse resource mix, the rate structure and WWP's ability to maintain price stability over a 50-year period, which is the estimated longevity of the energy services contract.

"We looked at how WWP is aggressively taking steps to manage their business through actions like the merger," Dormaier said. "Also, WWP serves all but one of the Mead schools and we have been satisfied with the support and services WWP has provided over the years."

The domino effect

With the new Mead high school contract, WWP is also now in a position to provide energy services to other residential growth that could occur because of the new school construction.

"Customer choice is the essence of how the utility industry is changing and what will drive it in the future," said Dan Loewen, marketing. "We cost-effectively competed for a customer and will have an even better chance now to serve future customers in that area."

The lessons learned from the Mead project will be applied in future competitive situations, Loewen said.

"We found out what the customer wanted and found ways to deliver," he said. "The focus and sustained effort Ed Arnhold brought to this situation is a formula for future successes."

To serve the school, WWP will build about a half mile of three-phase 115 kilovolt electrical lines and extend the natural gas main line about a half mile. ■

CONNECTIONS

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Building relationships with the media, 24 hours a day

Reporters have an important job to do by gathering and disseminating important news. And through the reporters' work, the media helps shape public opinion—which can have a dramatic impact on our success as a company.

How well the company answers reporters questions can have a direct bearing on how a story is reported to the public. That's why WWP has a media relations program and trained individuals to respond to reporter inquiries. Using cooperation, responsiveness and honesty when working with the media in the end will help to produce more balanced, fair story placement and enhanced visibility about the company and its employees and services.

How WWP responds to the media

In general, all media inquiries are received by Dana (Williams) Anderson in the public relations department. Channeling the media requests through a centralized source ensures the company responds to the media in a timely, consistent and accurate way. It also helps protect employees and ultimately the company from responding in an unprepared manner.

Depending on the request, Anderson either serves as the spokesperson or finds an appropriate company source.

For example, in the case of an inquiry about a power outage, Anderson calls central dispatch and asks about the outage cause, location and impact and then relays this to the reporter. Or for example, in a case where a reporter is asking about details of a wholesale power contract, she recruits a technical expert from the wholesale marketing team to be the spokesperson. Her responsibility here is to coach and prepare the spokesperson for likely questions a reporter may ask and to help create company message points. To date, more than 100 employees at WWP and WPNG representing departments from operations to finance have attended an intensive one-day media training course.

Getting the message out

Message points or "aces" are those messages the company wants the media and its audiences to know and appreciate about the company. For example, when a reporter inquires about an environmental study the company is conducting, the spokesperson answers the questions, adding a message about the company's commitment to environmental stewardship.

Because of the nature of the utility business and the kinds of activities WWP is involved in, media inquiries about the company are abundant. In any given day, Anderson may receive as many as 20 requests for an interview, news releases, general company information or to film or photograph a site. The requests are generally local, but requests from national media outlets like *The Wall Street Journal* and the cable network *FX* are not uncommon.

Issue specific media inquiries are handled by public relations coordinators. They are responsible for responding to media requests for information and for preparing detailed media strategies specific to the issue they are covering.

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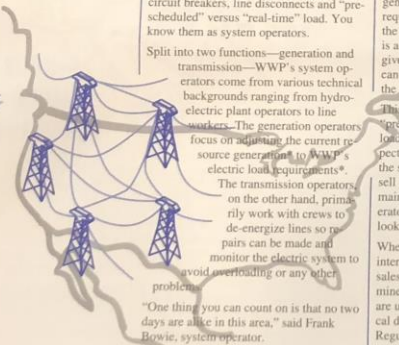
System operators work to ensure safety, efficiency

Twenty-four hours a day, 365 days a year, some of your fellow employees are monitoring WWP's electric generation and transmission systems to ensure both are working properly, safely and efficiently.

These employees work with information from computerized systems such as supervisory control and data acquisition or SCADA* and area control error or ACE*. They talk in terms of shut-down notices, circuit breakers, line disconnects and "pre-scheduled" versus "real-time" load. You know them as system operators.

