

April 19, 2011

My name is Bob Rodi and I am testifying in support of Senate Bill 1743.

I am a current PEC Owner-Member and a 35-year electric utility executive with Fortune 200 and municipal utility experience in developing transformational policies and in remediating utilities with serious performance failings involving financial and organizational issues, including business processes. Over the last eight months, I have personally observed and evaluated PEC's governance processes and activities through my attendance at over 45 Board and Committee meetings. Continuing and recent governance events have prompted my testimony.

In my view, PEC, with immediacy, still requires much greater improvement regarding policy development and outcomes, financial performance and accountability, and organizational and business-process development. The tools for the potential remediation of these deficiencies needs to be externally secured for Owner-Members through the transparency and the fair election provisions in the legislation you are considering today.

A cooperative electric utility is a not-for-profit enterprise which has at its core a principal of equal cost for equal benefit as decided by its Owners who are also customers. I support and encourage the transparency provisions in the Bill which should also require a governance process which includes a direct Owner-Member two-way interactive dialogue with the entire Board throughout decision-making processes which involve policy determination, budget and financial determination and commitment, and contract determination. Fundamental to the effective functioning of this type of governance process is a fair election process which protects Owners from any special interests which could control the electoral process and decisions subsequently made by the Board.

Thank you for the opportunity to have expressed my perspective with you today.

Robert J. Rodi

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