

Guam Power Authority

Staffing and Productivity

September 2009



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Energy and Utilities

Staffing and productivity

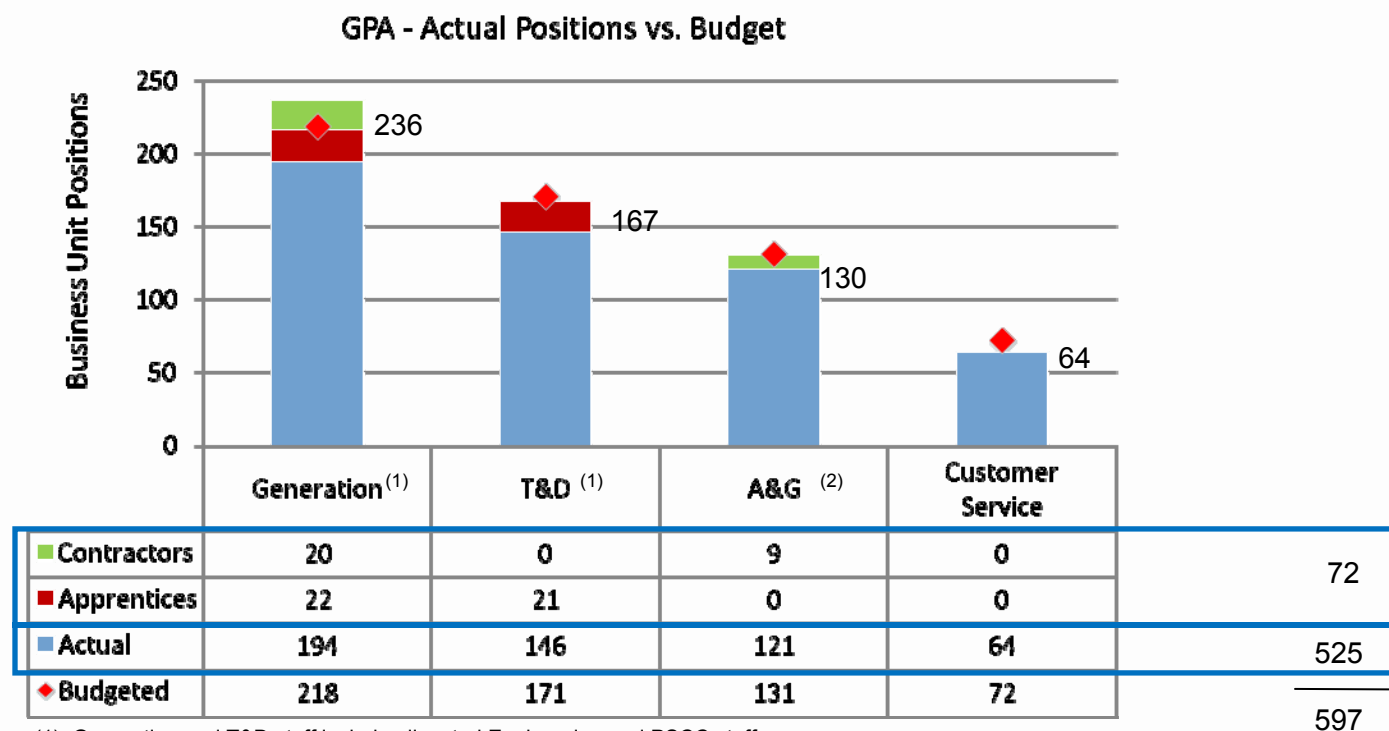
- › Highly effective utilities possess strong control over staffing costs and productivity to meet performance standards while focusing on maintaining the lowest overall unit cost of production.
- › This is evidenced by managing business units against targets that account for performance against standards, productivity and expense targets. Effective workforce planning helps the utility manage productivity through a high quality workforce.

Objective

- › The primary purpose of this analysis is to determine whether GPA is overstaffed, understaffed or adequately staffed to carry out its mission. Specifically, we set out to analyze the following:
 - For major business units, evaluate the number of positions necessary to carry out expected services (part of the requirement 12 GCA Sect.12001.2.d which requires that an annual staffing study be conducted).
 - Assess the reasons for Fiscal Year 2008 high overtime usage in 14 GPA business units and how overtime costs may be related to staffing needs to address workload.
 - Consider the impact of military leave policies on the organization.
- › An additional purpose of this analysis is to evaluate GPA's workforce planning process to determine how GPA can most effectively address identified gaps.
- › Four areas were evaluated: Generation; Transmission and Distribution (T&D); Customer Service; and Administrative and General (A&G).

Staffing – summary of GPA

- › GPA employee count was 597 as of September 2008, including apprentices and contractors.
 - See slide 2-10 for a summary of employees by department



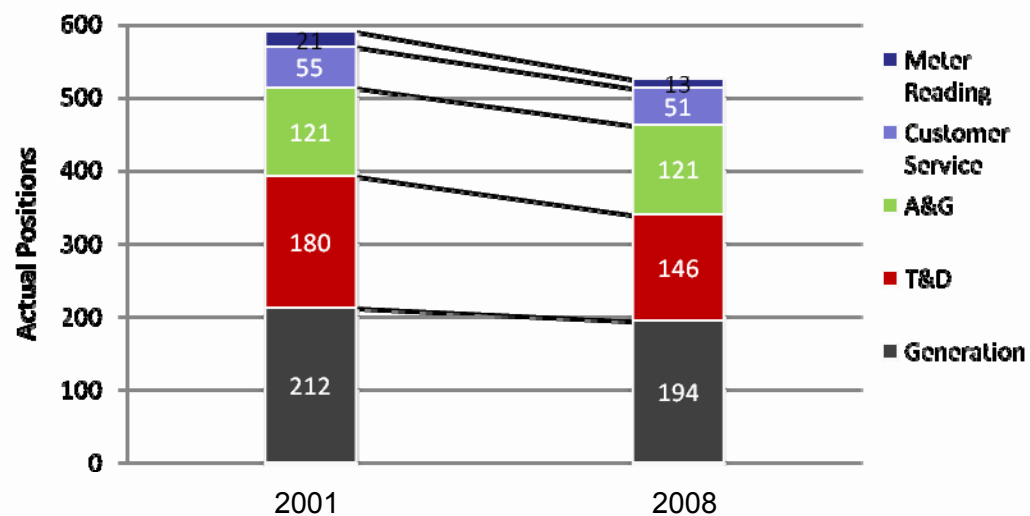
(1) Generation and T&D staff include allocated Engineering and PSCC staff

(2) A&G staff of 130 includes four accounting staff who perform customer service billing functions

Staffing – summary of GPA (cont.)

- › GPA has had a measurable reduction of *full time* employees in most areas since the prior study of 2001 staffing levels.
 - Current staffing is supplemented by 20 contract staff in Generation and nine contract staff in A&G.
 - There are currently 43 apprentices in T&D and Generation.

Actual positions* by Business Area

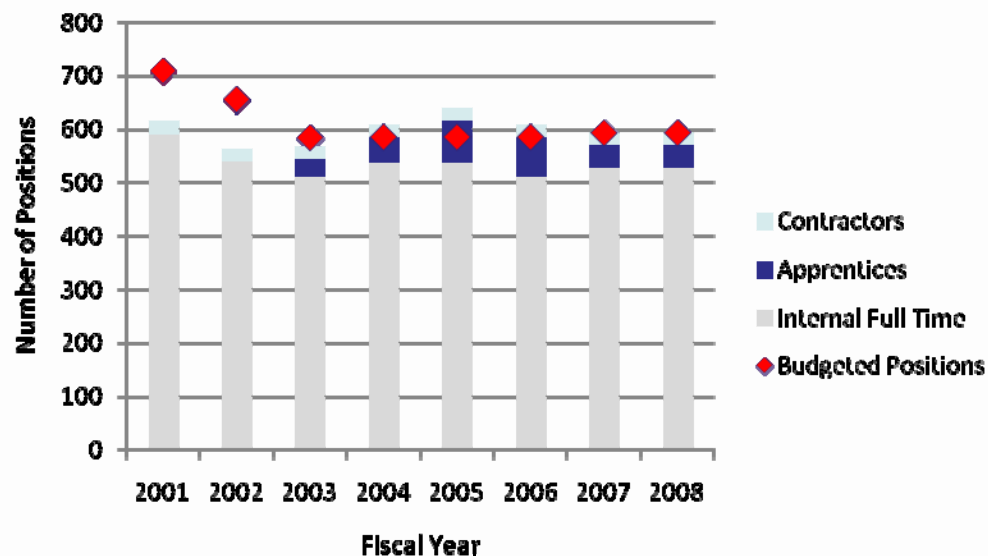


*For comparison purposes, this chart does not include contractors or apprentices.

Staffing – summary of GPA (cont.)

- › When contractors and apprentices are included, there has been little change in the number of actual staff over the last seven years.
 - Net MWh generation has held steady between 1.6 - 1.8 million MWh / year.
 - Peak demand has remained relatively stable between 268 MW – 281 MW.
 - Total customers have remained relatively stable at about 46,000 since 2001 (between 38,000-39,000 residential customers).

GPA - Historical Positions vs. Budget



Staffing – survey responses

- › To satisfy a Guam Government requirement, and to assist in the management assessment of utility operations, Baker Tilly obtained staffing and relevant operational data from 14 mainland public power utilities.
- › Since there are no mainland utilities with characteristics exactly similar to those of GPA, we treated the business units of each utility as a singular comparable unit to obtain better matches in comparable data.
 - Unique GPA characteristics include isolation from other utilities and generation systems, size of service area, number of walk-in payments, and significantly large customers such as the Navy and Air Force.
- › The comparison of GPA business unit staffing levels against other utilities needs to be considered against the following:
 - GPA has several key outlying characteristics that present difficulty in using other utilities to predict the right level of staffing.
 - The level of technology, training, and complexity varies between utilities and may be a significant driver in required staffing levels.

Staffing – survey responses (cont.)

- › Fourteen responses (not including GPA) were ultimately received with total customer count between 28,000 and 107,000.
- › The table below is a summary profile of the utilities, sorted by total electric staff.

