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## COMPANY PROFILE

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First Quartile Consulting (1QC) offers a powerful combination of benchmarking and consulting services to help our clients achieve measurable performance improvements. Our founders have worked together for almost 20 years delivering benchmarking services in the utility industry, and are experts in the world of benchmarking, as well as highly knowledgeable about the details of utility operations.

The benchmarking services provide a knowledge base that supports the consulting activities of the firm, and the consulting assignments provide a mechanism to learn about new practices, trends, and occurrences in the industry, which can then be explored through the benchmarking programs. Having both capabilities together in the company provides a balanced and complementary set of services that benefit our clients.

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### CORPORATE MISSION & VALUES

First Quartile Consulting helps our clients to improve their operating performance through the delivery of benchmarking and management consulting services, with the goal of achieving measurable improvements, at both a transformational level and at an incremental/continuous improvement level.

Our vision is to be the premier provider of benchmarking services to the utility industry in the areas of customer service, distribution, transmission, and corporate services. This will be achieved by providing superior benchmarking programs and projects, including delivery of accurate and useful data, comprehensive and complete analytic reports and presentations, insightful advice, and creation of interactive communities within our client group of companies.

We will provide superior value to our clients at a fair price and deliver outstanding customer service, responding to requests in a timely and effective way, endeavoring to meet the needs our clients express to us.

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### INTEGRATED BENCHMARKING SOLUTION

We believe that benchmarking is a core component of successful improvement in a utility. Our benchmarking approach is built to study key performance indicators and the best practices that enable outstanding performance. We start with a comprehensive questionnaire, develop detailed statistical reports and analytics, augment it with research into key areas of interest, and finish by providing valuable insight into the findings. Building on the benchmarking program, we provide value to our clients by creating an interactive community, through hosting a series of conferences and forums at which they can interact and share experiences about practices and activities in the utility industry.

Our goal is to integrate customer expectations, demographic profiles, current performance levels, and improvement opportunities with goal setting and implementation of actions to improve performance. We believe that being a part of a benchmarking community can help you to achieve your individual goals, but that actually bringing the results home to a skeptical audience requires a lot of preparation and some outside assistance.

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## CONSULTING SERVICES

The management consulting services we offer are focused on helping our clients achieve significant and measurable performance improvements. We provide a full range of consulting services from incremental and continuous improvement projects to transformational changes and change management. While these are relatively traditional management consulting services, we distinguish ourselves by bringing expert knowledge of the industry and operational areas and coupling that with superior consulting skills.

Our team has worked with dozens of the largest global energy firms, and we also work extensively with medium and small size energy firms to ensure that they remain efficient and competitive in the face of the changing energy market.

We combine in-depth industry knowledge with a results-focused approach to analysis, solution development and implementation. Through consulting projects with 1QC, our clients benefit from:

### ■ Process Improvement

Using our industry, process, technology, and human resource backgrounds and management skills, 1QC partners with clients to develop appropriate cost/service levels and support customer satisfaction to optimize their return on investment. We support clients with strategies that put the customer at the core of the business, ranging from the customer's first contact with them through the entire lifecycle of the customer/company relationship.

#### **Services in the Customer Service area include:**

- Customer and account management
- Credit and collections
- Metering, billing and field services
- Non-regulated business processes
- Call centers, customer contact and relationship management
- Service-enabling technology, including AMR, AMI, Field force automation, contact center solutions, internet, billing systems and data mining

Using our in-depth knowledge of industry processes and best practices to assess Distribution and Transmission operations, 1QC helps our clients implement programs to lower operational costs, maximize resource utilization and optimize overall performance. Our expertise in this area stretches across the entire range of network, transmission and distribution operations.

#### **Services in the Operations area include:**

- Reliability review and assessments
- Asset management and capital planning
- Efficient engineering design and planning processes
- Capital project management process, roles and responsibility development, and performance measures
- Emergency response
- Service-enabling technology, including outage management, GIS, workforce management, workforce resource planning, integration with customer systems
- Enhancement of outage management

## ■ Benchmarking assistance

Beyond the standard services of benchmarking activities undertaken by our benchmarking community, clients often seek specialized studies supported by benchmarking activities. 1QC provides further specialized studies to support the following:

- Identify best practices to improve specific operational and customer performance areas
- Support regulatory filings and rate cases
- Develop targets for performance levels that match industry leaders and peer companies
- Negotiate appropriate performance targets with regulatory agencies, taking into account demographics and peer companies
- Create management incentives based on measures and baselines set against performance of industry leaders or common community peer groups
- Conduct and support focused studies to develop metrics, insights and ideas through interaction and structured visits with participating benchmarking community and other utilities. Areas of focus can be practices, technology, organizational structures etc.
- Help create internal benchmarking capability and structure for clients

## ■ Best practices implementation

1QC supports its clients with implementation of best practices in their organizations. Best practice implementation often requires aligning organizations processes, people, roles and technologies. It is more than simply determining that a best practice should be applied.

