



---

**Excerpts From Remarks by Don Shippar  
President and CEO – Allele – and Chairman of the Power  
Delivery Committee at the AEIC Annual Meeting  
October 16, 2003**

Our Committee holds two meetings each year....Our Committee members choose to be active with the Committee because we can offer a forum, an agenda, and an environment that we think is unique in our industry.

Our discussions cover all aspects of delivery and electric energy, from its source to the customer's premise. Our discussions don't start or end with just the physical electric delivery system, but cover areas such as customer service, regulatory and legislative issues, labor relations and safety programs for employees. Our membership typically consists of senior managers or officers who represent the areas of transmission, distribution, or customer service.

A timely topic we discuss is weather events such as ice storms, tornados and hurricanes -- *(that)* can often result in outages lasting several days or even weeks. Beyond the tremendous costs involved in restoring the systems and cleaning up the debris, there is high potential for regulatory and political fallout if utilities fail to meet the public's expectations during restoration.

By sharing the important lessons learned from these catastrophic events, it helps all of us to better prepare for the time when we will be faced with responding to widespread outages. The fallout from not adequately addressing political and regulatory expectations can often do more long-term damage than the storm that knocked out the power. Power Delivery Committee members have always shown a willingness to share what they could have done better in these situations, and what steps they are taking to avoid negative outcomes in the future.

If anything put a bright spotlight on our industry, it was the August 14<sup>th</sup> (2003) blackout. This widely reported event directly impacted several of our Committee members' companies and customers. And the result of these experiences was the focal point for our discussions.....The members involved in this discussion praised the fact that they all had previously developed and practiced emergency response procedures and black start processes for their companies and used them during the restoration. Committee members were urged to bring these messages back to their companies.

Tom May, Chairman and CEO of NSTAR, said in his opening address to our Committee meeting in Boston, that it's good to know leaders of the electric utility industry support the exchange of ideas and processes. The AEIC will continue to be a shining star in this area. And, the membership of the Power Delivery Committee is committed to the ongoing sharing of information among its members.

I'd like to share with you now some comments from our members, explaining how they feel about their membership and participation on the Power Delivery Committee:

“I have found the agendas to be more pertinent to the issues our company is facing than any other conference or workshop I’ve seen. Specifically, I have found the members to be very responsive to the few email surveys I have conducted. I found them to be a quick and cheap form of benchmarking.”

“The AEIC Power Delivery forum is ideal, because it allows for sharing of best practices and experiences. Those best practices in which I am interested include process and product discussions.”

“Last week I picked up two great ideas from a co-member that I’m bringing back for serious consideration.”

“It is one of the few committees or organizations that is only made up of peers and not contractors, suppliers, and consultants. That has allowed us to have very open and honest discussions about issues we all face.”

There is no better way to appreciate the value of the AEIC Committees than to become a participant. I was fortunate to have the opportunity to join the Committee in 1995, and it took only one meeting for me to be convinced of its value to Minnesota Power (*Allete*).

#

#

#