Utility name	State	Total customers	Total electric staff (1)	Internally filled positions	Peak demand MW	Self generated MWh	Purchased MWh	Total circuit miles	Shared services?	Shared utility?
Gainesville	FL	90,939	626	626	453	1,829,597	292,247	703	Y	Y
Guam Power Authority	Guam	46,123	597	568	268	1,269,455	596,062	819	N	N
Unnamed ⁽²⁾		69,746	595	595	451	1,996,943	252,270	1,089	N	Y
City Utilities of Springfield	MO	106,251	591	526	751	2,941,367	709,809	2,209	N	Y
Lansing	MI	96,501	520	510	453	2,723,020	1,027,779	1,908	N	N
Lafayette	LA	61,140	324	305	483	368,409	1,714,917	961	N	Y
Glendale W&P	CA	83,500	315	295	333	203,291	1,164,054	560	Y	Y
Kissimmee	FL	60,370	287	276	315	42,612	1,405,050	966	N	Y
Lubbock P&L	TX	72,179	245	245	382	-	2,047,533	1,127	Y	Y
Independence P&L	MO	56,635	220	216	315	452,692	774,136	835	Y	Y
Columbia W&L	MO	43,529	197	158	257	103,010	1,056,477	844	Y	Y
Keys Energy	FL	29,558	163	157	139	6,963	774,530	297	N	N
Naperville	IL	56,449	163	141	380	-	1,502,968	1,196	Y	Y
Farmington	NM	42,754	159	159	202	967,426	352,640	2,519	Y	Y
Reading	MA	28,326	81	79	170	-	756,000	312	N	N

(1) Total electric staff includes contractors

(2) Declined to authorize name release for report

Staffing levels – introduction

- › For each of the following functional areas, comparative ratios and regression analyses were utilized to compare staffing levels at GPA to other mainland utilities:
 - Generation
 - Transmission & Distribution (T&D)
 - Customer Service (without Meter Reading)
 - Meter Reading ⁽¹⁾
 - Administrative & General
- › The remaining report combines survey related analyses and data collected from GPA (including interviews) to conclude on staffing and productivity within each business unit.
 - Note: Baker Tilly analysis includes contractors and apprentices at GPA and at other utilities. Prior staffing studies may not have accounted for these personnel and thus may not be fully comparable to the Baker Tilly analysis.

(1) Meter Reading broken out for consistency with prior studies

Staffing levels – introduction

- › The chart below shows how GPA resources (as of September 2008) were allocated into five categories for comparison against other utilities

GPA Personnel					Personnel Allocation				
Organization Unit	Actual	Apprentices	Contractors	TOTAL	Generation	T&D	Customer Service	Meter Reading	A&G
Generation	181	22	20	223	223				
T&D	101	21	0	122		122			
Engineering	35	0	0	35	5	30			
PSCC/Dispatch	23	0	0	23	8	15			
Customer Service									
Administration	3	0	0	3			3		
Business Office	12	0	0	12			12		
Cash Management	10	0	0	10			10		
Credit & Collections	10	0	0	10			10		
Disconnect/Reconnect	14	0	0	14			14		
Records	2	0	0	2			2		
Meter Readers	13	0	0	13				13	
A&G									
Accounting	17	0	1	18			4		14
Budget	3	0	0	3					3
CFO	4	0	4	8					8
Purchasing & Warehouse	17	0	0	17					17
AGMA	3	0	0	3					3
AGMO	1	0	0	1					1
Board	6	0	0	6					6
General Manager	5	0	0	5					5
Transportation	14	0	0	14					14
Computer Services	10	0	3	13					13
Human Resources	11	0	0	11					11
Facilities	10	0	0	10					10
SPORD	7	0	0	7					7
Planning & Regulatory	6	0	1	7					7
Safety	7	0	0	7					7
TOTAL	525	43	29	597	236	167	55	13	126

→ Four staff in the Accounting group perform billing services, a function that falls under Customer Service in comparable utilities.

Staffing levels – summary by business unit

- › Results from the mainland utility survey, along with data collected from GPA, were analyzed to determine status of GPA staffing levels.

Business unit	GPA Today ⁽³⁾	Expected range	Variance	Key aspects related to GPA
Generation ⁽¹⁾	236	No Conclusion ⁽⁴⁾	0	<ul style="list-style-type: none"> > High percentage of oil and diesel fueled generation > Significantly higher capacity built into system
Transmission & Distribution ⁽¹⁾	167	160 – 170	0	<ul style="list-style-type: none"> > Less use of technology (smart meters, mobile data terminals, GPS) > More outages due to load balance, storms
Customer Service ⁽²⁾	55	38 - 48	+7	<ul style="list-style-type: none"> > High percentage of walk-in payments > Inefficient field service scheduling
Meter Reading	13	10 - 12	+1	<ul style="list-style-type: none"> > More difficult geography and terrain > More limited use of technology and Information Systems
Administrative and General ⁽²⁾	126	113 - 123	+3	<ul style="list-style-type: none"> > More limited use of technology and Information Systems > Limited shared services
TOTAL	597	557 – 589	+11	

(1) Includes allocated resources from Engineering and PSCC

(2) Includes reallocation of four billing personnel from A&G to Customer Service

(3) Includes apprentices and contractors

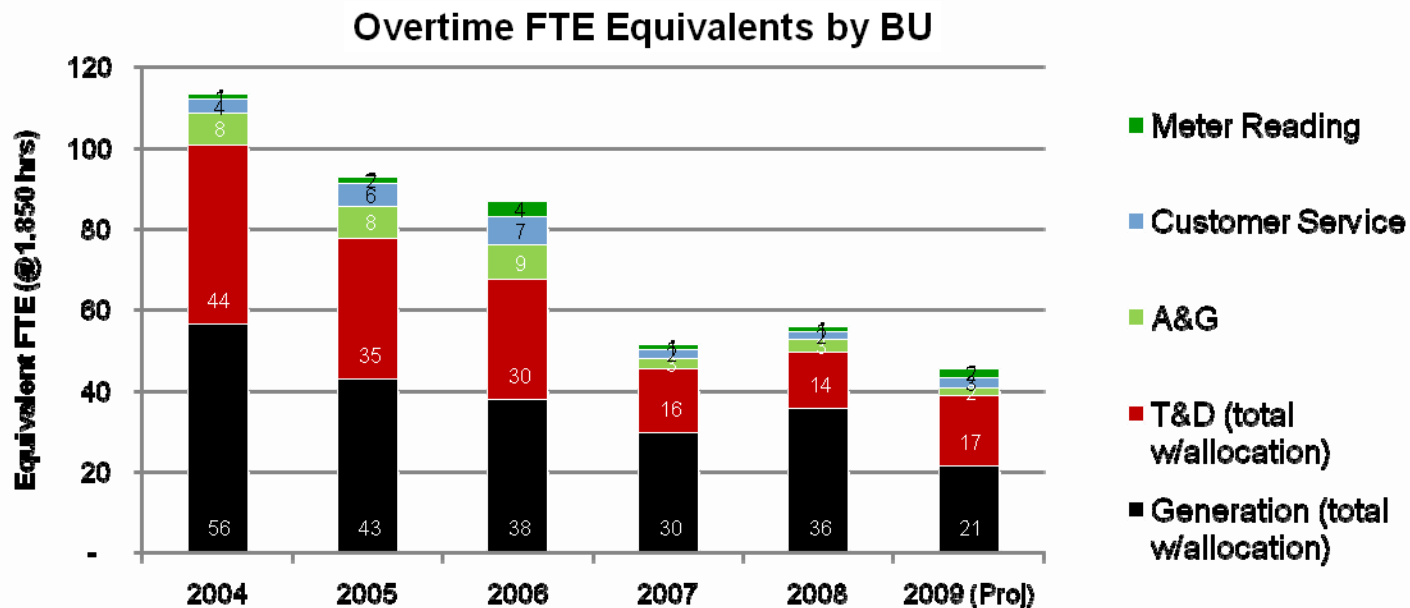
(4) Refer to slides 2-24 and 2-25 for explanation of expected generation range

Staffing levels – overtime and absenteeism

- › In Phase 1 of the management assessment, Baker Tilly identified overtime and absenteeism as concerns for GPA. The following slides explore the causes and impact of the following issues at GPA.
 - Overtime
 - Absenteeism
 - Military leave

Staffing levels – overtime

- › GPA has made significant reductions in overtime since 2004.
 - › Transmission and Distribution – Utilization of custom management reports and focus by T&D administration have driven overtime down over a period of several years.
 - › Generation - PMC management structure and revised shift structures to reduce worker absence.



T&D, Generation and A&G have achieved reductions of 60% to 70% since 2004

Staffing levels – overtime (cont.)

- › Projected overtime hours in 2009 amounted to 45 Full Time Equivalent employees.
 - Due to lack of data, causes could only be assessed through anecdotal information

Business unit	GPA projected FY09 overtime	OT hours FTE equivalent (FTE=1,850 hours)	Key causes
Generation	9%	19.5	› Planned maintenance, unplanned outages
Transmission & Distribution	10%	11.8	› Worker absences, line malfunctions, on-call duties (planned, unplanned)
Apprentices	6%	2.8	› Similar to Generation and T&D
Engineering	9%	3.4	› Similar to Generation and T&D
PSCC	3%	1.0	› Similar to Generation and T&D
Customer Service	5%	2.7	› Same day reconnects › Worker absences
Meter Reading	14%	2.2	› Worker absences
Administrative and General	1%	2.1	› Worker absences, special projects, financial deadlines

– Projected FY09 Overtime: Overtime as compared to total hours worked through Q2 FY09

Staffing levels - overtime (cont.)

- › Management ability to reduce overtime is limited
 - Data is not reported in a way that allows for insight into controllable overtime reasons.
 - Time recording policies do not require employees to input reason codes for overtime.
 - Overtime causes and their corresponding impacts cannot be determined based on how data is collected
- › Management *does* review and formally approve overtime on a weekly basis.
 - Verbal approval is generally given for overtime before it occurs.

Staffing levels – absenteeism

- › GPA employee leave time was analyzed across business units to identify pockets of high leave time
 - Through 2nd quarter of Fiscal Year 2009, almost 40 FTE were lost due to Sick leave, military leave, LWOP, and other leave (disability, leave sharing)

FY2009 non-work FTE equivalents* by business area and leave type

Business Area	FY09 FTE	Holiday	Annual	Sick	Military	LWOP	Other
T&D	101	6.8	4.2	2.0	0.4	2.2	2.2
Generation	178	12.0	10.2	4.5	0.7	4.1	2.1
Engineering	35	2.4	1.4	0.9	0.1	1.1	0.2
PSCC	25	1.6	2.2	1.0	0.3	1.4	0.2
Customer Service (non-MR)	49	3.2	4.3	1.6	0.3	2.1	1.5
Meter Reading	13	0.9	0.7	0.7	0.1	-	0.2
Customer Service Total	52	4.1	5.0	2.3	0.4	2.1	1.7
A&G	121	8.2	6.5	3.6	0.3	2.6	2.1
TOTAL	522	35.1	29.4	14.2	2.3	13.5	8.6

*FY09 FTE adjusted for partial employees, but do not include apprentices or reflect allocations from staffing study.
FTE Equivalent was calculated at 1,850 hours per year.

Staffing levels – absenteeism (cont.)

