Powering the future

The COVID-19 outbreak has illuminated the global power and utility industry's resilience and presented unique opportunities to fast forward energy transitions

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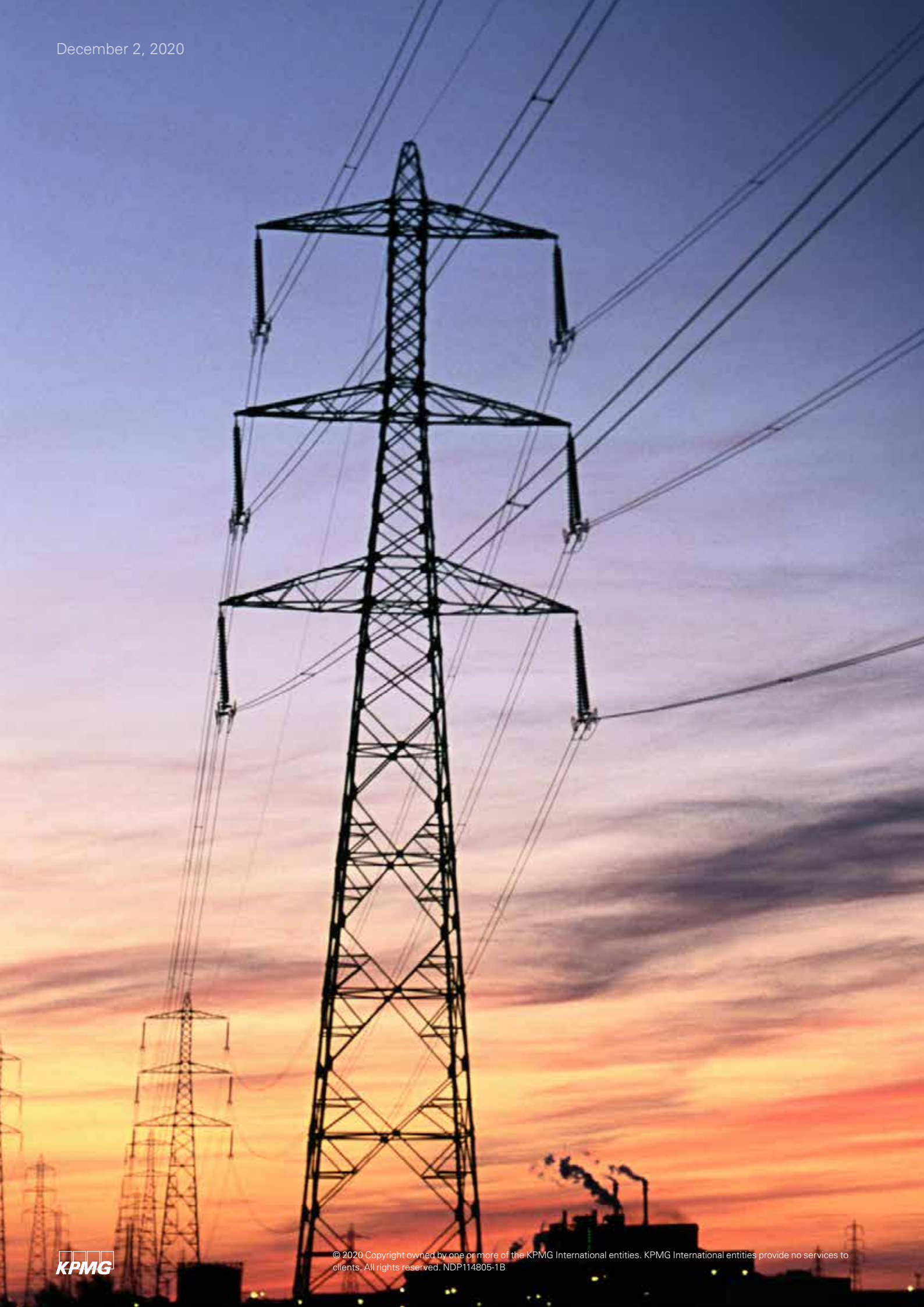


Introduction: Resilience in the face of unprecedented challenges

Throughout the first COVID-19 lockdown, the electric utility industry throughout the world was disrupted and demand shifted from the industrial/commercial sector to the residential market. By the end of 2020, global electricity demand is set to decline by 2 percent worldwide.[i] Although this was difficult for the industry, fewer commuters and other drivers on the roads have had an eye-opening positive impact on global carbon emissions and helped to incentivize continued progress toward meeting energy transition objectives.

