

# 2013 MEDIA PLANNING GUIDE



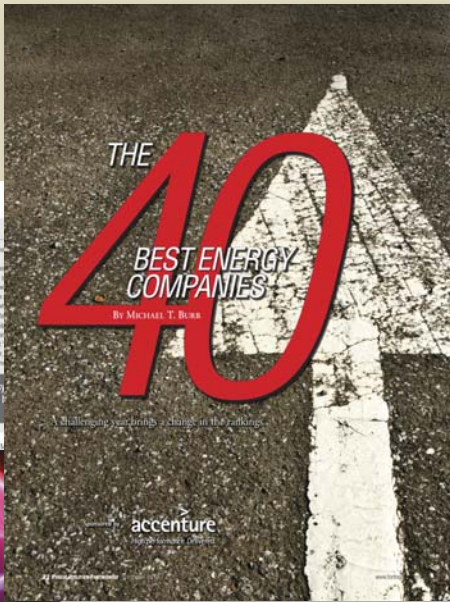
*The utility publication  
that reaches the  
corner office.*

# Experience, Knowledge, Insight & Journalistic Excellence: A unique editorial staff

A few key characteristics distinguish *Public Utilities Fortnightly's* editorial staff from those of all other industry publications. The secret to our success is that we've assembled a veritable Dream Team of experienced journalists and experts in energy policy and regulation.

Our staff brings expertise in economics, finance and law. Two of our editors have law degrees and one was a senior official at a state regulatory agency. Two have in-depth financial reporting and analysis experience.

Most importantly, our editorial staff has been covering the industry for decades. It takes quality people to make a quality magazine. After you read *Public Utilities Fortnightly*, we think you'll agree.



If the *Fortnightly 40* report tells us nothing else about the U.S. utility industry, it reminds us about two immutable facts. First, after all is said and done—after all the strategic positioning and planning, after all the talk of transformation and customer engagement—utility financial performance comes down to customer demand for energy. If demand is flat, then utility performance will be flat.

Second, it reminds us that utilities are the quintessential asset business. Power and gas companies really have only one way to deliver greater value for shareholders, and that's by growing the asset base—either through expansion or acquisition.

If those facts sometimes get lost in the haze, this year's *Fortnightly 40* brings them into stark relief. In 2011, meager economic growth combined with a warm winter to yield flat demand in most parts of the country. Accordingly, the industry's production levels sank, and returns suffered. Specifically, U.S. electric output fell by 0.6 percent overall, compared to 2010 production. And the industry's average return on assets (ROA) dipped to its lowest level—2.4 percent—since *Fortnightly* began keeping track in 2006 (see Figure 6). Trends in return on equity (ROE) (see Figure 7) and free cash flow tell similar stories.

In the same time, however, companies have pumped up their capital spending programs—perhaps in a bid to secure their way out of the doldrums. The industry spent \$89 billion in 2011—6.4 percent more than it did in 2010, matching the previous record high mark in 2008. The 160 companies received \$49 billion—a 36.5 percent increase, and \$2 billion more than they ever have before. Some of those investments are needed to secure new load that the level alone involves other plant investments or reliability upgrades, most notably with new transmission lines.

"But do you make money as an investor-owned utility? You pay two cents into the grid," says Jack Rasmus, Rasmus, managing partner of the C. Three Group in Atlanta, which developed the *Fortnightly 40* model and provides financial analysis for each year's report. "There's a huge need to build electric transmission projects, and utilities are busy working to get permitting programs, especially in older service areas. In the near term, those investments have cash flow. But in the long term they increase the tax base."

And that's fine, because the industry's financial health also demonstrates the importance of effective operational execution. "A lot of it is about how you run the business," says Jack Rasmus, managing partner of the C. Three Group and executive vice president at Public Service Enterprise Group, this year's #2, and among the top 10 for three years running. "It's not just an operational excellence concept. It's about how you run your business, how you get your operations, how you get your customers, how you get your opportunities. But the bottom line is, you have to run the business right."

Michael T. Burr is *Fortnightly's* editor-in-chief, the preeminent editorial contributor of the C. Three Group and Accutrack.

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## Technology Corridor

### Orchestrating Outages

IT systems ease the pain of power plant restarts.

