

Electric Utility Board Best Practices

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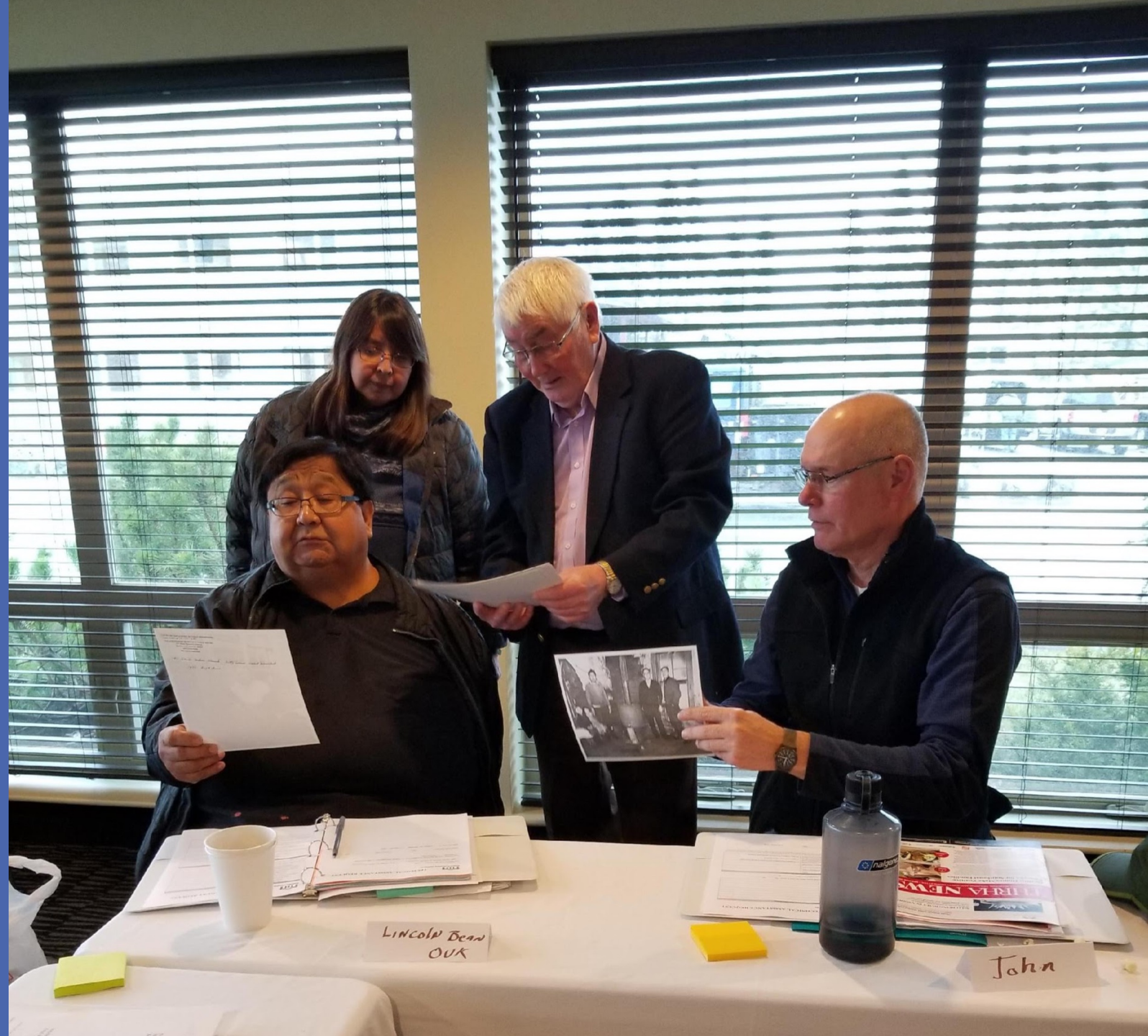
SAFE,
RELIABLE, &
AFFORDABLE
ENERGY
SOLUTIONS

Roles of the Electric Utility Board

POLICY MAKING

CONTROLLING

PLANNING



Ethical Issues

- Power:
 - To influence decisions
 - To make choices
 - To determine program direction
- Use of power can impact:
 - The utility
 - The staff
 - The community
 - YOU

Conflicts of Interest

When someone in a position of trust has competing professional and personal interests

When someone makes a decision in an official capacity and they, family members, or friends stand to profit personally

When your interests have the potential to conflict with the best interest of the organization or those you represent

Balance Interests

- Utility board must balance needs of customers with the needs of the utility
- Policies must be fair to all customers

General Goals of a Utility Board

- Safe, Stable, Reliable, and Affordable Energy
- Utility pay for itself
- Abide by all requirements of utility's CPCN

