

Wisconsin Public Utility Institute
Executive Board Meeting Minutes
February 18, 2005
8:00 a.m. – 11:00 a.m.

Skyview Room Fluno Center for Executive Education 601 University Ave., Madison, WI

Present were: Leslie Durski, Paul Fuglie, Wendy Grapentine, Jordan Hemaidan, Tom Kilkenny, Karen Matteoni for Lynn Hobbie, Scott Meske for Dave Benforado, Terry Nicolai, Cheryl Parrino, R.J. Pirlot, Brian Rude, Neal Siikarla, Rep. Tony Staskunas, Rodney Stevenson, Todd Stuart for Senator Cowles, Scott VanderSanden, Brian Zelenak

1. Call to Order, Introduction, and Agenda Review

Terry Nicolai convened the meeting at 8:05 a.m. and asked the attendees to briefly introduce themselves. Terry asked for any additions to the agenda. There were none.

2. September 17, 2004 Minutes

Terry asked for any changes to the minutes from our last Board meeting. It was moved, seconded and unanimously approved to accept the minutes without changes.

3. Elections of the Board

Nominations Committee Chair, Neal Siikarla, offered two slates of candidates to the Board; one for Board Members, the other for Board Leadership. Wendy told the Board that Ted Beck and John Imes had given their proxy to her to vote in favor of both slates. Having a quorum, the slates were then unanimously approved by all those in attendance. Terms will begin July 1, 2005. Note: We recognized long-serving Board members Lee Cullen and Neal Siikarla with plaques at the Annual Meeting following the Board Meeting.

4. 2004 – 2005 Program Calendar

Wendy reported that the *EEI Advanced Ratemaking* program in August was very successful. They were impressed with the facilities at Fluno and will be back this August. Dates are set through 2007. Wendy said this is a good program because it gets us national name recognition, exposure to potential program attendees and has no financial risk as we are paid a fixed amount for our services.

Energy Utility Basics held September 17, 2004 was an extremely successful program. Wendy sent a report to the EPAC. It is available to anyone who would like a copy, just ask Diane to send it to you. In sum, we had 30 speakers, 90 attendees from 9 states including ID, AZ, CO, MN, WI, IA, IL, FL, RI, and the Bahamas. We had 7 different utilities and/or RTO's, 9 different companies including consultants, large industrial energy users, equipment suppliers and trade groups as well as commission staff from ID, AZ and IL. We added a new feature this year by taking students to the Pyle Center computer lab so they could actually work with Dr. Paul Meier's EnergyEd simulator hands-on. That was a very well-received improvement.

Wendy said this year's attendance may have been unusually high because we had to turn away people in 2003. We will be capping attendance at 90 in order to be able to handle the site tours efficiently and economically. The program brought in \$50,000 in profits. EUB 2005 is scheduled for October 3-7.

VoIP Executive Roundtable This was a follow up to the Spring Telco Program. The FCC'S Robert Pepper was coming to town for a different school at the UW so we planned our program around his trip and got him here at no cost to WPUI. He presented on what he called "Everything over IP" and Cheryl Parrino moderated a discussion with the attendees. The feedback on evaluations was excellent with the program receiving an average overall rating of 5 on a 5 point scale.

This program was intended to be a break-even program with 25-30 attendees. There were 53 attendees and we generated income of \$1,000. Charter sponsored for \$2,000. Wendy pointed out that without sponsorship, even a highly successful program like this would have lost us \$1,000. We charged \$35 for non-profit, \$50 for members and \$75 for non-members and the costs at Pyle are much less than Fluno. The big expense was marketing costs which ran \$1500. By comparison, EUB was \$2,400. Wendy is experimenting with a new e-mail marketing approach in this spring's programs that should cut costs dramatically. It's only \$15-\$20/month to send e-mail invites.

Rate of Return Regulation Roundtable was held January 26th. Five member utilities sponsored a white paper to look at the Capital Asset Pricing Model. The author presented the paper and we had a panel of four people from representing different perspectives, react. Panelists were Colin Blaydon representing the utility perspective, Michael Gorman from Brubaker & Assoc. representing the industrial consumer perspective, Steve Kihm from PSCW with the regulatory perspective and George Edgar with the residential customer perspective. Expenses will be covered by companies who sponsored the paper. WPUI will cover out of pocket expenses but not staff time. Expenses are still being calculated.

RTO 101 Seminar The Organization of MISO States is paying for RTO expert John Chandley to develop course and take it around to member commissions. The PSCW asked WPUI to facilitate bringing the program to Wisconsin. We will charge \$30 for government/ non-profit, \$90 to members and \$125 non-members for the one day program at the Fluno Center. Higher registration fees will offset losses from others. Designed to be break even but we could make a small amount of money.