By SCOTT M. GIBSON

When power plant outages go smoothly, they almost blend into the background. But when they don't, they can be a headache for the power plant operator. The secret to our success is that we've assembled a veritable Dream Team of experienced journalists and experts in energy policy and regulation.

Keeping nuclear refueling outages on track has become more urgent as well, because nuclear outages can lead to costly damage and even fatalities. This is not to say that nuclear outages are new. In fact, they have been around since the early days of nuclear power.

Outage planning has become anything but routine. "It's not just a matter of scheduling, it's a matter of managing the outage," says Scott M. Gibson, editor-in-chief of *Public Utilities Fortnightly*.

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## Call of Duty: The Outage

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## Planning for a Plant

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## Making Demand More Dynamic

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## Uncertainty haunts the very existence of Order 745, which remains under appellate review.

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## Big Data

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## CEO Forum Facing the Future

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### **Bruce W. Radford, Publisher**

Bruce W. Radford is Publisher of *Public Utilities Reports, Inc.* He received his B.A. in Economics from the University of Virginia, a J.D. from Wake Forest University and his Master of Laws, Taxation from Georgetown University Law Center. Radford has been on the staff since 1981 and has contributed to *Public Utilities Reports'* case reporter service, CD-ROM legal products and news letters. A noted commentator on regulatory and business issues, Radford is a sought-after moderator and panelist at industry conferences. Radford's insights into utility deregulation have been quoted in the *Wall Street Journal*, *Los Angeles Times* and in *Newsweek*. [radford@pur.com](mailto:radford@pur.com)



### **Michael T. Burr, Editor-in-Chief**

Michael T. Burr is Editor-in-Chief for *Public Utilities Fortnightly*, and has been covering utility trends since 1989. Before joining *Fortnightly's* editorial staff in 2001, Burr was the editor of *Telecom Business* magazine, *Electric Light & Power* magazine and *Independent Energy* magazine. He is a frequent public speaker, and has been interviewed by such media as CNBC, the *Wall Street Journal* and the *New York Times*. Burr's analysis has covered many subjects — from smart-grid development to ratemaking trends. His journalism work has appeared in numerous business and consumer publications, including *Scientific American*, *Oil & Gas Journal*, *Inside Counsel* and *Motorcyclist*. [burr@pur.com](mailto:burr@pur.com)



### **Phillip S. Cross, Legal Editor**

Phillip Cross, legal editor for *Public Utilities Fortnightly*, also edits *PUR Utility Regulatory News* and *PUR Database*, a compilation of leading state public utility commission (PUC) decisions. He holds a J.D. and a B.S. in Political Science. Cross specializes in state PUC decisions, FERC and FCC rulings, and state and federal court rulings regarding regulated utilities. He has been on staff since 1984. [pcross@pur.com](mailto:pcross@pur.com)

## **Contributing Editors**



Scott M. Gawlicki has worked for more than 20 years as a freelance business journalist specializing in energy, in-

vestment banking, technology and law. His work has appeared in such publications as *Electric Light & Power*, *Investment Dealer's Digest* and *Inside Counsel* magazines.

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John A. Bewick, former environmental secretary for the Commonwealth of Massachusetts, has

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Alyssa Danigelis is *Fortnightly's* contributing editor based in Denver. She graduated from Mount Holyoke

College and Columbia University's journalism school. Her writing about technology, sustainability, and entrepreneurship has been featured in *Fast Company, Inc.*, *Technology Review*, *GOOD Magazine*, and *Discovery News*. Alyssa has been covering distribution automation and data analytics trends for *Fortnightly* since 2010.