- › 51 of GPA’s employees (~10%) had logged more than 100 hours of combined sick leave plus other time through second quarter of FY2009
 - Does not include Holiday, Annual, Military, or LWOP
- › Highest concentration of sick leave and other hours exists in Customer Service
 - Meter reading and Connect/Disconnect also have high FY09 overtime percentage
 - Reduction of absenteeism by 5% would result in over 1,000 hours saved plus overtime

FY2008 Absenteeism

Business Area	FY08 FTE	# of Top 10% Absent Employees	% Within Department
T&D Total	105	8	8%
Generation Total	183	17	9%
Engineering Total	36	2	6%
PSCC Total	27	3	11%
Meter Reading Total	12	3	24%
Customer Service Total	51	11	22%
A&G Total	123	9	7%
TOTAL	536	53	10%

FY2009 Absenteeism

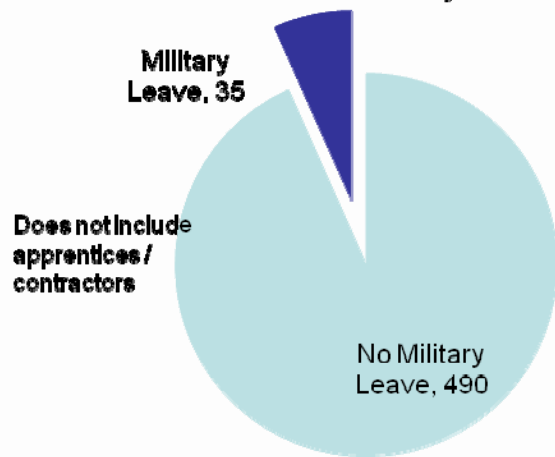
Business Area	FY09 FTE	# of Top 10% Absent Employees	% Within Department
T&D Total	101	8	8%
Generation Total	178	15	8%
Engineering Total	35	3	9%
PSCC Total	25	3	12%
Meter Reading Total	13	4	31%
Customer Service Total	49	12	24%
A&G Total	121	6	5%
TOTAL	522	51	10%

*FY08 and FY09 adjusted for partial employees, but do not include apprentices nor do they reflect allocations from staffing study.

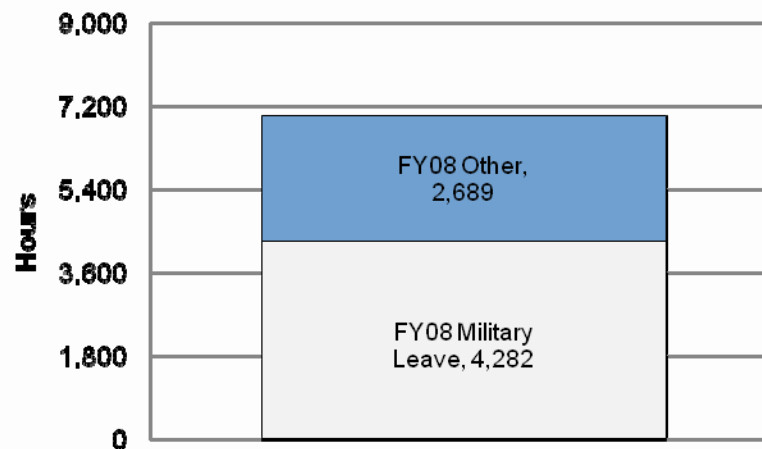
Staffing levels - military leave impact

- › In Fiscal Year 2008, 35 employees had some level of military leave, of which 17 had significant amount of other types of leave (leave sharing and leave without pay), impacting staffing and productivity for those particular units.
- › As employees take military leave, other employees provide backfill to get required work completed.

FY08 Staff with Military Leave



Total paid hours related to Military Leave



Current paid hours equals 4 FTE

In addition to hours on leave, GPA pays employees (sometimes at OT rates) to backfill

Note that Leave Sharing is part of Other Hours.

Staffing levels - military leave impact (cont.)

- › GPA’s current policy is to provide full employee compensation while employees are on military leave.
 - More than half of the responding utilities have supplemental pay policies (rather than full-pay policies) for their military employees.
- › Data and interviews suggest that reduction of impact (wages and work disruption) could be achieved through a modification to military leave compensation policy.
 - However, change in policy would require political support

Category of wages	FY08 cost	FY09 projected cost
Military leave	\$79k	\$64k
Leave sharing (based on ‘Other’ hours for military personnel)	\$51k	\$84k
Overtime to backfill for workers on military leave	\$65k - \$130k	\$74k - \$148k
Total value of military leave wages	\$195k - \$260k	\$222k - \$296k

Staffing and productivity – business unit detail

- › Information was collected to provide further insight for each of the following areas studied under the staffing analysis:
 - Generation
 - Transmission and Distribution
 - Customer Service (without Meter Reading)
 - Meter Reading
 - Administrative and general
 - » Includes General Administration, Regulatory, Finance & Accounting, Human Resources, Warehouse/Procurement, Facilities, Transportation

The following pages document considerations for staffing and productivity based on data collection and interviews.

Staffing and productivity – business unit detail

Methodology for analysis

- › Data was collected across all 14 surveyed utilities and GPA to analyze staffing and staffing drivers in each of the five defined business units
- › For each business unit, regression analysis was used first to identify a range of predicted staffing based upon the surveyed utilities
 - Key output of the analysis is the regression equation, which helps identify significant correlations between staffing and business unit attributes (i.e. net generation, customers, circuit miles) at mainland utilities
 - GPA attributes were applied against the regression equation to identify a range of predicted staffing levels
- › To narrow in on an appropriate staffing range for GPA, Baker Tilly analyzed other staffing related ratios and applied professional judgment based upon known constraints at GPA

Staffing and productivity – generation

GPA detailed staffing profile

Generation business unit	Budgeted	Actual	Apprentices	Contractors	TOTAL
Generation Administration	15	10	0	5	15
Cabras 1&2	51	50	6	4	60
Cabras 3&4	32	28	5	4	37
Central Maintenance	21	19	2	0	21
Diesel Plants	14	14	2	0	16
Gas Turbines	14	14	2	0	16
Tanguisson	49	41	5	7	53
Water Systems	6	5	0	0	5
Engineering (Allocated) ⁽¹⁾	6	5	0	0	5
PSCC/Dispatch (Allocated) ⁽¹⁾	11	8	0	0	8
TOTAL	218	194	22	20	236

(1) Allocation based on employee counts and functions reviewed, confirmed by GPA. Engineering allocated 15% of personnel to Generation (vs. T&D); and PSCC/Dispatch allocated 35% of personnel to Generation (vs. T&D)

Staffing and productivity – generation

Utility comparison responses

- › The chart below shows generation staffing levels of surveyed utilities (sorted by total generation staff)

Utility name (1)	State	Generation staff	Self generated power	Self generated power %	Generation units	MW capacity	Peak demand	Primary fuel type
Guam Power Authority	Guam	236	1,269,455	68%	25	424	268	Oil
Unnamed ⁽²⁾		212	1,996,943	89%	9	620	451	Coal
City Utilities of Springfield	MO	190	2,941,367	81%	14	824	751	Coal / Gas / Oil
Gainesville	FL	183	1,829,597	86%	12	645	453	Gas
Lansing	MI	149	2,723,020	73%	7	530	453	Coal
Independence P&L	MO	86	452,692	37%	12	288	315	Coal / Gas / Oil
Glendale W&P	CA	66	203,291	15%	8	287	333	Natural Gas
Columbia W&L	MO	57	103,010	9%	8	97	257	Coal / Gas
Kissimmee	FL	55	42,612	3%	4	240	315	Natural Gas
Lubbock P&L	TX	52	-	0%	9	297	382	Coal / Gas / Oil
Lafayette	LA	48	368,409	18%	7	495	483	Gas
Farmington	NM	35	967,426	73%	4	162	202	Gas / Hydro / Oil
Keys Energy	FL	22	6,963	1%	9	128	139	Oil

(1) Does not include surveyed utilities with no generation staff (Reading, Naperville)

(2) Declined to authorize name release for report

Staffing and productivity – generation

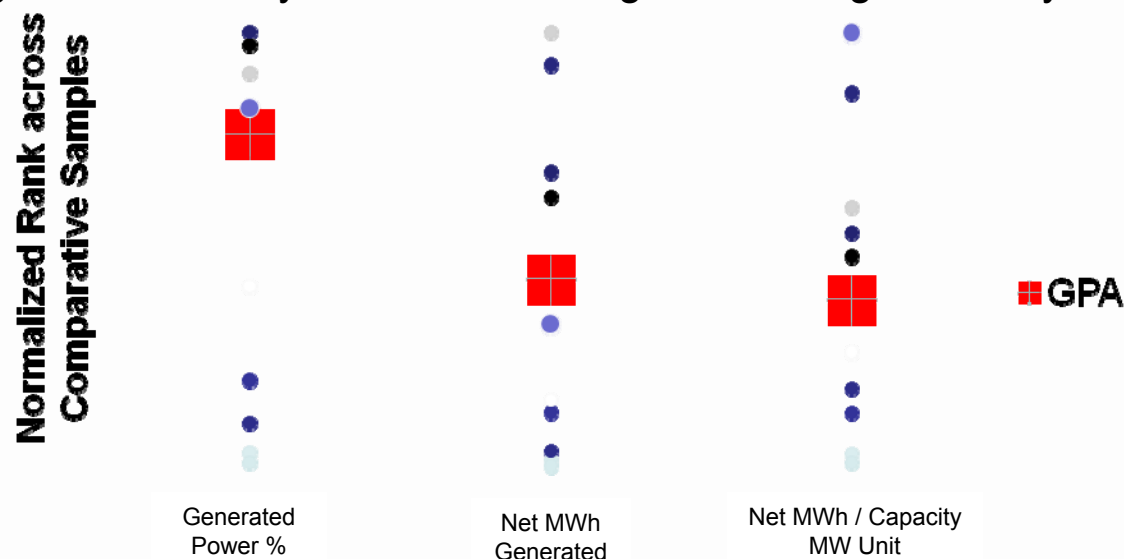
Summary conclusion

- › Based on our analysis, Baker Tilly could not conclude on the appropriateness of GPA's staffing level
 - Regression analysis predicted that a utility with GPA's profile would have a generation staff between 140 and 168. GPA generation staff is 236.
 - *Mainland* utility staffing was highly correlated with demand attributes such as total production (MWh) and peak demand (MW);
 - » Mainland utilities can typically purchase power from a wider system than GPA.
 - GPA maintains significantly more capacity compared to its demand than surveyed utilities;
 - » The number of generating units (25) maintained and operated by GPA is almost 80% higher than the next highest surveyed utility (14);
 - » GPA's ratio of capacity to peak demand is 13% higher than the next highest surveyed utility;
 - If the current capacity levels and generation units are determined to be appropriate based on GPA's unique position as an isolated power provider, it is possible that that the staffing levels are reasonable, though a more detailed, work unit based staffing analysis would need to occur to conclude accurately on the staffing level.

Staffing and productivity – generation

Staffing drivers

- › Key drivers for generation staffing at other utilities were found to be net generation, net generation percentage, and generated power per capacity unit.
 - GPA ranks in the middle for key drivers.
 - Each dot below represents the data from a surveyed utility used in the generation analysis, normalized against the highest utility data point.



Staffing and productivity – generation

Comparative ratios

- › GPA staffing ratios for output related measures are higher than the surveyed utilities
- › However, based upon the amount and type of equipment GPA must operate and maintain, GPA staffing ratios fall in the middle of surveyed utilities.