Now, going into second lockdowns in many geographies, the picture for the industry seems less dire. Demand for power across Europe has been on an upward swing since June as businesses and schools reopened. By September, demand in Europe was 5 percentage points higher than in June, which is only 2 percent below the average demand over the past five years.[ii]

Spain is dealing with a second lockdown in a more surgical manner than in the first wave, with shutdowns, curfews, and travel restrictions being instituted as needed in areas with significant viral spikes. Demand in Italy will be depressed by a milder winter than usual, although the continued functioning of industrial sites will likely offset some of that loss.

Demand levels in Brazil appear to have recovered to pre-COVID levels, although growth is expected to level off to 1 percent to 2 percent annually, instead of the 4 percent to 5 percent Brazil has experienced in the past. As a whole, Australia isn't being hit as hard as some other regions, although some urban areas like Victoria are facing consumer debt challenges because of a strict and prolonged lockdown. India's recovery appears to be more rapid than many European jurisdictions,[iii] driven largely by faster recovery of electricity demand in the commercial and industrial sectors, as well as an increased need for electricity to power irrigation, which was depressed last year due to an extended monsoon.[iv] The hope is that this resiliency will see India through the second wave.

The renewables agenda continues apace: There were some concerns early in the public health crisis that disruption would slow the implementation of clean energy legislation and projects across the world. In reality, the market for renewables has been remarkably resilient, and some regions even increased the focus on ESG and sustainability.[v] Continued growth of wind and solar, as well as hydro and bioenergy, are on track to replace coal as the largest source of the world's power by 2025, according to the IEA's Renewables 2020 report.[vi] In a recent Eversheds Sutherland/KPMG report entitled "Climate change and corporate value," it was reported that 93 percent of energy and resources respondents said preparing their companies to succeed in a net zero economy is the reason to decarbonize their businesses.[vii] Although overall energy usage during the pandemic was down, renewables ended up representing a higher share of energy consumption, particularly in Italy, Spain, and Germany, which enabled the European Union (EU) as a whole to reach its 2020 targets.[viii]

In this paper, we explore how electric utilities in Australia, Brazil, India, Japan, the U.S., the U.K., and several EU jurisdictions (France, Spain, Belgium) have demonstrated resilience in their efforts to:

(1) Empower residential customers

(2) Enable a more robust commercial sector

(3) Contribute to the economic recovery

(4) Demonstrate a solid commitment to technology transformation.

The customer at the center

As utilities around the world seek to move through the COVID-19 outbreak and ensure a stable future, a laser focus on the customer is key. Over the years, customers' evaluations of their experiences with utilities have been low compared to many other industries.[ix]

Interactions with customers should reflect the following attributes: empathy about their unique circumstances, personalization of services and modes of outreach, minimal time and effort to resolve issues, the ability to meet and exceed expectations, seamless interactions, and demonstrable integrity to engender trust.

As utilities are giving these attributes even greater consideration amid the challenges of the pandemic, let's look at them in greater detail:

— **Empathy**: The level of financial difficulty that residential and commercial/industrial customers are experiencing due to the economic fallout from the public health crisis varies by region. However, in general, tuning into customers' emotional cues and helping them solve problems through measures like payment forbearance are almost universally critical.

— **Personalization**: Different sectors, and different regions of the jurisdictions we explore in this piece, vary in terms of the electric utility services they need, the degree to which demand has fluctuated in 2020, and how open they are to alternative energy sources. Finding new ways to customize offerings for various constituencies has gained momentum during the crisis.