Tom Kilkenny expressed concern that program had not been marketed widely enough. Wendy acknowledged that. From the time the PSCW formally decided to go ahead with the program and picked a date, to the date of the actual program was just two weeks. This quick turnaround highlights the need to expand and improve our database and marketing efforts which has been an ongoing challenge for the Institute. Wendy said she would continue to look for solutions.

Energy Basics Legislative Mini Course Rep. Phil Montgomery asked WPUI to develop this program. It is still in the development stage but getting close to a firm agenda. This and RTO 101 are great examples of how we are coming to be seen as a resource for education and information and meeting our goal of raising the profile of the Institute.

Emerging Technologies “Power Lunch” seminars co-sponsored by the PSCW Chairperson Bridge’s ideas to focus on IGCC, Wind and Broadband Over Power Lines. This program will involve trying a new approach of two-hour educational sessions over lunch. We want to webcast but are running into some logistical issues. Webcasting is an area Wendy said she’d like to develop in order to offer value to members outside of the state who would not travel for a program less than 2 days in length. The development of this course has been delayed because of the RTO and Legislative programs popping up. We are hoping to do them on April 18, May 16 and some time in June at the Fluno Center.

8th Midwestern Telecommunications Conference April 12, 2005. Haven’t heard what’s up. Need to touch base with them. We moved our telecom program back a month in order not to compete. Our Telecom Program used to be just basics so it didn’t compete, but since the focus has shifted, Wendy felt we needed to separate the two programs by a longer amount of time.

Energy and the Environment Forum Wendy explained that this is scheduled for April 20th, Earth Day. It would be a joint project between WPUI, PSCW, DOA, DATCP and Commerce. The summary description from Linda Barth at the PSCW as “A forum on Governor Doyle’s Clean Energy for the Economy Initiative. A conference looking at the outcomes of implementing the recommendations of the Governor’s Task Force on Energy Efficiency and Renewables.” Wendy explained the background on this program: Starting back in November, the PSCW wanted to do something for Earth Day. Wendy was looking for a way to do a joint program that would be an annual event but was concerned at the time that April 2005 was too soon for the scale of program that was being discussed. The PSCW and other groups bandied about the idea for quite a while and let Wendy know on February 16th that they’d gotten the okay to move forward. WPUI has agreed to give input on content and handle logistics for the site and registration but will not be responsible for program development- too short of a time frame with everything else on our agenda but Wendy didn’t want to say no.

Several members of the Board expressed strong concern about this program. The feeling was that it was too political and that WPUI risked our reputation of neutrality on the issues by being involved, especially if Wendy wasn’t able to focus on the content of the program which would be the case given WPUI’s heavy program schedule. At the end of the conversation the consensus was that this is not a program WPUI should get involved in.

Telecommunications Forum & Basics May 10-12, 2005. Development of the content for this program has been pushed back by all the new programs added to agenda. The Basics will still be offered as a 1.5 day pre-conference workshop and the main speakers for that are confirmed.

Cyber Risk program cancelled

Only 2 people registered. A UW School of Business graduate who wanted to do something to give back suggested the program. There was less than \$100 in out of pocket expenses for WPUI since her firm, Gallagher Risk Management helped cover marketing costs.

Telecom Debate on hold

This has just kept getting pushed back by programs with known audiences and proven interest. Hope to do it sometime late spring or summer.

Xcel Energy Custom Program

We were approached by Doug Jaeger, a graduate of Energy Utility Basics 2003, to develop a program for 8-10 top management. Wendy is currently working with UW folks and consultants to develop the curriculum. We are looking at dates in June. This program is expected to bring in about \$6k which is low for an ExecEd custom program but it's a small group. There is potential for this to be used as a 200 level WPUI public course building on EUB.

Financial Accounting Institute and other second level programs update

Joel Burk is willing to come and we've tentatively booked a fall date. However he does custom programs for WE Energies and WPS so there's concern about the potential market. Burk is very well respected. Wendy spoke with Jerry Weygandt who runs the AGA program and he highly recommended him. Prof. Weygandt is thinking of retiring from running the AGA program but wants it to stay at the UW so we talked briefly about trying to bring it under the auspices of WPUI so we don't lose that program like Indiana lost the EEI Advanced Ratemaking School to UW when the professor there retired. We'll see what comes of it. The speaker fee is \$15,000 and the program is financially viable for WPUI but there is the concern about attendance. *Board members agreed it might be difficult to get attendees, but Wendy will check with Liaisons on interest.*

Germany trip transmission program idea

Wendy did follow up on this but the LaFollette Center had taken the lead and our attempts to collaborate with them came too far down the line to be effective. Wendy will continue to look for other opportunities to work with LaFollette. A LaFollette grad student may be interning for us this summer.

