

Deloitte & Touche and D&T's Global Energy Markets Practice

Deloitte Touche Tohmatsu (<http://www.deloitte.com>) is one of the world's leading professional services firms operating in more than 130 countries with 95,000 people who are dedicated to delivering world-class service to world-class clients. In North America, Deloitte & Touche provides assurance and advisory, tax, and management consulting services employing 35,000 people in more than 125 cities.

Globally and specifically within North America, Deloitte & Touche is recognized as a leading provider of services to the Energy Industry. Deloitte & Touch's Global Energy Markets practice has extensive experience in the energy markets and a deep understanding of transacting, risk management and emerging technology. Our professionals develop and implement enterprise-wide energy transacting and risk management solutions.

The Global Energy Markets team provides energy transacting and risk management leading electric utilities, merchant power companies, oil and gas producers, power marketers, trading institutions and many other energy companies with consulting services ranging from reviews of existing infrastructures to the creation and implementation of methodologies, control processes and systems. Our professionals work closely with clients to identify and measure market, credit and operational risks, develop risk-monitoring processes and create frameworks for consistent and timely risk information reporting. D&T resources have in-depth knowledge and experience with the most pressing issues facing energy entities. Our expertise reaches well beyond risk management and extends into the following areas: organizational infrastructure and reporting, asset representation and modeling, energy contract pricing and valuation; energy trading and control; systems implementation and integration; power system operations and planning; energy scheduling and settlement; and accounting. D&T professionals have direct experience and exclusive focus in these areas as they have worked with the top energy transacting companies in North America and Europe.

D&T provides the following services to CERS

Deloitte & Touche assists CERS primarily in two areas: 1) designing and implementing the infrastructure, systems, business processes and policies relevant to managing a substantial energy transacting business, and 2) providing operational support for middle and back office functions. Specifically, these service include assistance in the following areas:

- **Energy Transacting and Risk Management Infrastructure Development**
 - Preparation of energy transacting procedures, processes and controls.
 - Definition of CERS functional roles and responsibilities.
 - Risk management training for DWR/CERS officials, management and staff.
 - Design and implementation of an interim contract capture application.
 - Implementation of an energy transacting and risk management system.
 - Development of position, valuation and risk exposure reports.

- **Energy Scheduling Infrastructure Development**
 - Assistance with the scheduling of wholesale energy.
 - Development of scheduling processes and procedures.
 - Design and implementation of an interim energy scheduling application.
 - Implementation of an energy scheduling system.
 - Definition of interface requirements to other CERS and State systems.

- **Energy Settlements Operational Support and Infrastructure Development**
 - Provide day-to-day operational expertise to assist CERS to settle California wholesale transactions including settlements with California ISO.
 - Development of settlement processes and procedures.
 - Settlements training for CERS personnel.
 - Review of all settled transactions.
 - Design and development of processes to provide direct payment to generators for ISO market transactions.
 - Design of processes to assume financial responsibility for IOU's obligations to CAISO.
 - Assistance in the development of protocols, algorithms and procedures to ensure collection of revenue from retail customers.

Partners Leading CERS Consulting Work

Dominic Young – Partner (Calgary)

Dominic Young is the Regional Leader of the Canadian Utilities & Energy industry sector and co-leader of the Capital Markets Energy Trading and Risk Management practice. Dominic's scope of expertise includes project leadership, control infrastructure development, strategic positioning, transfer pricing, and performance measurement. He has also provided leadership to IT architecture design, systems implementation, generation asset modeling and credit risk projects.

Experience	20 years
Education	CA – Canadian Institute of Chartered Accountants, 1983; B.Admin., Business, University of Regina, 1981
Representative Clients	Avista, BC Hydro/Powerex, Gaz Metropolitan, Kansas City Power & Light, Manitoba Hydro, Ontario Hydro, Ontario Power Generation, Seattle City Light, Toronto Hydro

D. Scott Gauch – Partner (Los Angeles)

Scott is the leader of Deloitte's west coast Global Energy Markets practice. He is dedicated to providing risk management consulting services to utilities and other energy market participants. Over the past six years, Scott has successfully led several groundbreaking energy projects across North America and Europe. Such projects have focused on the development and implementation of comprehensive trading and risk management programs for several large energy-industry entities. Scott's scope of expertise includes control infrastructure development, contract structuring and decomposition, transaction pricing, portfolio valuation and risk measurement, IT strategy development, systems implementation and comprehensive project management. In addition, he has been a thought leader in projects addressing strategic positioning, transfer pricing, performance measurement and generation asset modeling.

Experience	12 Years
Education	MBA, Finance, The Anderson Graduate School of Management at UCLA BS, Engineering, Columbia University
Clients Served	Arizona Public Service, Avista Energy, BC Hydro/Powerex, California, Coral Energy, Detroit Edison, Dominion Resources, Hydro Quebec, Northeast Utilities, Pacific Gas & Electric, PacifiCorp, Royal Dutch Shell, San Diego Gas & Electric, Sempra Energy Solutions, Sempra Energy Trading, Sithe Energies