Policies

Why have policies

- Consistent decisions
- Impersonal decisions

Types of policies

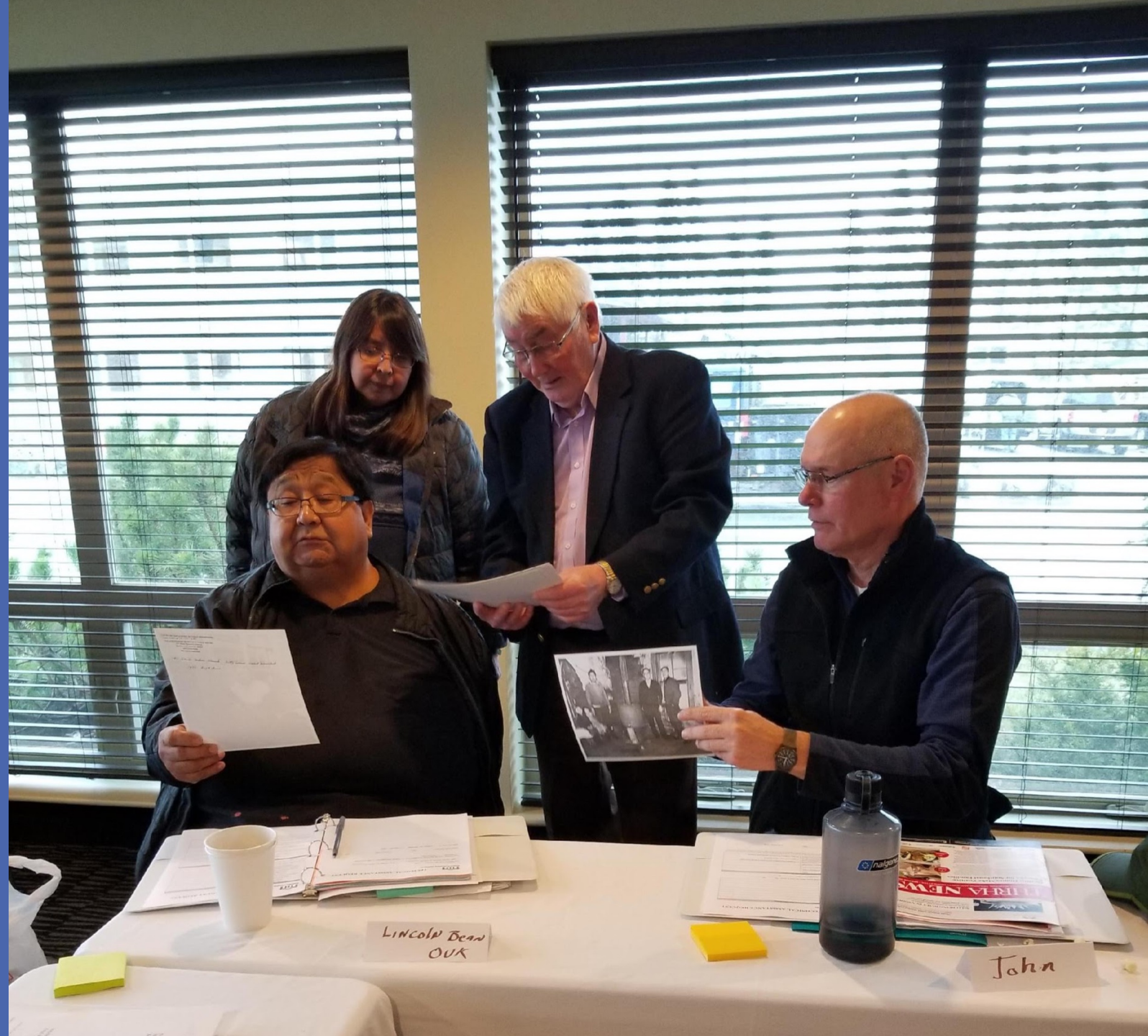
- Collections
- Grievances
- Budget
- Personnel
- Rate-setting
- Long-term planning
- Risk management
- Travel

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ROLE 2: Controlling

- Controlling = Monitoring
- Measuring Performance
- Tools:
 - Adequate metering and recordkeeping
 - Performance Reports
 - Periodic reports
 - Audit &/or audit prep

Recommended Reporting

- Monthly reports provided at each regular Board meeting
- Reports should be understandable and provide information that will assist the Board with making meaningful decisions
- Ensure that policies are being followed

Controlling - Monitoring

Monthly

- Financial and budget reports
- Operational status reports
- Other reports

Periodic program reports

- Special topics

Annual

- Annual Performance Report (APR)
- Audit reports

Gathering Data for Controlling

- Metering
- Accounting system
- Other system

Financial & Budget Management Reports

- Year-to-Date Revenue & Expenditure Report
- Budget to actuals
- Collections/Accounts Receivable Reports

Year-to-Date Budget Monitoring

- Reflects
 - Budget
 - Current Month Expenditure
 - Year-To-Date Expenditure
 - Balance
 - % Expended
 - % Completed

YTD REPORT: PERIOD: 10/01/18 – 7/31/18

COSTS	BUDGET	EXPENDED	REMAINING	%EXP	%CMPLT	COMMENTS
Personnel	142,500	132,200	10,300	93%	86%	Will be discussed at next Board meeting
Operating Expenses	32,100	14,500	17,600	45%	50%	Progressing as Planned
General & Administration	150,000	0	150,000	0	40%	Planning
Other	86,000	21,500	64,500	25%	25%	Education
TOTAL	410,600	168,200	242,400	41%		Reduction in scope of work or additional funds are needed