Todd Stuart stated that ATC is hiring a lot of new employees and they are sending their employees to Transmission Business School in Chicago, we should offer a program here and get those people. It is a very technical program, we have lots of activity in these fields already on campus we should utilize what we have here.

5. Director Updates

CMS Custom program revenue

Wendy explained how the Center for the Advanced Studies in Business, which owns the Fluno Center, gives a portion of all Custom Program revenue to the School of Business as a donation. Tammy Thayer-Ali, the head of custom programming, has arranged for that donation for the CMS program to go directly to WPUI for our work in securing the contract and helping recruit instructors like Cheryl Parrino. No set amount has been determined yet.

Cluster Hire

Still no hire that Wendy is aware of. She was told it's coming soon.

Wisconsin Idea Grant

We were not asked to submit a full proposal. Wendy is meeting with Paul Meier and Deborah Still to discuss further ideas. The plan was to provide licensing and training on Energy Ed to be shared out into the community by groups such as MEUW and Dairyland who have established rural community programs.

NRECA

Still settling in and doing well. Good for the Fluno Building and good for WPUI's relationships with the rest of the School of Business, Exec Ed and the UW at large since we helped get them here.

Staff

Being at Fluno has been great. We have much more integration with other departments and are working with other Program Directors on programs of mutual interest. Wendy said she's learning a lot from Tammy about custom programs which could be a good future for WPUI.

Recent staff changes: Diane Transue has replaced Terry Thompson as Wendy's program coordinator. Wendy explained why the change was made and expressed her optimism about working with Diane.

Wendy pointed out that we are hitting a critical point where we have raised the profile of the Institute to the point where members, including the Legislature and PSCW, are approaching us with program ideas and we're getting wider recognition within the industry in general. However, we've hit a point where the level of activity can't be sustained without adding staff. Wendy is looking at ways in which to do this but the finances are still tight.

Terry Nicolai echoed those concerns and said this will be discussed further at the next board meeting.

6. Scholarship Status and Usage

Wendy provided a chart tracking the scholarship monies. Donations have dropped off significantly from \$8,000 in 2003 to \$3,000 in 2004 and just \$750 in 2005. We are in need of scholarship money. Wendy asked if each board member could look into scholarship funding opportunities within their organizations.

Thomas Kilkenny suggested we move \$5,000 to the scholarship fund since we had a good year.

Terry Nicolai said no, we may need the money for additional staff.

Neal Siikarla agreed we should leave the money as is.

Paul Fuglie asked if whether not having a scholarship fund would affect enrollments?

The question was raised as to how much of a "rainy day" fund we need. Wendy will check with Ted Beck on this for guidance.

This will be revisited at the next board meeting.

At the request of Brian Rude and other Board members, Wendy agreed to send out a letter to the Liaisons asking for scholarship donations.

7. Final FY04 Budget and Approved FY05 Budget

Wendy went over the numbers and notes. In general we are doing quite well. Expenses are within expectations. Our membership goal is within sight and our program revenue goal was met with just the Energy Basics course which has provided us some financial flexibility on other programs. Essentially our budget is funded with the membership dues and revenues from three programs: Energy Basics, EEI Advanced Rates and our Telecom Forum. All other programs are run on a break even basis in order to make sure we run programs that meet our mission and don't discount programs if they are not profitable. However, if there is an opportunity to make a profit on a program, that opportunity will be taken.

8. Membership

We have one new member so far in 2005: The Wisconsin Federation of Cooperatives. Our Membership Committee has been actively recruiting new members.

Wendy reminded the Board that the best way to get an organization to join is for a current member to sell them on the idea.

Thomas Kilkenny asked about the dues structure and possibly changing the amounts. Wendy said we did suggest to law firms and large consulting firms in the Standard category that they move up to the Associate level in 2005. We did not have any takers.

Board members agreed to look at the membership list and see if there were members they could talk to about moving up a level.

9. Next Board Meeting/Concluding Remarks

We agreed our next Board meeting will be on Friday September 23, 2005 from 9:00 a.m. – 12:00 noon in Room 201 of the Fluno Center.

The following Board meeting will be on Friday, February 17, 2006 from 8:00am-11:00am in Room 203 of the Fluno Center.

The 2006 Annual Meeting will be held from 11:30am-2:00pm on that same day (Friday, February 17, 2006) in the Fluno Center Auditorium.

Terry Nicolai concluded saying there are always financial issues and new staff issues and that we are in a good but difficult place with the growth of the Institute. He reminded Board members that they are the best sales people.

Rodney Stevenson said thank you to Neal Siikarla and Terry Nicolai for their many years of service.

Wendy thanked Terry for his leadership and support as Chair of the Board.

The Board Adjourned at 11:00.