Comparison ratio	Low	Median	High	GPA
Staff per 100,000 MWh generated*	3.57	13.00	55.10	18.59
Staff per MW generation capacity	0.10	0.28	0.59	0.56
Staff per generation unit	6.84	9.44	23.53	9.44

*Does not include outlier with ratio of 129.07 staff per 100,000 MWh generated

Staffing and productivity – generation

Comparative ratios (cont.)

- › It appears that GPA operates and maintains a higher capacity vs. demand ratio than surveyed utilities.
 - The table below compares GPA to the four surveyed utilities who produce over 1 million MWh of electricity.

Comparison Ratio	Comparable Utilities				GPA
	A	B	C	D	
Capacity (MW)	824	530	620	633	424
Peak Demand (MW)	751	453	451	453	268
Self Generation %	81%	73%	89%	86%	68%
Capacity / (Peak Demand * Self Generation %)	1.36	1.61	1.55	1.62	2.33

Peak demand multiplied against self generation percentage is an indicator of the peak demand against which the utility must provide capacity.

Staffing and productivity – generation

GPA issues that impact productivity

- › Unavailability of skilled or specific resources, such as welders, electricians and administrative assistants, results in:
 - Inadequately trained resources requiring extra training and supervision
 - Specialized resources sub-optimized for administrative or lesser skilled work
- › Constraints due to inefficient procurement of material for maintenance

Performance considerations

- › Outages have decreased over last few years.
- › Overtime has decreased significantly over last five years.
- › Development of apprenticeship program allowed GPA to fill vacancies and provide leverage for work tasks.
- › Operational efficiencies can be improved through planning, process improvements, and contract management
 - See next page for further detail

Staffing and productivity – generation

Developing operational efficiencies

- › Expected benefit of PMC was knowledge sharing on management strategies.
 - More focus is needed on managing PMCs and maximizing full benefits of relationship.
- › Current operations management is focused on reactive, day-to-day operations issues in Generation.
 - Generation manager position is unfilled (similar position in T&D has allowed for focus on developing T&D strategies).

Potential areas for efficiency gains

- › Overhaul planning
- › Preventative maintenance
- › Staffing strategies
- › Contract management

Staffing and productivity – T&D

GPA detailed staffing profile

Business unit	Budgeted	Actual	Apprentices	Contractors	TOTAL
Administration	15	13	0	0	13
Meter/Relay	17	14	9	0	23
Overhead	50	43	2	0	45
Substation/Transformer	20	18	6	0	24
Underground	15	13	4	0	17
Engineering (allocated)	34	30	0	0	30
PSCC/Dispatch (allocated)	20	15	0	0	15
TOTAL	171	146	21	0	167

*Based on job positions and functions reviewed, Engineering allocated 85% of personnel to T&D (vs. Generation); and PSCC/Dispatch allocated 65% of personnel to T&D (vs. Generation)

Staffing and productivity – T&D

Utility comparison responses

- › The chart below shows T&D staffing levels of surveyed utilities (sorted by T&D total staff)

Utility name	State	Total T&D staff	Circuit miles	Customers	Energy sales MWh	% Circuit miles overhead	Distribution substations	Size of service area	Ground	Terrain difficulty
Gainesville	FL	205	703	90,939	2,122,043	100%	10	125	Sand, Limestone	Low
City Utilities of Springfield	MO	192	2,209	106,251	3,488,013	75%	40	320	Rocky	Medium
Unnamed ⁽¹⁾		182	1,089	69,746	2,386,520	64%	32	70	Humus	Low
Glendale W&P	CA	168	560	83,500	1,155,411	50%	12	31	Sandy	Medium
Guam Power Authority	Guam	167	819	46,123	1,636,791	90%	26	212	Rocky	Medium
Columbia W&L	MO	132	844	43,529	1,137,760	43%	8	60	Clay	Medium
Naperville	IL	126	1,196	56,449	1,402,427	10%	16	46	No Answer	Low
Lafayette	LA	114	961	61,140	1,966,442	53%	17	50	Clay, Humus	Low
Lansing	MI	111	1,908	96,501	3,648,904	65%	27	70	Clay	Low
Kissimmee	FL	107	966	60,370	1,447,662	43%	10	17	Sandy	Low
Lubbock P&L	TX	95	1,127	72,179	2,047,533	100%	14	101	Clay	Low
Independence P&L	MO	90	835	56,635	1,117,270	76%	11	78	Moderate	Medium
Keys Energy	FL	63	297	29,558	739,724	95%	10	53	Limestone	Low
Farmington	NM	92	2,519	42,754	1,207,087	95%	27	1,718	Sandy	Medium
Reading	MA	38	312	28,326	720,000	92%	2	55	No Answer	Medium

(1) Declined to authorize name release for report

Staffing and productivity – T&D

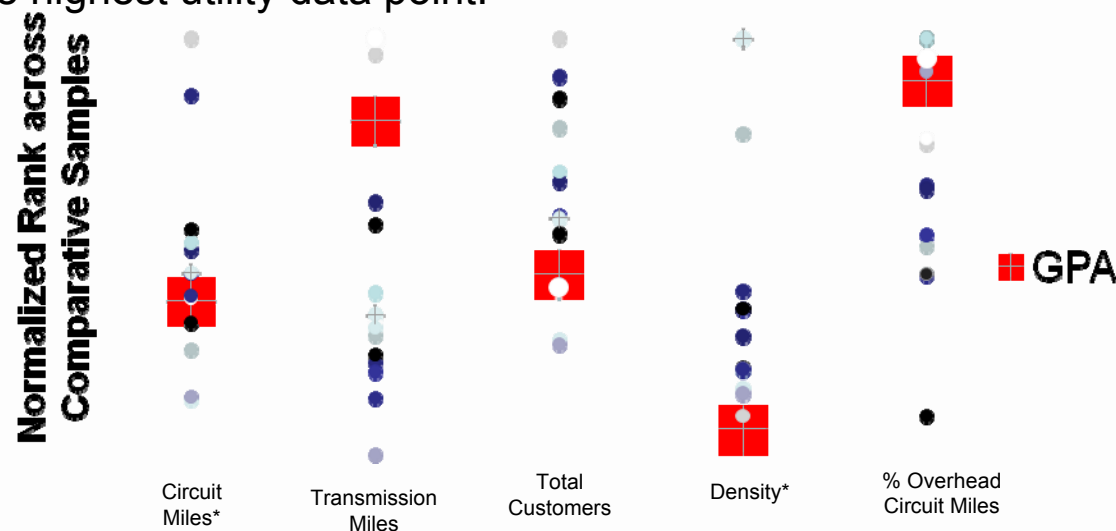
Summary conclusion

- › Regression analysis predicted that a utility with GPA's profile would have a T&D staff between 102 and 177.
 - GPA T&D staff is 167
- › Baker Tilly estimates the appropriate staffing level is between **160 - 170**, based upon the following characteristics:
 - GPA's service territory is significantly larger than surveyed utilities compared to the amount of total circuit and transmission miles to maintain;
 - GPA's situation as the sole utility responsible for delivery on Guam necessitates additional staff to mitigate risk related to emergencies.
- › Based on this analysis, GPA appears to have an appropriate amount of staff when compared to mainland utilities.

Staffing and productivity – T&D

Staffing drivers

- › Key drivers for T&D staffing at other utilities were found to be circuit miles, transmission miles, total customers, density, and % circuit miles overhead.
 - GPA has a large service area to maintain compared to customers
 - GPA falls within a normal range for other key factors
 - Each dot below represents the data from a surveyed utility, normalized against the highest utility data point.



*Note – One utility not included for several measures due to outlying data

Staffing and productivity – T&D

Comparative ratios

- › GPA staffing ratios for T&D are in line with the surveyed utilities
 - Analysis found positive correlation between lower staffing ratios and the use of GPS or smaller crew sizes

Comparison ratio	Low	Medium	High	GPA
Staff per circuit mile	0.06	0.12	0.30	.0.20
Staff per transmission line	0.92	1.47	4.39	0.96
Staff per overhead circuit mile	0.08	0.22	1.10	0.23
Staff per substation	4.09	7.32	20.50	6.41
Staff per square service mile	0.60	1.61	6.18	0.79

Staffing and productivity – T&D

GPA issues that impact productivity

- › Limited use of outsourcing to address vegetation management.
- › Limited use of technology such as mobile data terminals which may increase efficiency of executing and recording work.

Performance considerations

- › Development of apprenticeship program has helped fill vacancies and provide leverage for work tasks.
- › SAIDI and SAIFI metrics are higher than other utilities, even when generation under frequency is removed as a cause.
- › Preventative maintenance backlog remains high and there is some risk that work is not even getting into the system.
- › Completion of paperwork is delayed.
- › Technical training of newer staff is insufficient to meet performance and productivity gains needed.

Staffing and productivity – customer service

GPA detailed staffing profile

Business unit	Budgeted	Actual	Apprentices	Contractors	TOTAL
Administration	Not determined at this level for Customer Service	3	0	0	3
Business Office		12	0	0	12
Cash Management		10	0	0	10
Credit & Collections		10	0	0	10
Disconnect/Reconnect		14	0	0	14
Meter Readers		13	0	0	13
Records		2	0	0	2
SUB TOTAL	72	64	0	0	64
+ Billing Personnel ⁽¹⁾	+4	+4	0	0	+4
TOTAL	76	68	0	0	68

⁽¹⁾ Four staff in the Accounting group perform billing services, a function that falls under Customer Service in comparable utilities.