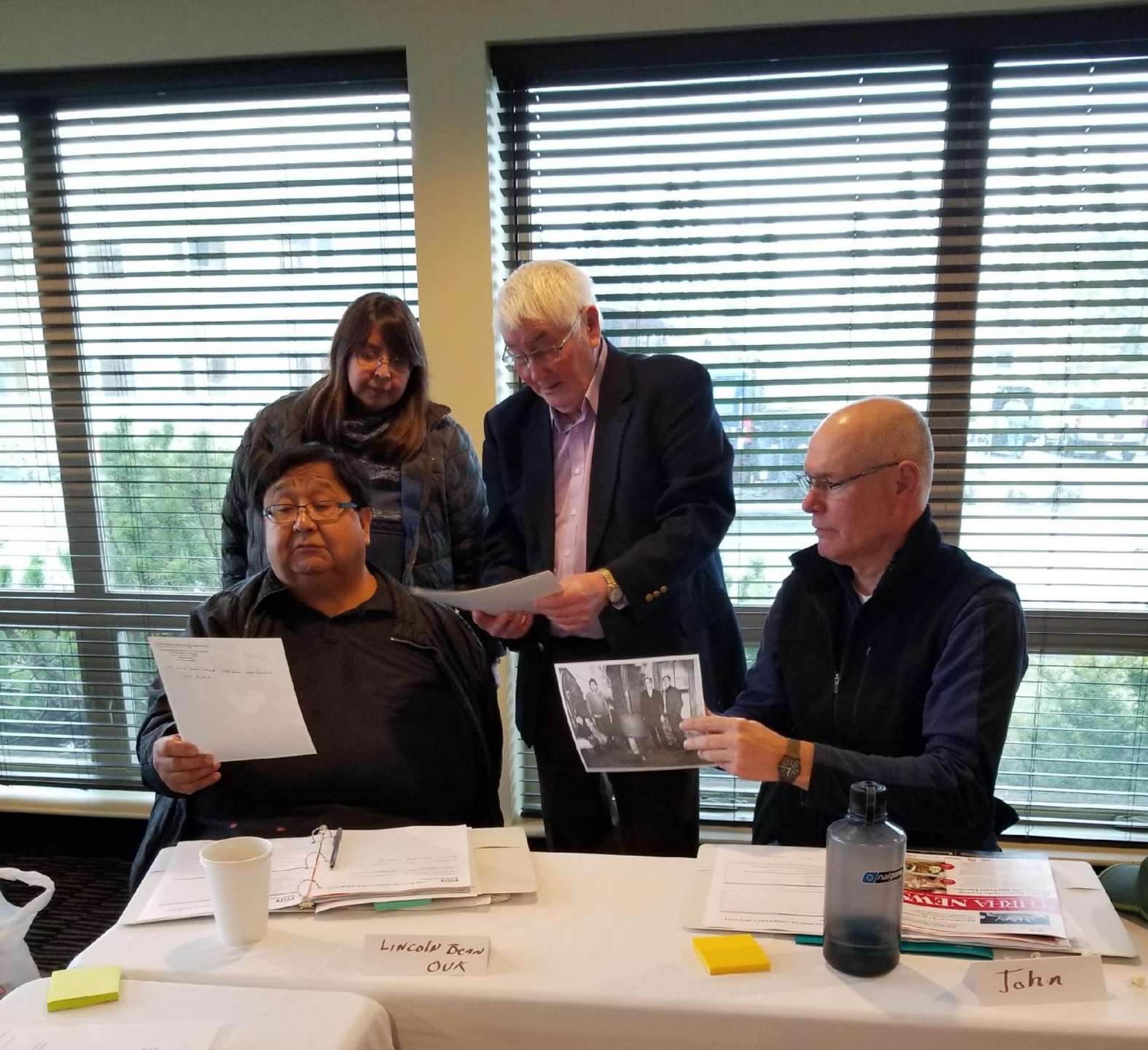


Operational Management Reports

- Outages
- Water levels
- Fuel levels
- Generation by source
- O&M reports
- Work Order Report

Other Management Reports

- Safety
- Project updates (budget, schedule)
- Utility needs that require board approval
- Recommendations



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Role 3:

Planning

- A ***pathway*** or route toward a desired environment
- A ***decision-making process*** through which a utility and utility board directs its actions in achieving goals toward the improvement
- A ***tool of*** change: change from existing conditions
- A ***continuous*** and ***dynamic*** process so therefore the planning effort must be kept current to correct errors in planning and to account for changing needs of the people

Best Practices for Planning

- Plan to plan—Be proactive
- Don't just focus on what can be financed by grants
- Gather data adequate and relevant for the the needs
- Explore all options
- Analyze and prioritize
- Get input from disinterested third parties

Analysis and Prioritization Process

Prioritizes issues that need to be addressed first, second, etc.

Lets you plan for the future by determining consistent patterns or emerging **utility** trends.

Prevents you from concentrating valuable resources on minor or imagined **utility** needs.

Financial Resources and Assistance

Alaska Energy Authority has resources for
assisting in planning process



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