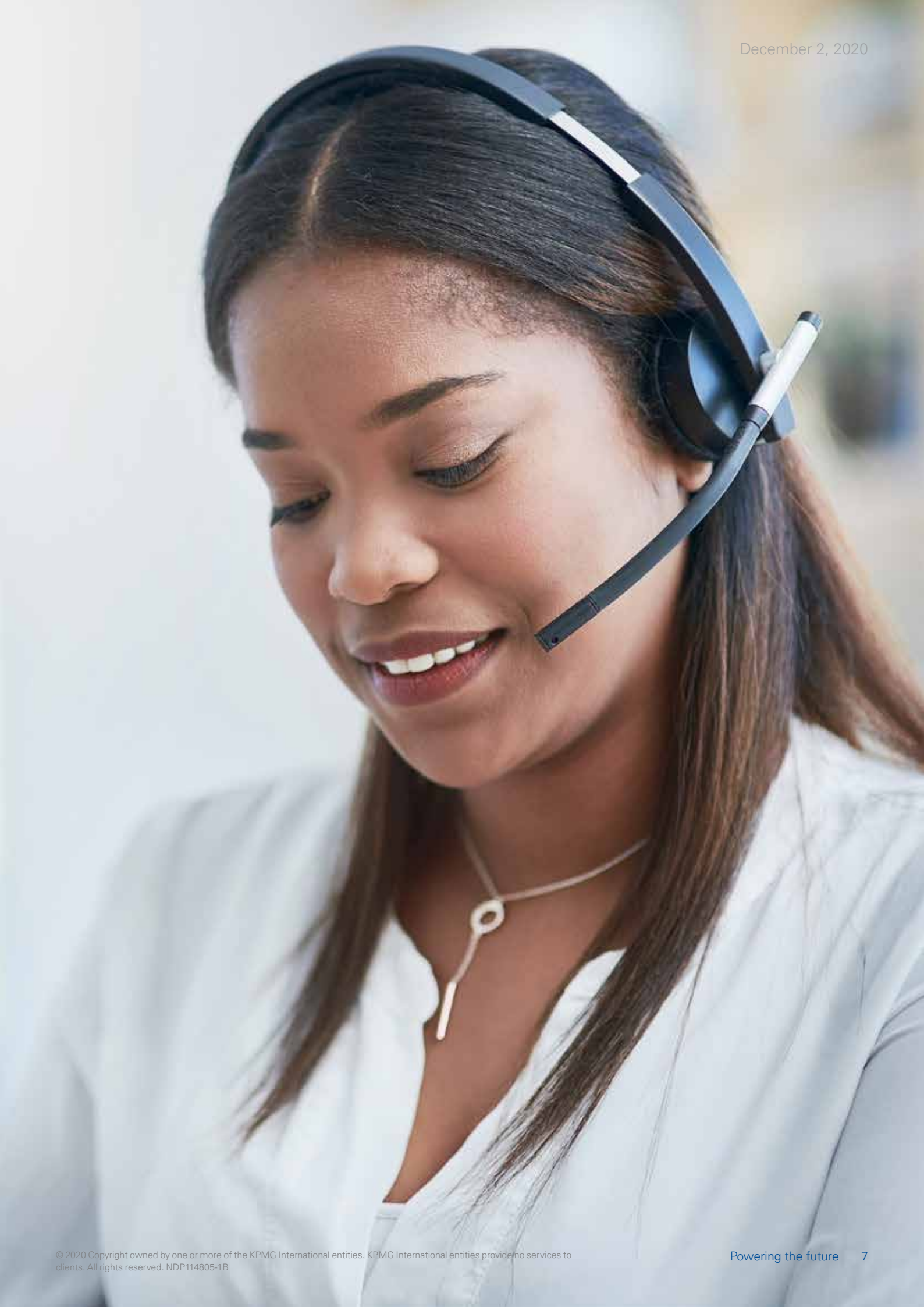
— **Time and energy**: As customers throughout the world are increasingly time-strapped—whether dealing with increased job responsibilities or seeking new employment due to COVID-19-related layoffs—they are increasingly focused on ensuring that bills are accurate and that utilities are accessible and responsive as issues arise.

— **Expectations**: When every day brings the potential for stressful news related to COVID-19 and other global challenges, it becomes more and more important for customers to be able to trust that their electric utilities will deliver on their brand promises and follow through on expectations.

— **Resolution**: As residential customers depend on reliable electric service in order to continue to perform their job duties—and, in many cases, educate their children—from home, it is important that outages and other disruptions are resolved easily and expeditiously.

— **Integrity**: As the pandemic drives a faster shift toward renewables, utilities are increasing their communications to customers to demonstrate their environmental conscience, ability to deliver on promises, and reliable infrastructure services at costs that reflect the reality of the moment.

