Serving communities, saving communities

Colorado River Energy Distributors Association
June 29, 2017  |  Jackson Hole, WY

Mark A. Gabriel
Administrator and CEO
Serving, saving communities

Powering Valley City
New administration

- Political appointee turnover
- WLO activity
- Transparency hearings
- Senate Committee voted 17-6 approving Dan Brouilette as Deputy Secretary, awaiting confirmation
- Secretary Perry completed budget hearings, waiting on House and Senate markups
Accomplishments

- Lowered rates two years in a row for 50% of customers
- Implemented FIMS
- Developed Strategic Roadmap 2024
- Secure Enclave Support Center
- Completed CIPv5
- Chosen to host HR Shared Service Center
- Asset Management 2.0
- Launched Governance and Policy office
- Entered SPP and saved 3x the initial $ estimates
- Launched The Source
- Remarked LAP and BCP
- Lowered rates in RM
- Flat rates for nine years for 25% of customers
- Met or exceeded all audit requirements
- Drought-adder paid off early
- Became industry leaders in fall protection
- $34 million in cost-saving and avoidance through CPI program
- Recognized by DOE for best practices in organizational transformation
Cybersecurity impacts

- Increasing threats
- Increasing requirements
- Audit load
- Management oversight
- Increasing security program scope
Physical security

- Consolidated in 2013
- All-hazards approach
- Assessing all subs
- 203/319 complete
- Tripled investments since 2013
Security design input

• Security works with Engineering during design to recommend protection strategies for each site.

• Includes measures such as:
  o Locking and access control systems
  o Alarm systems
  o Perimeter fences, gates and barriers
  o Video surveillance
  o Lighting recommendations
  o Stand-off distances
  o Other site-specific countermeasures
Security resources vs. risk

Risk Profile Map

<table>
<thead>
<tr>
<th>Probability of an event taking place</th>
<th>Marginal</th>
<th>Significant</th>
<th>Critical</th>
<th>Castatrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td></td>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>High</td>
<td></td>
<td></td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Occasional</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>12</td>
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<tr>
<td>Very Low</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td>8</td>
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<tr>
<td>Improbable</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
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</tbody>
</table>

Proactive measures needed **BEFORE** the events take place

The organization's Risk Tolerance Line

*Every organization has a different tolerance for risk.*
Cost containment

CPI projects: $2,700,000

ex: Federal Register Notice Process

Just Do It projects: $1,400,000

ex: Oil-filled equipment disposal (SN)

WAPA Strategic Initiatives: $30,000,000

ex: AmpJack Tower Raising

WAPA cost savings and avoidance: $34,000,000 as of March 31, 2017
Dialogue is key
Key takeaways

Focus on value and business excellence.
Be aware of industry trends and changes.
Continue delivering on mission.
Contact/follow me

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