Best practice areas where 1QC can help provide benefits to clients include:

- Project management (example: application of best practices in capital project management)
- Technology application (example: application of advanced metering technology)
- Sourcing of resources and services (example: in/outsourcing of contact center or credit and collections functions and processes)
- Performance measurement (example: application of best practices in measuring “first contact” resolution with customers)
- Organizational alignment and design (example: properly structuring a “shared services” organization and applying service-level agreements with customer organizations)
- Organizational roles (example: roles and responsibilities to be undertaken by project managers in the project management process)

## ■ Regulatory support

In regulated markets, 1QC helps its clients collaborate with policymakers to create effective market choices. We also support the development of appropriate customer service and operational standards, as well as measures supported by our benchmarking data and research. We prepare our clients to succeed with successful mergers and acquisitions, and evaluate and expand into markets. Services include:

- Evaluating, managing, and supporting successful mergers and acquisitions
- Developing and defending rate cases
- Developing appropriate service standards
- Evaluating market opportunities
- Designing measures for service standards

## ■ Strategy/organizational development

1QC supports clients in making strategic decisions and guides business improvements in areas such as customer service, organizational design, resource utilization, technology acquisition/development and outsourcing.

We've helped our clients with services in the following areas:

- Outsourcing strategies for customer and operational services
- Organizational design across a spectrum of utility functions
- Developing "Shared Services" concepts and strategies
- Evaluating market opportunities
- Developing internal systems strategies for use in development or acquisition of systems such as Billing, Work Management, Field Force Automation, Advanced Metering

## ■ Change and implementation management

1QC works with its clients to translate business strategies into actual organizational changes via its hands-on approach to support of change and implementation programs. Our work ranges from helping clients develop an understanding and justification of the need for change through development of effective change program structures/models that are used to enable change, to initiation and alignment of teams, people, process, technology, and performance measures, and eventually piloting or transitioning to fully implemented processes, technologies and roles.

Our team brings years of experience in managing these aspects of change specifically in the energy utility industry. Services include:

- Conducting business assessments to develop cases and justification for change
- Developing change management programs for leadership, communications, and execution of change efforts
- Aligning process with technology and enablers to drive towards organizational change and improved performance
- Working with executive leadership to reconcile internal differences and drive change throughout organizations
- Leading integrated teams in the planning, design and implementation of client change programs
- Integrating "best practices" into change programs

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## SENIOR MEMBERS

**Ken Buckstaff, Managing Director**, leads the recruiting efforts for our benchmarking communities. He is also currently working on consulting engagements for Direct Energy, HydroOne Networks and National Grid. Prior to joining 1QC, Ken was a Partner at PA Consulting, a Senior VP at PHB Hagler Bailly, and a Partner at Theodore Barry & Associates. His career includes overall direction of utility benchmarking surveys for 18 years, as well as providing consulting services to major US and international utilities. Ken has served as an expert witness in numerous regulatory proceedings and has led the development of performance improvement approaches and techniques for three different consulting firms. Ken also worked for the Salt River Project as an engineer and manager. Ken holds an MBA (UCLA) and a BSIE (Lehigh University).

**Debi McLain, Director**, is heading up the infrastructure development for 1QC's Benchmarking Services. She also manages benchmarking operations for the Customer Service, APPA Customer Service and Electric Transmission & Distribution communities. Prior to joining 1QC, Debi was a manager of utility benchmarking surveys for 18 years. In this role she has managed the client interfaces and produced the questionnaires, statistical reports and analytics for the surveys. She also works on consulting projects for major North American utilities. Previously, Debi has worked for PA Consulting, PHB Hagler Bailly and Theodore Barry & Associates. Debi holds a BS (CSU).

**Tim Szybalski, Director**, is leading the 1QC product development effort for Benchmarking Services. He is currently developing the APPA Customer Service Benchmarking Survey conducted by 1QC and is working on a consulting engagement for National Grid. Prior to joining 1QC, Tim was a Managing Consultant at PA Consulting and a VP at PHB Hagler Bailly. He managed electric T&D, customer service, and corporate services benchmarking surveys for 12 years. Tim has been a consultant on significant client engagements at major US and international utilities. In addition, Tim has worked for PG&E as a director of an internal consulting group, in the energy practice of an international consulting firm, and at SDG&E as an engineer and Construction Methods Supervisor. Tim holds an MSIE (UC Berkeley), an MBA (SDSU) and a BSIE (Stanford) and is a registered Professional Engineer (IE) in California.

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