Staffing and productivity – customer service

Utility comparison responses

- › The table below shows customer service staffing levels of surveyed utilities (sorted by total customer service staff)
 - The following analyses compare staff for meter reading and non-meter reading

Customer Service

Utility name	State	Total customer service	Customer service staff (subset)	Meter reading staff (subset)	Total customers	Customers per square mile	Retail sales MWh	Walk in payment %	Connects / Disconnects	Retail MWh /residential customer
Gainesville	FL	102	73	29	90,939	730	1,876,933	18%	5,710	23
Lubbock P&L	TX	88	73	15	72,179	715	1,564,207	27%		25
Guam Power Authority	Guam	68	55	13	46,123	218	1,636,791	67%	1,550	42
Lansing	MI	63	49	14	96,501	1,379	2,266,251	7%	5,500	27
Kissimmee	FL	57	37	20	60,370	3,490	1,358,339	27%	4,005	26
Unnamed ⁽¹⁾		55	42	14	69,746	996	1,767,552			30
Glendale W&P	CA	49	42	7	83,500	2,694	1,140,813	17%	1,280	16
City Utilities of Springfield	MO	46	33	13	106,251	332	3,044,156	13%	2,264	33
Keys Energy	FL	33	21	12	29,558	562	718,114	23%	1,200	30
Lafayette	LA	31	17	14	61,140	1,223	1,930,599	30%	2,266	38
Farmington	NM	29	20	9	42,754	25	1,243,706	27%	1,939	37
Naperville	IL	18	15	3	56,449	1,227	1,454,362	10%	1,200	29
Reading	MA	14	9	5	28,326	515	716,098	8%	140	29
Independence P&L ⁽²⁾	MO			16	56,635	726	1,116,765		2,700	22
Columbia W&L ⁽²⁾	MO			6	43,529	721	1,173,753	22%	1,100	32

(1) Declined to authorize name release for report

(2) Columbia customer service staffed by city; Independence customer service staffed by the Water Utility

Staffing and productivity – customer service

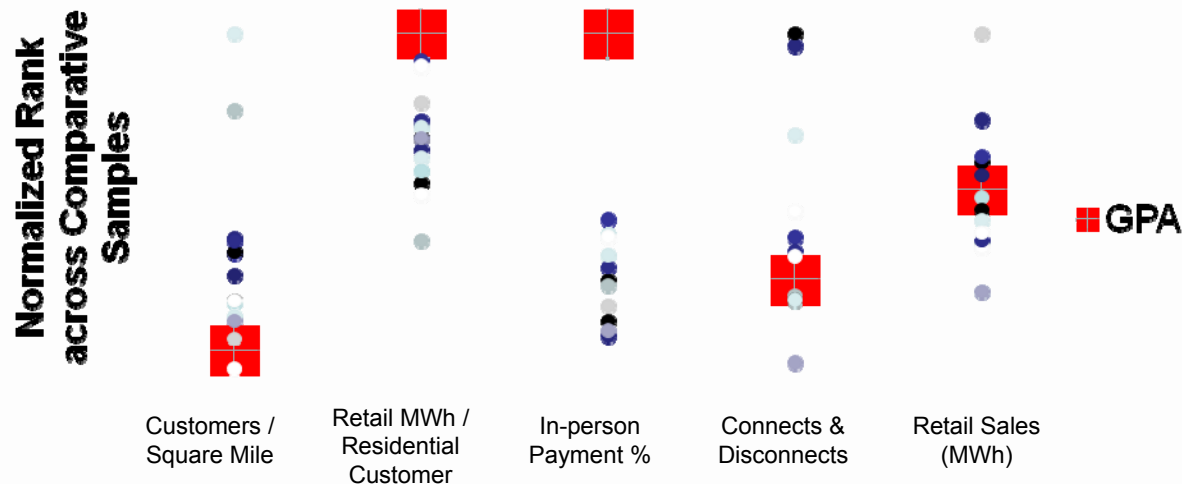
Summary conclusion

- › Regression analysis predicted that a utility with GPA's profile would have a Customer Service staff (non meter reading) between 33 and 49.
 - GPA adjusted non-meter reading customer service staff is 55
- › Baker Tilly estimates the appropriate staffing level is between **38 - 48**, based upon the following characteristics.
 - GPA's customers tend to primarily pay in person rather than online or by mail
 - Weather conditions in Guam are more oppressive year round for field service work
- › Based on this analysis, GPA appears to be overstaffed when compared to mainland utilities.

Staffing and productivity – customer service

Staffing drivers

- › Customer Service analysis includes both field operations (disconnect & reconnect) and customer-facing staff (i.e. cash management, business office, etc...)
 - The analysis below does not include meter reading, which is a separate analysis.
- › Key drivers for customer service staffing at other utilities (represented by dots below on the chart) were found to be density, retail MWh per residential customer, in-person payment %, connects & disconnects, and retail sales (MWh).
 - GPA falls into outermost levels for several key measures, including walk in (in-person) payments, retail MWh per residential customer, and customer density.



Staffing and productivity – customer service

Comparative ratios

- › GPA staffing ratios for customer service are typically higher than the median of surveyed utilities in most categories
 - In-person payment percentage may be a driver of higher staffing, but only on part of the customer service group

Comparison ratio	Low	Medium	High	GPA
Staff per 1,000 residential customers	0.30	0.61	1.40	1.40
Staff per 1,000 in-person payment customers	0.93	2.83	7.18	1.78
Staff per 100 disconnects / reconnects	0.75	1.27	6.43	3.55
Staff per 100,000 MWh retail sales	0.88	2.36	4.67	3.36

Staffing and productivity – customer service

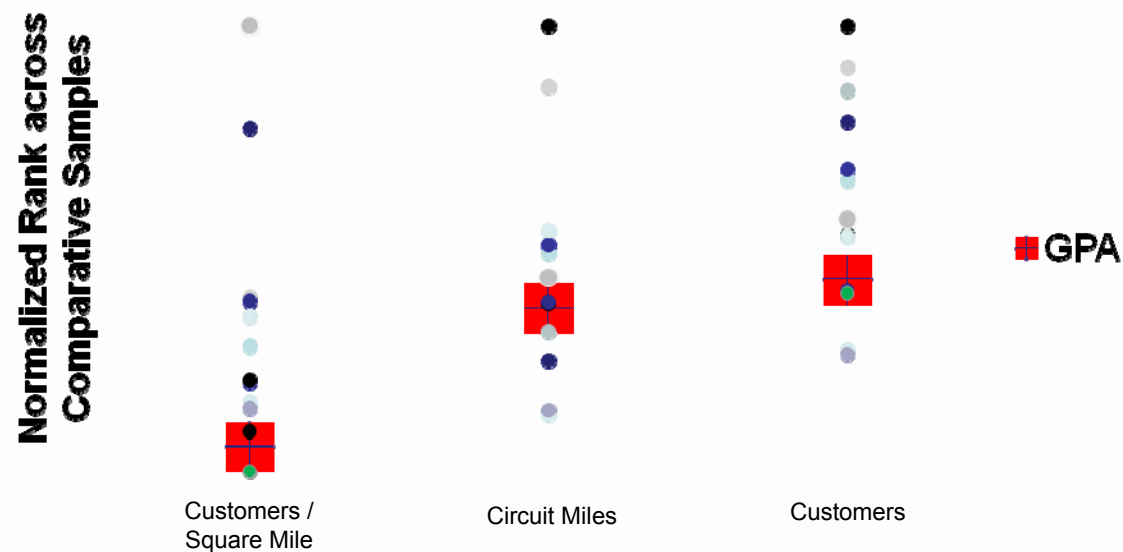
Summary conclusion - Meter Reading

- › Regression analysis predicted that a utility with GPA's profile would have a meter reading staff between 8 and 12.
 - GPA meter reading staff is 13
- › Baker Tilly estimates the appropriate staffing level is between **10 – 12** based upon the following characteristics.
 - Weather conditions in Guam are more difficult for meter reading work
- › Based on this analysis, GPA appears to be slightly overstaffed when compared to mainland utilities.
 - Successful award of a recently applied for “DOE Smart Grid Investment Grant” would provide for an Advanced Meter Infrastructure, Smart Meters, and other advanced features that could improve productivity

Staffing and productivity – customer service

Staffing drivers - Meter Reading

- › Key drivers for meter reading staffing at other utilities were found to be customers, size of service area (and density), and circuit miles



Staffing and productivity – customer service

Comparative ratios – Meter reading

- › GPA staffing ratios for meter reading are in line with the surveyed utilities
 - Analysis found positive correlation between lower staffing ratios and technology use (specifically drive by meter reading technology)

Comparison ratio	Low	Medium	High	GPA
Staff per 5,000 customers	0.60	1.05	2.03	1.41
Staff per 100 circuit miles	0.36	1.49	4.12	1.59
Staff per 100,000 MWh retail sales	0.36	0.78	1.67	0.79

Staffing and productivity – customer service

GPA issues that impact overall customer service productivity

- › Wide variability in the efficiency of meter reading and investigation – minimum standards not identified
- › Teams of two meter readers often perform many of their tasks, unlike many utilities where a route or task is handled by one individual
- › Inefficient use and data flow of Utiligy and JDE information
- › High absenteeism
- › High percentage of walk-in customers who pay in person
- › Inefficient scheduling process for disconnect/reconnect function

Performance considerations

- › Meter reading and disconnect/reconnect are completed as required
- › Most performance metrics are not measured, reported upon and managed.
- › Customer satisfaction did not meet targets based on survey conducted during onsite visit – responses indicated dissatisfaction with long lines and first call response effectiveness

Staffing and productivity – A&G

GPA detailed staffing profile

Business Unit	Budgeted	Actual	Apprentices	Contractors	TOTAL
Finance	26	24	0	5	29
Purchasing & Warehouse	19	17	0	0	17
General Administration & Board	17	15	0	0	15
Transportation	15	14	0	0	14
Computer Services	12	10	0	3	13
Human Resources	12	11	0	0	11
Facilities	10	10	0	0	10
SPORD	7	7	0	0	7
Planning & Regulatory	6	6	0	1	7
Safety	7	7	0	0	7
SUB TOTAL	131	121	0	9	130
- Billing Personnel ⁽¹⁾	-4	-4	0	0	-4
TOTAL	127	117	0	9	126

⁽¹⁾ Four staff in the Accounting group perform billing services, a function that falls under Customer Service in comparable utilities.

Staffing and productivity – A&G

Utility comparison responses

- › The table below shows A&G staffing levels of surveyed utilities who are primarily responsible for their own staffing and support services (sorted by total A&G staff).

Utility name	State	Total A&G staff	Energy sales MWh	Customers served	Net MWh generation	2007 revenue ('000)	Total staff	A&G staff %	HR staff (subset)	IT staff (subset)	Finance staff (subset)
Lansing	MI	197	3,648,904	96,501	2,723,020	\$213,835	520	38%	9	21	16
City Utilities of Springfield	MO	163	3,488,013	106,251	2,941,367	\$215,071	591	28%	10	32	23
Unnamed ^{(1) (2)}		146	2,386,520	69,746	1,996,943	\$157,472	595	24%	2	26	16
Gainesville ⁽²⁾	FL	136	2,122,043	90,939	1,829,597	\$221,848	626	22%	10	68	24
Lafayette	LA	131	1,966,442	61,140	368,409	\$168,931	324	40%	2	2	9
Guam Power Authority ⁽³⁾	Guam	126	1,636,791	46,123	1,269,455	\$305,869	597	21%	11	13	25
Kissimmee	FL	69	1,447,662	60,370	42,612	\$158,363	287	24%	7	23	21
Keys Energy	FL	45	739,724	29,558	6,963	\$92,882	163	28%	7	6	11
Reading	MA	29	720,000	28,326	-	\$67,590	81	36%	2	5	3

(1) Declined to authorize name release for report

(2) Supply most of their own staff, but city provides additional functions such as recruiting, health services, and payroll

(3) GPA Finance Staff of 25 does not include the four Accounting personnel who perform billing functions