Leading utilities around the world are positioning themselves as partners with their customers, who understand the unique challenges of this particular moment in time and are willing to do whatever it takes to keep their regions running.



Empowering the residential customer

Empathy and personalization across all interactions

Consumers around the world have become accustomed to real-time communication, convenient online services, and meaningful engagement in all aspects of their lives. They have the same expectations of their utility providers.

Next-level reliability. The global outbreak of COVID-19 has expanded the function of the home beyond a safe place to live. Since, for many, the home has become both an office and a school, reliable electric, phone, and internet services can be critical to employment stability and effective virtual learning. Further, these services help residential customers protect their families from exposure to the virus by allowing them to conduct critical activities from the home, e.g., online food shopping and medication refills; telemedicine for nonemergency doctor visits and ongoing symptom management for chronic illnesses; and video calls with family and friends, among many other activities.

Across the world, utilities have been lauded for maintaining services in these challenging times, responding to the COVID-19 outbreak with the same diligence and responsiveness as natural disasters, such as hurricanes, floods, and fires. Consumers are recognizing that resilience and recovery are in utilities' DNA, as is evidenced by their extensive ongoing efforts to protect the grid through measures like vegetation management, hardening the grid infrastructure, and cyber security programs.

For example:

- **Japan** has been able to maintain reliability that often exceeds international standards by conducting patrols to prevent outages in advance and developing high-voltage distribution networks to direct power where it is needed.
- **India** has demonstrated impressive emergency coordination during the pandemic, ensuring that reserves and line maintenance are well managed.
- **In the U.K.**, energy regulator Ofgem requires utilities to report the number of long-duration interruptions that are both unplanned and pre-arranged and that occur under both normal conditions and as part of out-of-the ordinary events.[x]

Financial flexibility. The economic consequences of the COVID-19 shutdown have been historic. Utility industry experts say that escalating bad debt is the worst they've ever seen. While many jurisdictions and regulators have put moratoriums on utilities' credit mitigation strategies, unpaid bills are piling up and it is unclear whether consumers will be expected to make restitution all at once when the crisis abates.

Utilities are needing to stay ahead of residential customers' ability to pay their bills—using advanced analytics to track such variables as missed payments, autopay cancellations, inquiries into reduced payment options for the unemployed, and dramatic cuts in usage. As a result, utilities can protect not only customers' bottom lines, but also trust in their own brands. Already in the U.S., utilities' trust scores are on the rise, with an 8 percent increase this year, according to KPMG's annual Customer Experience Excellence (CEE) study.[xi]

In locations experiencing a second wave of COVID-19, more shifts to working at home are expected. This will likely mean that all customers, regardless of their ability to pay, will view their utility bills with greater scrutiny. Utilities in those locations should consider offering cost-saving tips and communications about how to monitor excessive usage. For example:

- **Brazil's** government financed drops in demand and didn't allow service cuts, which has resulted in demand returning to pre-COVID-19 levels.
- **Australia** has ensured that residential customers won't have to back pay missed bills from April to June if their consumption was less than a quarter of 2019 levels, and increased communications on energy-efficiency savings measures.[xii]

Ultimately, utilities around the world have unprecedented opportunities to secure brand loyalty and increase trust among customers by becoming empathetic and proactive partners in helping resolve payment issues during this challenging time.

— **Spain** has made a concerted effort to offer innovative pricing mechanisms, e.g., smart meters, which allow customers to measure how much they consume hour by hour; discounts on weekends; flat fees at certain times of day; and free charging for electric cars after midnight.

Omnichannel communication. A positive customer experience is never more important than in times of crisis, whether it's a natural disaster, a brownout or blackout, or a health crisis like COVID-19. Customers depend upon regular, personalized communication and outreach through various channels such as web portals, Facebook, Twitter, text messages, and email.

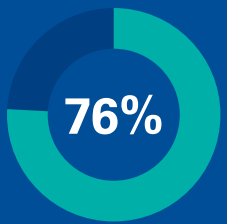
Utilities with high customer service ratings collect substantial data on outages—where they occurred, how long they lasted, who was impacted, and which homes have backup generators and/or other on-site capabilities such as solar panels. Based on this data, they can conduct targeted outreach to help customers deal with the impact and aftermath of storms and other disruptive events. Some other innovative offerings utilities are exploring include personalized apps for real-time monitoring of usage, storm updates and outage alerts, and smart platforms driven by data on customer experience.