# Tips for Contributors

- **Start with a question, not a conclusion.** Readers like articles that explore a controversial issue — a strategic question with two or more sides. Look at all sides of the question. Analyze the question using the framework of a recognized discipline, such as economics, law, regulation, engineering or finance.
- **Share war stories.** Readers love articles with gossip, especially those that give a personal point of view based on the author's experiences and show that the author has served on the front lines. Experiences offer perspectives others often find compelling. Be sure to recount real events and happenings, with quotes from real people and companies identified by name, if possible.
- **Report concrete facts.** Put on a journalist's hat. Identify concrete facts and answer the questions: who, what, when, where, why and how? If you wish to write about business services and practices, then please list and identify real companies by name. Explain and list who's doing it, who isn't and why.
- **Shy away from committee opinions.** We believe in making space available for real people to express real opinions. We publish op-ed pieces, but usually only those with a single author — not a committee or group of authors. When a company, industry or institution gives an opinion, it becomes a lobbying effort that demands equal time from opponents.
- **No "win-win" solutions.** We like controversy and ambiguity. There are no clearcut answers; not everything works for every company. Readers want to know about winners and losers.
- **Let the reader decide.** We prefer not to publish articles that purport to tell utilities "what they need to do," especially when the author has no direct experience. Also, advice must come early or the moment is lost. For example, we see no value in an advice column that tells utilities to get into the appliance sales and repair business, because some utilities are already doing that in the real world.
- **Learn from Dilbert.** Recall the Dilbert cartoon where the boss forces an errant worker to go to the blackboard and write 100 times: "We will leverage our synergies." Simple English works 100 times better than jargon.

## Technology Corridor

### Tools, Platforms and Ecosystems

Can a disruptive technology change the electric customer experience?

BY THOMAS BRUNETTO

North American energy utilities are investing billions to create a smart grid to enhance service for retail electric customers. The smart grid, a disruptive technology, will provide utilities and customers with access to information about how electricity is used that they've never had in the past. More importantly this information can empower customers to take ownership of their consumption profile and demand different products and services.

Access to the information collected from the smart grid will be a game changer for utilities. The utilities that master information about their markets and customers will gain insight into new product designs and pricing approaches. This insight, coupled with new systems, can foster a dialogue between a utility and its customers about how they use energy and change the customer experience.

As utilities venture into this information-rich environment, they're asking: "What information to collect? What analytics are required to extract intelligence from the data? How will it transform the customer experience?"

DETech, the Demand and Energy Technology Research Consortium,<sup>1</sup>

Most utilities are focused on deploying the smart grid: assuring it works, and meeting

## Business & Money

### Green Dealing

Renewable M&A lives on despite death of Treasury cash grants.

BY BRIAN BOUABRAH AND MARLENE MOTYKA

The U.S. Treasury cash grants for new renewable power projects expired at the end of 2011. These incentives, which were implemented under Section 1603 of the *American Recovery and Reinvestment Act of 2009*, helped to support continued capacity additions throughout the recession. The impending expiration of these grants caused a wave of merger and acquisition (M&A) activity during 2011 as developers and financiers rushed to get deals done and to begin construction in order to meet the Section 1603, 5-percent safe harbor threshold by the Dec. 31, 2011 deadline.

With a history of fluctuating tax policy, the renewable power sector is accustomed to moving swiftly to take advantage of incentives. But even before this recent dash to the latest finish line, M&A activity in the renewables industry had been gaining momentum. Renewable deal activity strengthened in the five-year period from 2007 through 2011, with a notable exception. Activity dipped in the second half of 2008 because of the economic slowdown; however, it rebounded about

In some cases, tax policy is creating an environment that fosters deal activity, while in others it's doing the opposite.

to feedstock supply and transportation constraints, but the subsector still

## Op Ed

### The Methane Myth

Incompetence and overreach at the EPA.

BY E. SCOTT PRUITT

"A wayward federal agency is arbitrarily using unsubstantiated, inaccurate, and flawed data to achieve a specific policy objective."



As a Republican attorney general from a southern state, my views on energy policy might be discounted as a simple ploy to bolster the energy industry at the expense of environmental stewardship and responsibility. That perspective would be misguided. I do strongly support energy producers and their role in the nation's economic sustainability, but this issue isn't about oil. Nor is it about natural gas or hydraulic fracturing. This is about a wayward federal agency arbitrarily using unsubstantiated, inaccurate, and flawed data to achieve a specific policy objective.

data measures methane returned to the surface through drilling or flowback. Most of this methane is recaptured by the well operator to sell with the rest of the natural gas, or if it isn't marketable, it's burned through approved flaring. The methane isn't vented into the atmosphere as the EPA claims. Dumping that level of greenhouse gas into the air wouldn't make environmental sense—and it wouldn't make much business sense either, since it would lead to annual losses of \$305 million for one energy company alone.