Staffing and productivity – A&G

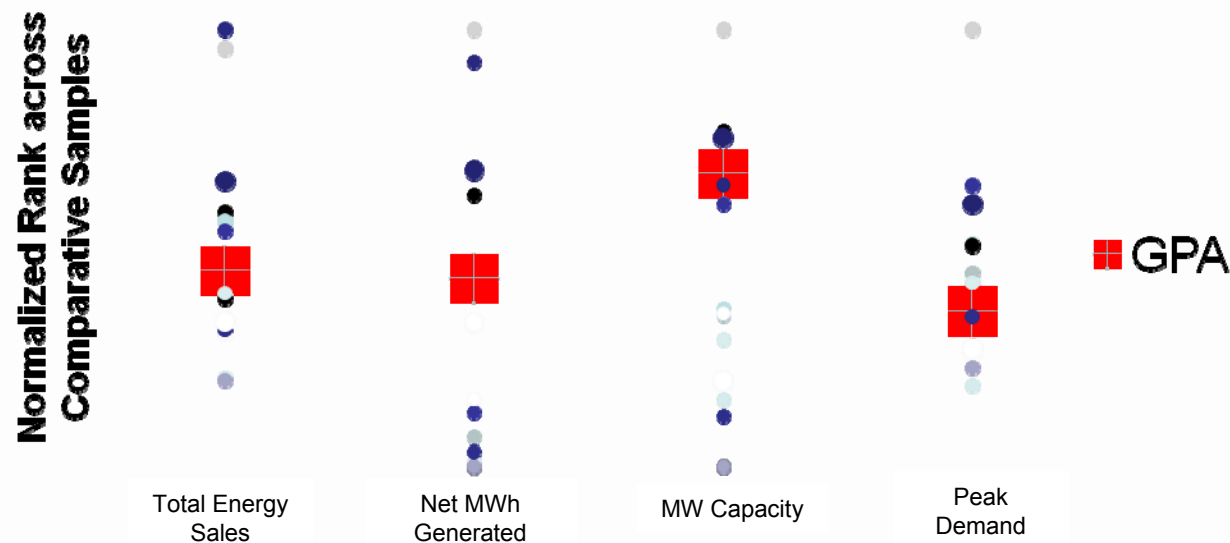
Summary conclusion

- › Regression analysis predicted that a utility with GPA's profile would have an A&G staff between 90 and 136.
 - GPA adjusted A&G staff is 126
- › Baker Tilly estimates the appropriate staffing level is between **113 – 123** based upon the following characteristic:
 - GPA must support a larger operational staff than surveyed utilities
- › Based on this analysis, GPA appears to be slightly overstaffed when compared to mainland utilities

Staffing and productivity – A&G

Staffing Drivers

- › Key drivers for A&G staffing include demand based measures such as energy sales peak demand, but also net generation and capacity.
 - GPA falls within the middle of the range of surveyed utilities for each of these characteristics
 - Each dot below represents the data from a surveyed utility used in the generation analysis, normalized against the highest utility data point.



Staffing and productivity – A&G

Comparative ratios

- › Comparative staffing ratios for A&G present differing viewpoints of the staffing levels.
 - GPA represents the high end of the range for staff per MWh energy sales, but the low end of the range when compared to the number of operational employees supported.

Comparison ratio	Low	Medium	High	GPA
Staff per operations employee (non-A&G)	0.27	0.38	0.68	0.27
Staff per 100,000 MWh total energy sales	4.03	6.08	7.70	7.70

- › Other attributes that may drive larger staffing ratios at GPA include civil service constraints, complexity of key customers and overall size of the organization.

Staffing and productivity – A&G

GPA issues that impact productivity

- › GPA is a civil service organization which requires rigorous documentation to terminate employees for poor performance
- › Underutilization of technology decreases efficiency for key processes in areas such as finance, warehouse, procurement, and fleet

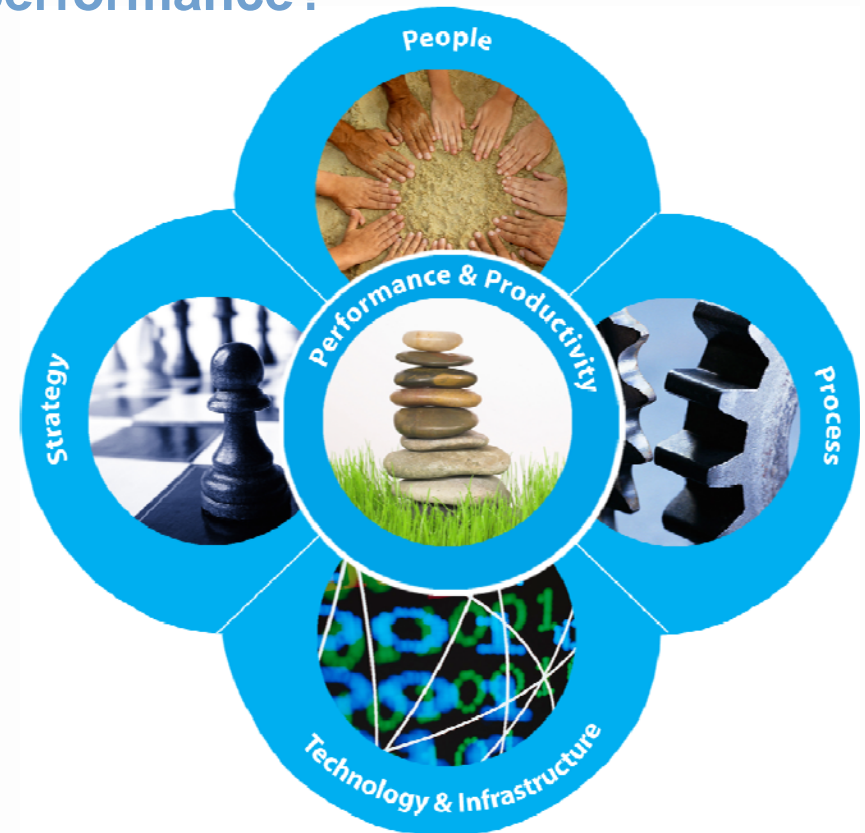
Performance considerations

- › Demonstrated ability to meet human resource processing and strategy targets
- › Demonstrated ability to respond to regulatory requests
- › Improvement in bond rating over last few years
- › Warehouse and procurement is unable to meet operational needs for materials, transportation (right products, right place, right time). Issue noted as productivity impacting constraint in the Generation report (slide 7-30).
- › Timeliness of financial reporting. Issue noted in Financial Strength report.
- › Users are unable to obtain needed information through information systems.

Staffing and productivity – summary

How to improve productivity and performance?

- › Foundations of productivity and performance improvement ⁽¹⁾:
 - › Customer satisfaction – focus on satisfying customers needs
 - › Management by facts – formal data gathering and analysis of data by quality improvement teams
 - › Respect for people – employee support and inclusion of ideas



(1) Based upon Deming's Foundations of Continuous Improvement from 'Service Management – Operations, Strategy, Information Technology'

Staffing

Sub Process	GPA Today	Highly Effective Utilities
Overtime monitoring and reporting	<ul style="list-style-type: none"> › Does not adequately record and analyze overtime causes 	<ul style="list-style-type: none"> › Collect data and analyze root causes of overtime. › Address through cross training, additional staffing, planning and scheduling techniques, temporary staff, flexible work arrangements, annual hours contracts
Human Resources policy development – military leave	<ul style="list-style-type: none"> › ‘Double dipping’ - Pays full salary and benefits for military leave for extended period of time to employees who also receive full military pay 	<ul style="list-style-type: none"> › Double dipping not as extensive as at GPA. Typically pay some form of complementary benefits for a limited period of time for military leave

Staffing (cont.)

Sub Process	GPA Today	Highly Effective Utilities
Management of absenteeism	› High pockets of absenteeism exist within the organization and is largely left unaddressed	› HEU collect patterns of absenteeism which are monitored and addressed with employees on a periodic basis.

Staffing

Sub Process	Gaps	Roadmap/ Recommendations
Overtime monitoring and reporting	› GPA does not collect adequate overtime information to effectively manage overtime by focusing on controllable drivers	› Improve overtime controls to monitor process against standards and conduct comparative cost analysis of overtime pay vs. additional staff
Human Resource policy development – military leave	› GPA has higher than normal compensation for military leave	› Develop business case and proposal for policy change by the legislature.

Staffing (cont.)

Sub Process	Gaps	Roadmap/ Recommendations
Management of absenteeism	› GPA does not execute a plan to review patterns of absenteeism within the organization and address absence with employees.	› Develop a management process to monitor absenteeism patterns and address identified issues with high absentee employees.

How do utilities plan and address gaps in their workforce?

- › Developing the right sized and right skilled workforce through effective work force planning by:
 - Identifying critical skills, functions and positions
 - Careful hiring of the right person for the right job the first time
 - Systematically and effectively executing training and development for all levels of the utility
 - Performing work force planning including succession planning, attrition and retirement planning and skills analysis

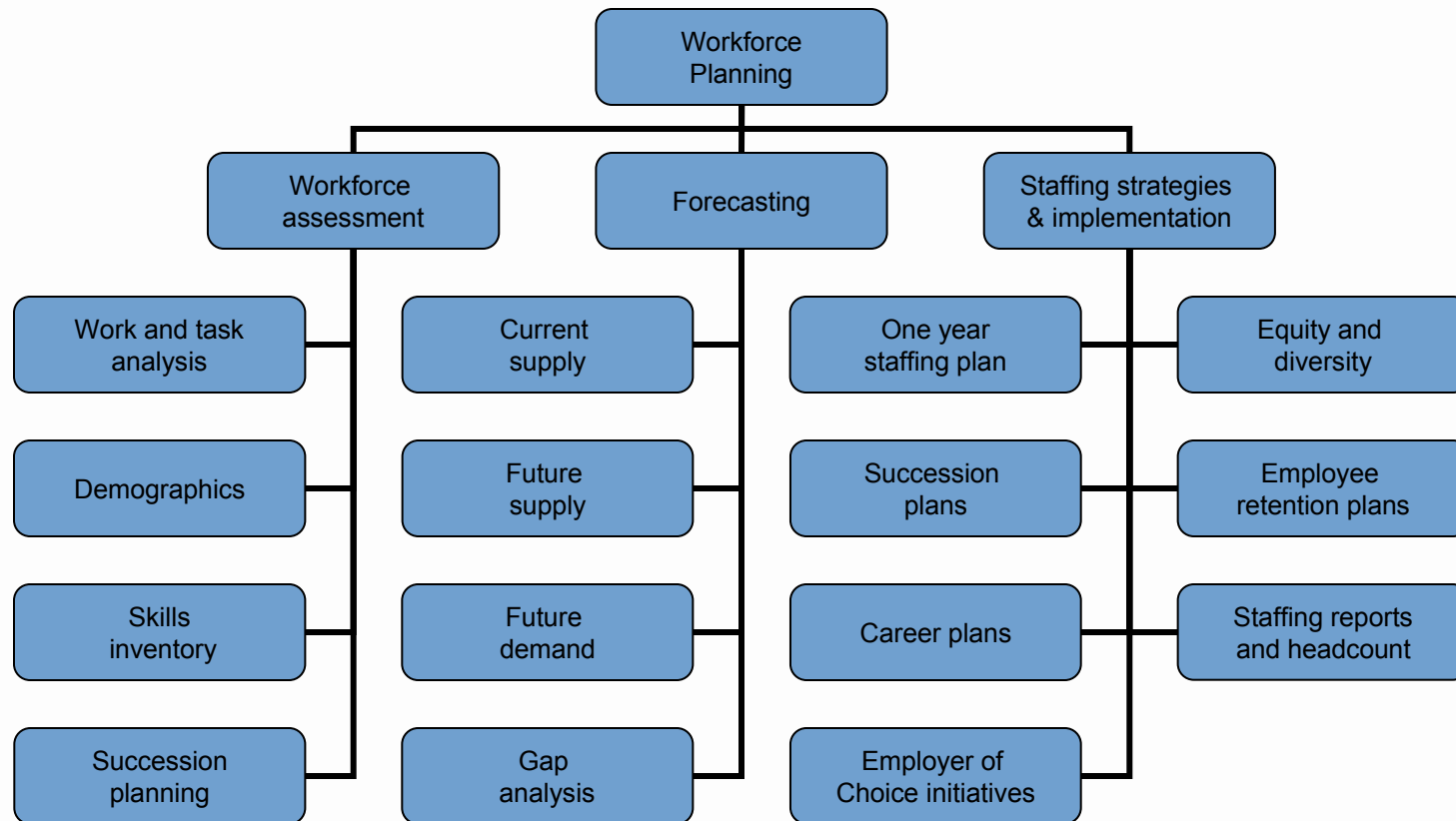
- › Baker Tilly reviewed current strategies of GPA to evaluate the capability to address workforce gaps identified through the management assessment and staffing comparison study.