Utility leaders recognize the need to enhance communication with customers and have been accelerating their efforts to digitalize their customer-facing applications, according to 83 percent of energy respondents to our 2020 CEO Outlook survey.[xiii]

Environmental, social, and governance initiatives: Although environmental, social, and governance (ESG) initiatives are already priorities, leading utilities are making these efforts clearly visible to their residential customers. Some examples of ESG initiatives that have arisen during the COVID-19 outbreak include implementing moratoriums on shut-offs, instituting bill relief programs, partnering with local organizations to help provide food relief, supporting the well-being of utility employees, and acknowledging racial and socioeconomic inequities in the effort to ensure that everyone has continuous and sufficient access to services.

It is notable that utilities are highlighting their social contribution efforts as part of their annual sustainability reporting. And, 48 percent of energy respondents to our CEO survey say that the COVID-19 crisis has driven home the need to shift efforts toward the social components of ESG. For example, in regard to antidiscrimination and anti-racism, 72 percent of respondents say they are confident or very confident they are taking appropriate measures.[xiv]

Finally, reduced carbon emission rates resulting from fewer cars on the roads during the COVID-19 shutdown increased awareness of climate change across all strata of society. Efforts to combat climate change continue to be a critical part of utilities' ESG endeavors, with varying degrees of progress in different regions. (See "Continuing the shift to a greener energy mix.")



76 percent of energy respondents to our annual CEO Outlook Survey said they want to lock in sustainability and climate change gains resulting from the crisis.[xv]

Enabling a more robust commercial sector

Expectation management, sustainability, and green energy

Since the COVID-19 shutdown began, lower energy demands from temporarily shuttered businesses have reduced utilities' commercial and industrial revenue streams. Although federal governments across the globe have put programs in place to try to ensure that small and mid-sized businesses don't have to shut their doors for good, the second shutdown is putting an additional strain on the sector. For example:

- **In the U.S.**, 800 small businesses filed for bankruptcy between February and July 2020, and the total number of bankruptcies this year are expected to be 36 percent higher than last year, according to the American Bankruptcy Institute.[xvi]
- **The U.K.** has reported that, in order to balance demand across the system and deal with a significant reduction in both industrial/commercial and residential usage, the National Grid is trying to recover around £500 million by spreading out cost increases associated with the pandemic over 2021 and 2022.[xvii]
- In **France**, as in many other areas of Europe, restaurants and cafes are central to the way of life. It is, therefore, extremely challenging that the hotel and restaurant sector is the hardest hit with 40 percent experiencing liquidity challenges and 12 percent facing bankruptcy.[xviii] Bankruptcies over the entire French market will increase from normal levels of 2 percent to 3.5 percent with government measures, and 4.5 percent in a hard shock in 2021.[xix]
- On the other hand, **Spain** is relatively optimistic. Since tourism is a tremendous part of the economy, the government has instituted rescue financial programs to help small businesses stay afloat.

Intelligent forecasting. In this climate, commercial customers want to know what to expect in terms of rate changes, payment forgiveness, and new services that can help them save money. Therefore, utilities are having to increase communications and take steps to understand the breadth of their commercial customers' challenges and their ability to weather the crisis, which will require a more advanced approach to forecasting. Intelligent forecasting leverages predictive modeling, external data, advanced analytics, and machine learning to better understand how sensitive commercial entities might be to rate increases and predict operational outcomes and more accurately link them to financial outcomes.