Split into two functions—generation and transmission—WWP's system operators come from various technical backgrounds ranging from hydro-electric plant operators to line workers. The generation operators focus on adjusting the current resource generation* to WWP's electric load requirements*. The transmission operators, on the other hand, primarily work with crews to de-energize lines so repairs can be made and monitor the electric system to avoid overloading or any other problems.



"One thing you can count on is that no two days are alike in this area," said Frank Bowie, system operator.

"The Generation Desk"

At midnight, the system operator on the generation desk begins a 24-hour pre-set schedule completed the day before by WWP's representative from the intercompany pool*. This schedule charts WWP's load estimates throughout the day, as well as any contracted purchases or sales from other utilities.

Using this schedule, the generation system operator's first responsibility is to meet WWP's customer load requirements.

"When a customer wants to turn on a light or the television, the power has to be there," Bowie said.

Secondly, the operator works to adjust generation to meet WWP's current load requirements. When there is a surplus, the power is sold. Likewise, when there is a deficit, power is purchased. At any given point in time, the system operator can look at the ACE chart and determine the balance between load and resources.

This is where the term "real time" versus "pre-scheduled" comes from. When a load estimate is off because of unexpected weather or other circumstances, the system operator may need to buy or sell power to meet load requirements and maintain the balance. That means the operator gets on the telephone and starts looking for a solution.

When all is said and done, the real-time interchanges—whether purchases or sales—must be accounted for to determine the exact figures. These numbers are used for billing purposes and historical data required by the Federal Energy Regulatory Commission and the Western Systems Coordinating Council, said Kathy Locke of system operations.

While the generation desk system operator balances load requirements with resources, the transmission desk works on an entirely different aspect of WWP's electrical system.

"The Transmission Desk"

Walk into the system operations area with the large wall-sized map board of WWP's electrical system and you can see the scope of work which the employees at this desk are responsible.

As the chief system operator, Al Schrimsher is not only in a supervisory role, he also serves as the point of contact for any shut downs or planned outages that are needed to repair WWP's electrical system.

For example, if a car runs into a power pole, crews need to replace the pole and correct any problems with the electrical line or switch. Once the crew calls in a request for clearance, the chief system operator researches the prints showing the company's electrical system, finds a way to reconfigure the system so no customers are without service and provides a switching procedure to the transmission desk and the crew.

"We try to make sure no customers are put in the dark," said Rory Vinson, system operator. "Unless we are in an extreme emergency, customers are rarely without power for more than two minutes, as a last resort, and then are back on line."

By having a specific switching procedure, the transmission desk knows exactly when and where to de-energize the isolated section of WWP's electrical system with the assistance of the SCADA system. Once at the site where the lines have been de-energized, the switchman calls to verify that the line switches* have been properly opened and tagged for the line crew foreman.

"Our main concern is for the safety of the people doing the electrical work," Schrimsher said.

In addition to de-energizing lines for repair work, transmission operators monitor the entire system, troubleshooting for any type of problems. With the assistance of the SCADA system, which updates every four seconds with information supplied by remote terminal units*, system operators can decipher what electrical switches are opened or closed due to equipment failure, trees falling into lines or any number of other problems. In addition, SCADA provides other data about the electrical system that enables system operators to determine potential problems with overloading.

Continuous improvement

While generation and transmission system operators have distinct job responsibilities, both work on a five-week cycle which allows for four weeks of shift rotation and the fifth week of training and field work. This training week allows system operators to gather valuable information and stay up to date about WWP's electrical system.

"As system operators, we can see what's going on all over WWP's electric system while on the job at the main building and we learn about it when we go out into the field," Bowie said. "Because of that, we serve as a clearinghouse of information for the company. We work closely with all our adjoining utilities involved in switching procedures or in the transaction of power sales."

In addition, system operators will be able to do their jobs more effectively once the current SCADA system is upgraded. With the new PC-based SCADA planned for, system operators will receive more information, quickly and will be able to interface with WWP's mainframe computer system. ■

**** Refer to the glossary of terms***

System operators glossary of terms

Area Control Error (ACE): The instantaneous difference between actual and scheduled power interchange. ACE is calculated by the SCADA computer system and is displayed on a strip chart for visual monitoring by the generation dispatcher.