Workforce planning

- › Ensures a plentiful, diverse supply of capable talent for key positions
- › Minimizes the risk to the utility due to a deficit in knowledge, skills, abilities, and competencies
- › Can result in higher employee satisfaction and retention of critical skills and knowledge
- › Reduces the cost of turnover and allocation of limited resources
- › Links human resources planning with strategic planning, assuring that human resources are aligned with the utilities strategic goals and priorities;

- › How many people will we need in the future?
- › How to capture knowledge before it leaves?
- › How will turnover affect each job category?
- › What new staffing strategies are necessary? Competencies? Skills?
- › What training programs are needed?
- › How are new employees best integrated into our culture?
- › Are retention programs being effectively used?
- › Are employees sufficiently motivated to train other employees?

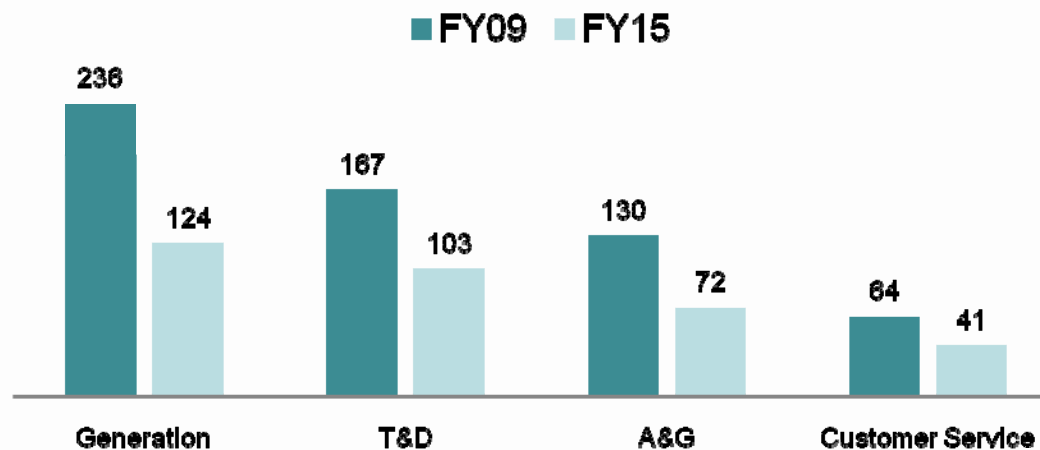
What are the elements of workforce planning?



Staffing – summary of GPA (cont.)

- › Potential attrition impact over next 5 years may be significant
 - Currently sixty-six personnel are eligible for retirement in Fiscal Year 2009
 - 17% of personnel who support generation are currently retirement eligible based on age or service; 34% of generation personnel can retire in next five years. This poses both staffing risks and opportunities to GPA.

Attrition* by Business Unit



*Through expected retirements, and average loss through resignations, terminations, and deaths

Almost half of the current generation staff will be retired or gone within the next 5 years – this poses a staffing risk to GPA

Workforce planning

Sub Process	GPA Today	Highly Effective Utilities
Workforce planning	<ul style="list-style-type: none"> › Workforce planning and succession planning is not a formal process instituted across the utility. › Analysis of retirements, attrition and planning of future needs has been performed over time by Human Resources. › Significant number of employees are eligible to retire. 	<ul style="list-style-type: none"> › Inadequate supply of qualified people for certain key functions is identified and strategies implemented to address gaps (Employee Development, Talent Acquisition, Succession Planning, Leadership Development). › Strong focus on hiring right people into right jobs the first time › Excess staff performing obsolete or declining functions, or functions likely to be outsourced are identified and plans made to adjust workforce. › Knowledge transfer strategies to capture the knowledge of experienced employees before they leave the utility is planned and completed.

Workforce planning

Sub Process	GPA Today	Highly Effective Utilities
Workforce planning	<ul style="list-style-type: none"> › Competencies and required skills are being identified by each person as part of the performance management process; however, there is no standard catalog of competencies or skills. › The apprenticeship program at GPA has successfully provided new staff for operating groups. › Significant vacancies exist (Generation Manager, IT Manager) 	<ul style="list-style-type: none"> › Careful examination of the needed skills and competencies is performed by departments and divisions and critical skills, functions, and positions are identified. › Work force planning is performed, including succession planning, attrition, and retirement planning and skills analysis. › Employees are ready for new leadership roles as the need arises, and when someone leaves, a current employee is ready to step up.

Workforce planning

Sub Process	Gaps	Roadmap/ Recommendations
Workforce planning	› A comprehensive workforce planning process is not implemented at GPA	› Create and implement a comprehensive workforce planning process at GPA › Ensure accountability for analysis and plans is spread across the utility

Employee development

Sub Process	GPA Today	Highly Effective Utilities
Employee development	<ul style="list-style-type: none"> › Critical skills and functions have been identified for positions through the Certified, Technical and Professional (CTP) program › Numerous training options are available to employees. › Training in the past has been skills-focused. › Technical skills have been developed through apprenticeship programs, line person training, and other available programs. 	<ul style="list-style-type: none"> › Critical skills, functions and positions are identified. › Managers are responsible to understand the developmental needs of their teams to ensure that all key employees understand their career paths and the roles they are being developed to fill. › Emphasize the importance of specific, individualized development plans for each employee. Managers monitor employee execution of developmental activities.

Employee development (cont.)

Sub Process	GPA Today	Highly Effective Utilities
Employee development	› New performance management system provides an opportunity to perform development training.	› Training and development is systematically and effectively executed for all levels of the organization.

Employee development

Sub Process	Gaps	Roadmap/ Recommendations
Employee development	<ul style="list-style-type: none">› Meaningful appraisals and feedback; objective assessments are essential in order for management to specify what's required for a successful promotion.	<ul style="list-style-type: none">› Use development plans and give meaningful performance feedback (succession planning should be semi-transparent).
Employee development	<ul style="list-style-type: none">› Utilities require a continuous stream of new technical employees. New skills and knowledge are required as the industry changes.	<ul style="list-style-type: none">› Create a formal Technical Career Path. Modify as needed when new skills and knowledge are identified as required through the workforce planning process.

Employee development (cont.)

Sub Process	Gaps	Roadmap/ Recommendations
Employee development	› Skills gaps and required knowledge will be identified during workforce planning and need to be filled.	› Training programs will need to be developed or located to keep GPA's employees fully competent.

Talent acquisition and retention

Sub Process	GPA Today	Highly Effective Utilities
Talent acquisition and retention	<ul style="list-style-type: none"> › Many efforts are focused on recruitment including an apprenticeship program, a college degree program and other partnerships to identify candidates. › The apprenticeship program at GPA has successfully provided new staff for operating groups › The CTP program is in place to support the retention of employees through higher pay scales › Some flexible work arrangements are available as a retention tool 	<ul style="list-style-type: none"> › Care is taken to recruit the right people for the right jobs. › Recruitment and selection strategies are developed to find and hire recent graduates or qualified candidates from other utilities or the private sector. Retention strategies to encourage employees to stay in the organization. › Organizational interventions such as redeployment of staff or reorganization are identified and implemented › Succession planning and employee development plans focus on retention and growth of employees

Talent acquisition and retention

Sub Process	Gaps	Roadmap/ Recommendations
Talent acquisition and retention	<ul style="list-style-type: none">› Key positions are not filled in a timely basis (IT manager, Generation manager, etc.)› Managers have expressed frustration with misfits in candidates hired› Hiring mistakes are very expensive and need to be avoided	<ul style="list-style-type: none">› Workforce planning and succession planning programs should assist the organization with talent acquisition and retention of key employees

Succession planning...

- › is a subset of workforce planning where critical positions are targeted and staff prepared to ensure the continued effective performance of the utility, division, department, or work group by putting in place an action plan that develops and replaces key people over time.

7% of government organizations have succession plans in place as compared to 61% of private sector organizations.

93% of private businesses say they are planning to have succession plans as compared to 28% of government organizations.

- National Academy of Public Administration Survey

Succession planning key steps:

- › Identify critical competencies and leadership characteristics needed at all levels
- › Assess current bench strength and identify expected vacancies
- › Identify critical competency gaps between the current and those needed for the future
- › Identify high potential employees capable of rapid advancement
- › Identify strategies that help recruit, develop and retain talent
- › Identify well-qualified internal candidates for each key position
- › Monitor key employees and their career progression and use individual development plans
- › Be consistent with job analysis, definition of competencies, criteria for selection, and performance evaluations
- › Adjust succession planning according to changing needs

Succession planning

Sub Process	GPA Today	Highly Effective Utilities
Succession planning	<ul style="list-style-type: none">› No formal succession planning process exists.› Key leaders have expressed concerns that they do not have an adequate supply of potential successors.	<ul style="list-style-type: none">› Human resources is responsible for the tools and processes associated with successful succession planning.› Business or line units are responsible for the "deliverables" - i.e., they use the system to manage their own staffing needs.› Key managers nominate employees who are to be considered succession planning candidates for key leadership positions.› A working succession program results in having more than one good person available for a key job.

Succession planning

Sub Process	Gaps	Roadmap/ Recommendations
Succession planning	› A range of good choices; a working succession system results in having more than one good person available for a key job. Real success requires choices between two or more qualified people.	› Implement a succession planning process.

