Presentation of Abstract Submission

To the Workshop For Research In Electricity Infrastructure Hardening

June 9, 2006

Gainesville, FL
Agenda

- DCI Background
- Experience and Research Proposal
  - Portfolio Analysis
  - Storm Benchmarking
  - Vegetation Management
  - Restoration Strategy Impact Analysis
  - Holistic Understanding of Cost vs Benefit
Davies Consulting Incorporated (DCI)

- DCI combines management consulting expertise with industry experience and decision support tools and analytic capabilities, to help our clients meet their goals.
DCI Research Capabilities

- Extensive utility consulting experience
  - Storm Restoration Best Practices
  - Reliability Performance Optimization
  - Operational Excellence
  - Process and Change Management Implementation

- Extensive database of utility best practices (Storm Benchmarking)

- Analytic methodologies
  - Portfolio Optimization
  - Simulation Modeling and Analysis

- Direct testimony in public utility service commission hearings
DCI Background with Storm Hardening

- Working With Utilities To:
  - Develop Storm Hardening Objectives
  - Create Strategic Plans for Hardening
  - Establish Common Definition of Storm Hardening
  - Identify and Prioritize Critical Assets to be Hardened
  - Understand Economic Implications and Risks Associated with Investment Decisions
Portfolio Analysis for Hardening Decision Support

- **Experience**
  - Capital and O&M portfolio prioritization
  - Reliability performance optimization model
  - Risk assessment and management methodologies

- **DCI Collaboration with PURC**
  - Work With PURC Participants To
    - Identify Critical Attributes of “Value” to Utility Companies
    - Create Multi-Attribute Utility Value Functions
    - Assess Cost Impact of These Attributes
    - Evaluate Risk of Courses of Action
  - Establish A Best Practice List of Attributes
Storm Benchmarking

- **Experience**
  - Database of restoration information including 33 major events for 19 major North American utilities
  - Understanding of data and benchmarking methodologies in the utility industry

- **DCI Collaboration with PURC**
  - Understand how database can be leveraged to support the hardening analysis
  - Expand database to include PURC participants
  - Enhance database by using probabilistic methodologies to allow for sensitivity analysis related to damage and restoration effort levels

---

Example of Benchmark Analysis
Vegetation Management

- Experience
  - Model that correlates VM spending and resulting reliability performance
  - Estimating VM program impact on future storm damage
  - In depth assessments of VM programs

- DCI Collaboration with PURC
  - Refine Effective Vegetation Management Strategies that will Complement Storm Hardening Efforts
  - Incorporate Probabilities of Severe Storms and the Damage Probability as a Result of Vegetation Management Decisions
  - Evaluate the Costs Associated with different VM alternatives
  - Assess Risk Associated With Decisions In Terms Of
    - Normal Day-to-day Vegetation Management
    - Severe Storm Vegetation Management
    - Catastrophic Storm Events
Hardening Strategy Impact Analysis

- **Experience**
  - Working with utility to develop Restoration Strategy Simulation Model
  - Inputs are: Damage Estimates, Network Characteristics, and Resource Requirement Estimates
  - Outputs
    - Restoration Timeline Down to circuit section level
    - Resource Utilization
    - Cost Implications of various Resource and Restoration Strategies

- **DCI Collaboration with PURC**
  - Research heuristic methodologies for resource allocation optimization
Holistic Analysis

- **Typical Storm Hardening Program Components**
  - Increase Pole Class
  - Shorten Span Length
  - Increase Guying
  - Larger Cross Arms
  - Enhance Vegetation Management
  - Underground lines
  - Relocate Rear Lot Construction to Front Lot

- **DCI Collaboration with PURC**
  - Use Expertise and Models to Support PURC Participant Storm Hardening Efforts to Identify Cost Effective Storm Hardening Techniques to:
    - Reduce the Number of Outages
    - Reduce Restoration Times
  - Assist the Evaluation of Storm Hardening Best Practices and Best Strategies
Discussion