This misstep or deception by the EPA has resulted in new figures that are faulty, unreasonable and based on a distorted understanding of how gas drilling operates.

#### 'Pretty Lousy' Data

Unfortunately, the flawed data was further perpetuated by authors of a study on methane emissions at unconventional natural gas wells. (See "Methane and the greenhouse-gas footprint of natural gas from shale formations," Robert W. Howarth, Renee Santoro and Anthony Ingraffea [Cornell University], *Climatic Change Letters*, accepted March 13, 2011).

The authors used the new EPA methodology to measure methane emis-

# Submission Guidelines

*Fortnightly's* editorial staff welcomes article contributions for *Public Utilities Fortnightly* and related publications, *Fortnightly's Spark*, and *Fortnightly.com White Papers*. For our current, detailed submission guidelines, please email the editor at [burr@pur.com](mailto:burr@pur.com).

## General Guidelines

- **Length:** 1,500 to 5,000 words for *Fortnightly* articles, 1,000 to 2,500 words for *Fortnightly's Spark* submissions; 5,000 to 20,000+ words for *Fortnightly.com White Papers*.
- **Figures:** We welcome artwork for all article submissions, including high-resolution photos, charts, tables, etc. All charts must be submitted in native-file format (*i.e.*, XLS or PPT).
- **Deadlines:** *Fortnightly* magazine works about two months ahead of the cover date. For example, we need final abstracts/outlines by October 1 for December issue articles, with a submitted draft deadline of October 15. Deadlines for *Spark* and *Fortnightly.com* content are more flexible. Don't hesitate to contact us at any time with article proposals or submissions.
- **Format:** We prefer articles submitted in Microsoft Word (.docx) format, with minimal formatting – *i.e.*, single column, no header or footer, no bold, italic or underlined typeface.
- **Structure and Style:** Most of our articles are written in a business-feature structural format, in third-person present tense. *Fortnightly* adheres to Associated Press style, with some variation for industry-specific terminology and usage. We apply modern business-feature journalism editorial style, with a preference for simple sentence structure using active verbs and clear, transparent writing.

## Editorial Requirements

- **In-Depth Analysis:** *Fortnightly's* readers are experts in the U.S. electric and gas utility industry, and that means our authors and editors also must be experts in the industry. The most successful article submissions provide in-depth, expert analysis into current trends in investor-owned utility regulation, finance, business strategy and/or operational technology.
- **Strong Point of View:** Our readers appreciate the thought leadership and perspectives of individual authors who write for *Fortnightly*. Our most popular articles address difficult controversies, directly and succinctly, and are written by authors who have a strong and well-informed point of view.
- **Exclusive Content:** As a paid-subscription publication, *Fortnightly* only publishes original, exclusive content. Exception: occasionally we'll publish an exclusive excerpt or adaptation of another work. We usually reject simultaneous submissions and offers to re-publish articles already published elsewhere.
- **Editorial Integrity:** We seek articles that provide objective and thoughtful analysis of industry issues and trends. We avoid articles written to promote the author's company, products or services. We usually avoid company or association position papers.

## Process

- **Query:** Most articles start with an idea, abstract or outline emailed to the editor ([burr@pur.com](mailto:burr@pur.com)). *Fortnightly's* staff considers each proposal based on our editorial needs and the interests of readers, and offers guidance and suggestions to help ensure final submissions will work for the magazine.
- **Follow Up:** Email queries and submissions are strongly preferred. But because *Fortnightly* receives a high volume of submissions, we might not respond to your first inquiry immediately. Feel free to follow up via email and also by telephone to make sure your inquiry isn't lost in the pile. Be persistent.
- **Editing Policy:** Once an article is finalized by the author and accepted for publication, our editors edit for length and style, and provide the author with an opportunity to review and correct our markup.
- **Letters, People and Products:** Email letters, comments and personnel announcements to [burr@pur.com](mailto:burr@pur.com) and product and contract announcements to [neutral@pur.com](mailto:neutral@pur.com) for possible publication in our People, Letters and Vendor Neutral departments.