Leadership Development

Sub Process	GPA Today	Highly Effective Utilities
<p>Leadership development</p>	<ul style="list-style-type: none"> › A formal program for development of future leaders is not in place. › Management training is provided through partnerships with outside organizations using courses like AMA or APPA. › Leadership competencies are not standardized across the utility. 	<ul style="list-style-type: none"> › A cyclical, continuous identification process is used to identify and focus on future leaders. › A structured management training program exists, which helps employees move from staff roles to managerial. › Best-practice organizations use a core set of leadership and management competencies to evaluate and develop talent. › Key activities include coaching, training, and skill development. › In addition to traditional executive education programs, utilities use special assignments, mentoring, and web-based development activities.

Leadership development

Sub Process	Gaps	Roadmap/ Recommendations
Leadership development	› A program for development leaders and strong managers at GPA is not in place. Training is being provided by AMA and other outside organizations to fill currently identified gaps	› Using the workforce planning and succession planning results, develop a standardized managerial and leadership training program for GPA

Improve overtime controls

A. Recommendation Scope & Objectives		B. Approach/Work Plan	
<p>Objectives in Order of Impact:</p> <ul style="list-style-type: none"> › Reduce controllable overtime by: <ul style="list-style-type: none"> – Understanding drivers across business units – Developing ongoing management process to review and control drivers <p>Recommendation Scope:</p> <ul style="list-style-type: none"> › Start with high overtime business units within: <ul style="list-style-type: none"> – Engineering – Customer Service (Meter Reading, Connect/Disconnect) – Generation 		<ul style="list-style-type: none"> › Conduct detailed analysis of overtime based on samples across business units <ul style="list-style-type: none"> – Identify agreed upon definitions of reason codes › Design target management reporting process, controls and tools (reports) › Build process to efficiently collect and categorize data for reporting › Implement within a business unit <ul style="list-style-type: none"> – Conduct training of staff and supervisors 	
C. Risks and Dependencies		D. Benefits	
<ul style="list-style-type: none"> › Requires shift in staff perception of overtime related to productivity › Need to develop standards around what overtime is acceptable so that management is not unnecessarily trying to drive down 'required' overtime. › Development or reconfiguration of overtime reporting system 		<ul style="list-style-type: none"> › Reduction of 5-10% from the projected FY09 overtime cost of \$2 M <ul style="list-style-type: none"> – Total reduction is unknown until further data is collected; however, other companies in similar situations have achieved a minimum of 10% reduction through application of controls. 	
E. ROI	F. Deliverable(s)	G. Estimated Timeframe	H. Estimated Cost
<ul style="list-style-type: none"> › \$100k - \$200k annual savings assuming 5-10% reduction › Less than \$50k initial investment plus negligible ongoing cost 	<ul style="list-style-type: none"> › Overtime data collection and management control process › Management overtime reporting 	<ul style="list-style-type: none"> <input type="radio"/> Less than 4 weeks <input type="radio"/> 4 - 8 weeks <input type="radio"/> 8 - 12 weeks <input checked="" type="radio"/> 12 + weeks 	<ul style="list-style-type: none"> <input checked="" type="radio"/> < \$50k <input type="radio"/> \$50K - 75K* <input type="radio"/> \$75K - \$100K <input type="radio"/> > \$100K

Manage absenteeism

A. Recommendation Scope & Objectives		B. Approach/Work Plan	
<p>Objectives in Order of Impact:</p> <ul style="list-style-type: none"> › Reduce unwarranted sick leave and absenteeism among employees › Reduce overtime related to backfill for absent employees <p>Recommendation Scope:</p> <ul style="list-style-type: none"> › Develop a management process to monitor absenteeism patterns › Develop and document a procedure to systematically address identified issues with high-absence employees 		<ul style="list-style-type: none"> › Conduct detailed analysis of absenteeism across business units › Design monitoring process, controls and tools (reports) based on analysis <ul style="list-style-type: none"> › Ensure data can efficiently be collected and reported › Document procedures for addressing absenteeism › Implement within a business unit <ul style="list-style-type: none"> › Conduct training of staff and supervisors 	
C. Risks and Dependencies		D. Benefits	
<ul style="list-style-type: none"> › Dealing with absenteeism is a sensitive policy that could put GPA at risk if not handled properly › Requires education of staff regarding new process and benefits 		<ul style="list-style-type: none"> › Estimate Fiscal Year 2009 sick leave is about 30,000 hours › Reduction of 5% would result in 1500 regained hours <ul style="list-style-type: none"> › Total reduction is unknown until further data is collected, however, other companies in similarly situations have achieved material reduction through application of controls 	
E. ROI	F. Deliverable(s)	G. Estimated Timeframe	H. Estimated Cost
<ul style="list-style-type: none"> › \$36K of backfill overtime wages (assuming average rate of \$16/hour) 	<ul style="list-style-type: none"> › Internal policy development › Analysis process, controls and reports 	<ul style="list-style-type: none"> <input checked="" type="radio"/> Less than 4 weeks <input type="radio"/> 4 - 8 weeks <input type="radio"/> 8 - 12 weeks <input type="radio"/> 12 + weeks 	<ul style="list-style-type: none"> <input checked="" type="radio"/> < \$50k <input type="radio"/> \$50K - 75K* <input type="radio"/> \$75K - \$100K <input type="radio"/> > \$100K

Update policy on military leave

A. Recommendation Scope & Objectives		B. Approach/Work Plan	
<p>Objectives in Order of Impact:</p> <ul style="list-style-type: none"> › Reduce expenditures related to military leave › Reduce unplanned skill shortages and resulting overtime to backfill those on military leave <p>Recommendation Scope:</p> <ul style="list-style-type: none"> › Start Development of policy recommendations around military leave with supporting evidence from mainland utilities and public entities 		<ul style="list-style-type: none"> › Refine analysis and business case around military leave policies for comparable utilities or businesses › Develop policy recommendation for military leave wages and GPA responsibility › Communicate recommendation to the legislature to revise the law 	
C. Risks and Dependencies		D. Benefits	
<ul style="list-style-type: none"> › Subject to Guam Government law and regulations – potential political opposition › Reduction of personnel taking military leave is not guaranteed – it depends on reasons for military leave and what percent is financially motivated (as noted during interviews) 		<ul style="list-style-type: none"> › Reduced excess pay associated with military leave and leave sharing (assumed 25-50%) out of \$80-120K › Reduce incentive for taking military leave, thus improving stability within business units <ul style="list-style-type: none"> › Less military leave › Improve productivity of work units › Reduce unplanned overtime 	
E. ROI	F. Deliverable(s)	G. Estimated Timeframe	H. Estimated Cost
<ul style="list-style-type: none"> › \$20-60K related military leave wages › \$20-50K of backfill overtime wages › \$5-10K related to reduction in leave 	<ul style="list-style-type: none"> › Policy recommendation and business case 	<ul style="list-style-type: none"> <input type="radio"/> Less than 4 weeks <input type="radio"/> 4 - 8 weeks <input type="radio"/> 8 – 12 weeks <input checked="" type="radio"/> 12 + weeks 	<ul style="list-style-type: none"> <input checked="" type="radio"/> < \$50k <input type="radio"/> \$50K – 75K* <input type="radio"/> \$75K - \$100K <input type="radio"/> > \$100K

Develop workforce planning process

A. Recommendation Scope & Objectives		B. Approach/Work Plan	
<p>Objectives in Order of Impact:</p> <ul style="list-style-type: none"> › Design and implement a workforce planning program to optimize resources across the organization <p>Recommendation Scope:</p> <ul style="list-style-type: none"> › Consistent utility-wide program should be developed › Human Resources department should administer the program while department managers are responsible for the planning for their area › Develop baseline detailed staffing plans for strategic business units › Develop annual process to analyze workforce plans and productivity against changes in the business environment 		<ul style="list-style-type: none"> › Review current workforce planning efforts and processes › Prepare future state and compare the current processes to the future vision › Develop the necessary tools and processes to support workforce planning › Develop understanding work drivers (shifts, skills and work activities) › Develop demand model based on work drivers to quantify staff over time › Provide training to managers on the new process › Plan for implementation › Develop staffing and productivity targets to improve accountability › Monitor and assist with the inaugural plan 	
C. Risks and Dependencies		D. Benefits	
<ul style="list-style-type: none"> › Data on the current workforce will need to be gathered › The new performance management process should provide insight into the required skills and competencies › Past attempts at bottom-up staffing have failed – may result in less acceptance of new initiative. › Need to be balanced against measurable productivity indicators 		<ul style="list-style-type: none"> › A longer term look at the workforce allows management to focus human capital efforts at growth and helps the utility manage attrition › Assists the organization by identifying new skills and missing skills needed to perform as a Highly Effective Utility › Improved recruiting to meet overall needs of the utility › Improved ability to hire rather than incur overtime 	
E. ROI	F. Deliverable(s)	G. Estimated Timeframe	H. Estimated Cost
<ul style="list-style-type: none"> › Intangible benefits of having the right people in the right jobs › Anticipating vacancies should reduce overtime and non-productive time 	<ul style="list-style-type: none"> › Current state, future state and gap analysis › Workforce planning process and tools and the initial plan/schedule 	<ul style="list-style-type: none"> <input type="radio"/> Less than 4 weeks <input type="radio"/> 4 - 8 weeks <input type="radio"/> 8 – 12 weeks <input checked="" type="radio"/> 12 + weeks 	<ul style="list-style-type: none"> <input type="radio"/> < \$50k <input type="radio"/> \$50K – 75K* <input type="radio"/> \$75K - \$100K <input checked="" type="radio"/> > \$100K

Develop succession planning process

A. Recommendation Scope & Objectives Objectives in Order of Impact: › Design and implement a succession planning process in GPA Recommendation Scope: › Succession planning, once developed, should be utilized across the utility		B. Approach/Work Plan › Design succession planning process including tools and processes › Work with Human Resources and business unit performance › Work with managers to identify high potential employees › Assist in the completion of the new workforce plan › Develop for implementation the ongoing process for succession planning › Work with Human Resources to identify leadership and skill training ad programs to develop succession candidates	
C. Risks and Dependencies › The initial identification of critical positions and candidates is an iterative process which is time consuming and requires collaboration between the business units and Human Resources › It is probably that 'ready' candidates do not currently exist for some procedures		D. Benefits › A ready supply of candidates for critical positions allows transitions to occur more smoothly and quickly › Succession candidates are 'groomed' for key leadership positions with the indirect benefits of employee satisfaction and the reduction of concerns related to succession	
E. ROI › Intangible benefits include employee satisfaction, smooth leadership transitions and reduced recruitment expenses	F. Deliverable(s) › Workforce planning process › Criteria and process to identify high potential candidates › Leadership and development strategies and process	G. Estimated Timeframe <input type="radio"/> Less than 4 weeks <input type="radio"/> 4 - 8 weeks <input checked="" type="radio"/> 8 - 12 weeks <input type="radio"/> 12 + weeks	H. Estimated Cost <input type="radio"/> < \$50k <input checked="" type="radio"/> \$50K - 75K* <input type="radio"/> \$75K - \$100K <input type="radio"/> > \$100K