Automatic Generation Control (AGC): A software package on the SCADA computer that adjusts generation at selected projects to automatically follow changes in system load.

Intercompany Pool (ICP): Joint scheduling office located on the fourth floor of WWP's main office building. Scheduling representatives from Idaho Power, Montana Power, PacifiCorp, Portland General Electric, Puget Sound Power and Light, Sierra Pacific Power and WWP all reside here.

load: The amount of power required on the electric system at a given point in time.

overload: Excessive power flow through a portion on the electric system. Continued overloading can lead to lines sagging, equipment damage and other problems.

Remote Terminal Unit (RTU): Field SCADA equipment linked to the central SCADA computer via a communications path to facilitate remote device control/monitoring.

Supervisory Control and Data Acquisition system (SCADA): A computerized system of remote control and metering used to monitor and control WWP's electrical system.

WWP prepares for emergency situations with operations plan

It's 7:35 p.m. on Sunday, Feb. 12, and WWP's Spokane central dispatch area is bustling with activity. As many WWP employees enjoy a Sunday evening at home, central dispatcher Lorraine Monet is coordinating the restoration of an electric distribution system that has been battered all day by strong winds and frigid temperatures. At this point, a total of 60 employees from construction, customer service and system operations are counting on Monet to organize the most effective and efficient restoration program for an estimated 2,000 WWP customers who are currently without power.

Time after time when faced with challenging situations, WWP employees demonstrate their ability to overcome the odds and effectively mitigate emergencies. These abilities are due to the confidence in skills our employees hold, coupled with our commitment of empowerment which allows employees to put skills into action and make critical decisions quickly.

These unique skills of WWP employees are the foundation on which WWP's emergency plans are based—especially the recently updated Emergency Operations Plan or EOP.

EOP designed to mitigate catastrophes

Originally developed after Firestorm '91, the Emergency Operations Plan fortifies WWP's overall restoration strategies for major catastrophes. It is not designed to take over the hands-on management of electric and gas line functions, but instead ensures all the necessary resources are in place to facilitate the most efficient restoration of customer services. Essentially, the plan is a large emergency support mechanism for WWP operations.

The bulk of the plan is made up of checklists designed to remind supervisory and managerial employees of all their responsibility areas during an emergency. The checklists help eliminate miscommunication as well as duplication of duties—both of which were experienced during WWP's most recent major emergencies (Firestorm '91 and the Cold Snap of '89).

"As a company, we have always been confident that our employees can handle their responsibilities in intense or high-stress scenarios," said David Holmes, EOP coordinator. "The EOP simply gives these employees a reference and a forum to ensure all possible aspects of support for operations are being addressed."

In addition to checklists, the EOP includes procedures to initiate the Emergency Coordinating Center or ECC. Once the center is open, it serves as the location from which WWP's vice president of operations and customer delivery core process owner oversees the evaluation of contingencies with all the emergency coordinators from around the company. The atmosphere within the ECC would resemble a "war room", or perhaps more appropriate, a "storm room" like room 408 became during Firestorm '91.

Recent update added new sections

The EOP classifies emergencies at WWP into three levels (see related article on opposite page). Once a Level III emergency has been declared, the company's vice president of operations and customer delivery core process owner opens the ECC and begins to call in the company's emergency coordinators. Before this most recent update, the EOP only contained procedures and guidelines for Level III emergencies. However, now the plan contains the guidelines and processes employees in WWP's central dispatch area use during Level I and II events.

"Until this update we had steered clear of including guidelines for lower-level events within the EOP because in general our employees do a great job when these types of storms come through," Holmes said. "However, because of the crucial role central dispatch plays in the overall evaluation and management of most of our emergencies, we worked together with dispatch to integrate some high-level dispatch guidelines into our EOP structure."

This latest update of the EOP also includes two new informational charts. One shows the information flow as well as the decisions that must be made during the development of an emergency, while the other graphically describes the various responsibility areas for WWP's critical communication and data services.

Changes to be included in next EOP update

With the implementation of the new design for the company's customer delivery core process (Redesign) and the transition work now being completed for the merger, some of the titles and responsibility areas within this latest version of the EOP may be impacted. Holmes said these potential impacts will be addressed as the new design and merger work unfolds, but any changes will probably be held until the next update of the plan next year.

