

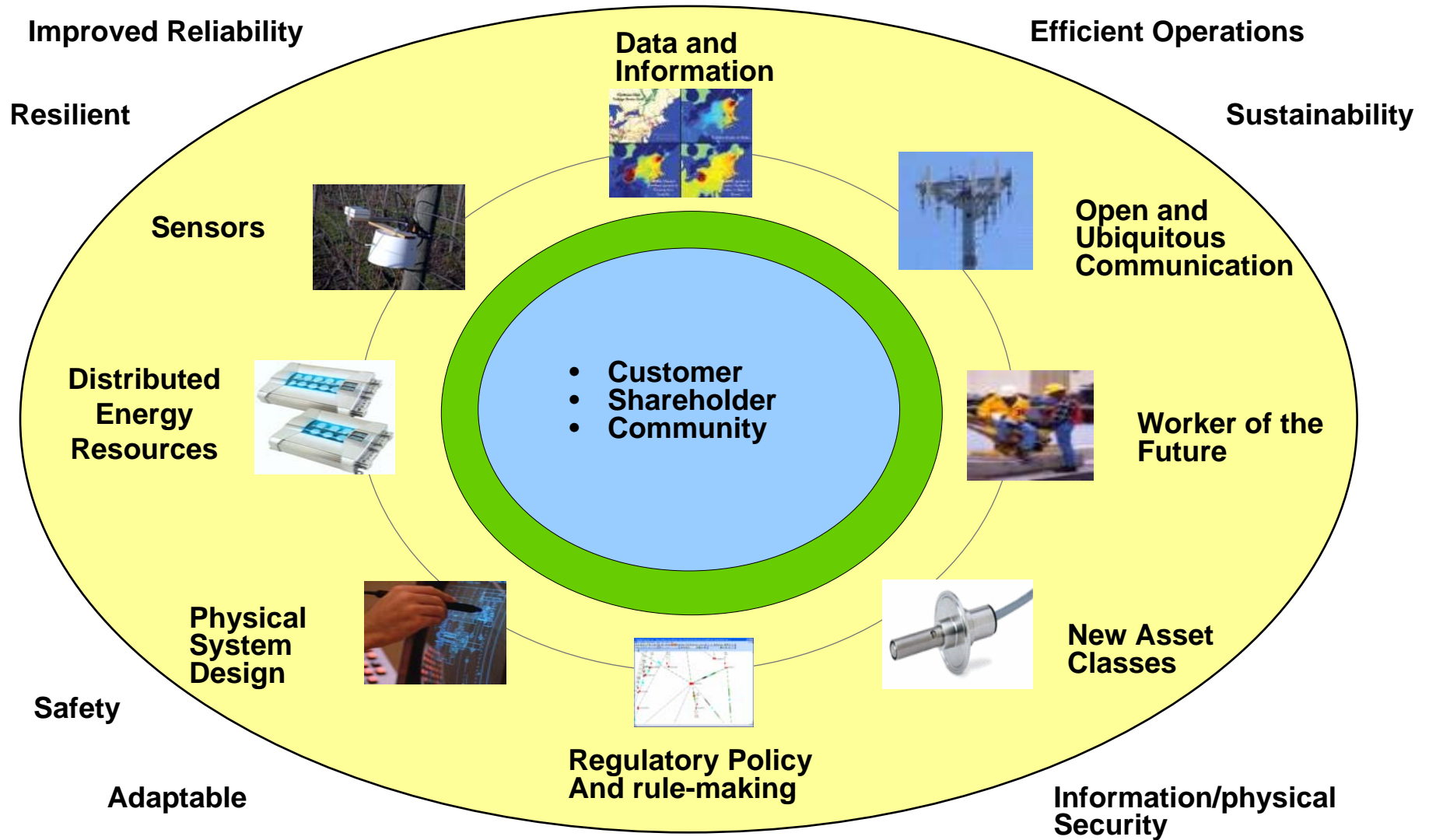


High performance. Delivered.

Smart Grids – Transformation of the Utility

Knowledge 2007

A High Performance Network



Current capital allocation process does not focus on Intelligent Network investments

Current Sequence in Capital Allocation Process	Discretion	Allocation of Budget
1. Restoration	Low	High
2. Regulatory/Legislative	Low	High
3. Native Load Growth	Low	High
4. Maintenance	Medium	Medium
5. Investment (e.g., UIN)	High	Low

So – what does this all mean?

- Develop a vision and Roadmap
- Modify the roadmap on a periodic basis – based on
 - Technology changes – Communications, Data/Data Management, Sensors
 - Regulatory changes – Federal, State, Local
 - Business Imperatives
- Execute Pilots to test hypothesis and business value
- Move from Pilot to enterprise implementation to realize the business value

The key takeaway is – do your normal set of activities differently and base them on the vision and roadmap.