Employees encouraged to get involved

All WWP employees have the opportunity to be a part of the company's emergency planning function by participating in some operational training and being willing to be called in during emergencies. The EOP's Wire Guard and Damage Assessment training programs were developed two years ago in order to create a bank of employees who could provide public safety support for operations during large outages. Harold Wilkinson, construction services manager, manages these programs and plans to hold training sessions as soon as the training modules are updated.

If you have any questions regarding WWP's emergency planning efforts or would like to review a copy of the EOP, call Dave Holmes, Ext. 4682, or Jay Hopkins, Ext. 8586. For information on the Wire Guard or Damage Assessment programs, call Harold Wilkinson, Ext. 4066. ■

How WWP defines emergencies

WWP operations employees deal with various "emergencies" every day. Therefore during the development of the EOP, it was necessary to define exactly which types of emergencies the plan was designed to mitigate. Here are the EOP emergency classifications:

Level I

An incident requiring immediate action to prevent actual or potential loss, damage or danger, but limited in scope such that it can be handled by normal operations and routine procedures. Event usually affects one construction area. Outlying areas may require assistance. Average restoration time is less than 16 hours.

Example: Wind storm causes spot outages in Spokane. Spokane crews work into night to restore affected customers.

Level II

An incident requiring immediate action to prevent actual or potential loss, damage or danger, but somewhat beyond the scope of normal operations. Event usually affects more than one construction area. Work force may be shared between construction areas. Average restoration time is between 16 and 48 hours.

Example: Timely restoration of Coeur d'Alene/Kellogg customers after heavy snow storm requires assistance from Spokane and Palouse area crews.

Level III

A major incident requiring immediate action to prevent actual or potential loss, damage or danger, but of such magnitude that it is far beyond the scope of normal operations. This type of emergency requires extensive interdepartmental mobilization of personnel, materials and equipment in addition oration time is more than 48 hours.

Example: Every available WWP crew is working to restore the Spokane/Coeur d'Alene area after a harsh ice storm. WWP vice president of operations requests Puget Power & Light crews under Mutual Assistance Agreements.

Measuring Up

At WWP, we gauge our progress and success in a variety of ways. Some performance statistics of interest are provided below.

** WWP electric and natural gas customers only*

Media

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For example, Lisa Hildebrand, public relations coordinator and hydro relicensing team member, responds to all hydro relicensing inquiries. The value to WWP with this approach is strategic positioning and consistency of message delivery.

Media outreach

Taking a proactive approach to building company image is another key element of media relations. Anderson, with the help of other employees, conducts media outreach, which includes media tours and editorial board meetings. A media tour is just that, touring their place of business to build better relations and improve WWP's responsiveness. The tours also help to put a face with a name, present opportunities to learn about the reporters' job and the interests and needs of the news outlet.

Editorial board meetings provide WWP opportunities to introduce executives to editors of news outlets to discuss matters of importance to both the company and community.

In the past six months, CEO's Paul Redmond and Walt Higgins have conducted editorial boards with *The Spokesman-Review*, *The Moscow-Pullman Daily News*, *The Lewiston Tribune* and *The Coeur d'Alene Press* concerning the merger with Sierra Pacific. Results from the meetings were increased understanding of the merger benefits among these media outlets and its audiences along with several favorable editorials.

Improving access

Anderson made a recent improvement to media relations by implementing a 24-hour media access line. The phone line is designed to enhance responsiveness and access for the media particularly after business hours in the event of an emergency. The importance of providing this service is again to build media relations.

During business hours, all media calls are received through Anderson. After 5 p.m., an answering service forwards the media call to a rotating after-hours call list of company spokespeople.

Before the 24-hour line was installed, central dispatch filled the role of what the answering service now does. In some instances central dispatch even provided the media with information. The new system not only helps the media, but allows the dispatcher to do their job without interruption during an emergency.

For more about media relations at WWP or attending media training, please contact Anderson on Ext. 4174. ■

WWP CONNECTIONS

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