Partnering on sustainability. Although there are critical measures that utilities across the globe must take in the near term—such as vegetation management, increased cyber security, and measures to protect the grid—sustainability is expected to be even more important in the new reality. Utilities will likely want to find ways to more effectively partner with commercial customers on ESG efforts that can help stabilize local economies and, ultimately, amplify commercial customer trust. For example:

- **Power sharing**: Some power and utility companies are engaging in distribution management, selling unused electrical capacity to other companies and neighboring jurisdictions. One way to do this is through creation of electric storage resources, which allow a rapid transition between withdrawing and injecting power, depending on system conditions. **The EU** has a synchronized grid, which distributes energy across 27 jurisdictions:[xx]
  - **Spain** has recently instituted regulations that are more favorable to power sharing, allowing distributed generation not only for homes but also for small businesses and industrial concerns.
  - **France** is currently seeing an increase in its export markets, due to a short-term reduction in capacity in neighboring jurisdictions, e.g., Belgium, Germany, and Italy.
  - **Belgium** expands its interconnections with other regions in order to integrate increasing volumes of renewable energy and ensure a safe, reliable, and efficient grid. For example, a 1 GW link was introduced in November 2020, connecting the country for the first time with Germany.

— **Demand management**: Consumers are being empowered like never before to make efficient use of their energy through smart use of enabling technologies. Utilities can build upon their current demand management programs by making better use of data analytics.[xxi] This allows allocation of supply and consumption of energy to improve state-of-charge management, which helps ensure that electricity is provided when and where it is needed.[xxii]

Recently, in an effort to encourage participation in energy-saving programs, **Australia's** Origin Energy launched Spike, a demand management service through which customers that reduce their electricity usage by 60 percent during peak demand hours will receive up to $250 a year in cash and gift cards.[xxiii]

Continuing the shift to a greener energy mix. One silver lining of the COVID-19 pandemic is that, as costs and interest rates fell, progress toward green energy initiatives accelerated. According to the IEA, renewables are expected to account for 80 percent of global demand growth from now until 2030[xxiv]:

— **Spain** will surpass the EU's 2030 renewables goals, as alternative energy is on track to comprise 42 percent (instead of 34 percent) of demand.[xxv]

— **France's** usage of wind and solar is projected to more than double by 2030 from 2018 levels of 15 GW and 9 GW, respectively.[xxvi]

— In **Australia**, emissions dropped a record-breaking 8 percent by May 2020, which analysts believe had less to do with the economic shutdown than with a 28 percent increase in renewable energy generation compared to the same period last year.[xxvii]

— **In the U.S.**, 50 utilities have committed to carbon reduction goals, including 21 companies that pledge to become carbon free by 2050.[xxviii]

— **Brazil** has more than 45 percent of its energy matrix dedicated to renewable sources. The country has invested heavily over the last decade in wind, which now represents approximately 10 percent of the country's renewable energy matrix.

— In **India**, renewables (including large hydropower) make up more than a third of the 370 GW of installed capacity and 25 percent of electricity generation. By 2040, India's installed capacity is expected to reach over 1,000 GW.

It is important to bear in mind that geographical anomalies and advantages can impact the rate of renewables uptake in certain jurisdictions:

— **Belgium** has relatively modest renewables targets of 13 percent by 2020 and 32 percent by 2030, as efforts are hindered by a small coastline and dense population leaving less space for large onshore wind projects.

— **The U.K.** has great wind resources so is focusing efforts to quadruple offshore wind capacity by 2030, from 10 GW to 40 GW.

— Although the fact that **Japan** is resource poor means that all sources of energy must be maintained, there has been increasing use of solar power, as well as hydro power plants to take advantage of the high levels of rainfall.

— **Spain** and **Portugal** are the only EU jurisdictions that are expected to see a reduction in energy prices between 2023 and 2025, as favorable natural conditions should allow them to reach 156 GW of wind and solar installed capacity by 2025.[xxix]

Green energy initiatives in flight

— **In the EU**, all car manufacturers must have a reduction year after year in the average CO2 intensity of the cars that they sell or face fines.

— **France** aims to be the leading electric vehicle producer in the world, and is investing heavily in using both electric and hydrogen solutions. Efforts are underway in Paris to increase the number of charging spots for E-Vehicles. And, in order to create a European giant for production of batteries, a number of companies are collaborating on further developing battery technology.

— **In Spain**, the electric vehicle market is undergoing tremendous growth, driven by an increase in charging stations and incentives such as fast lanes for electric vehicles (along with commuters) and free street parking anywhere in certain cities, such as Madrid.

— **In the U.S.**, the West Coast Clean Corridor, founded by 12 utilities, supports the installation of higher voltage, medium-duty truck charging stations at 50 mile intervals from Canada to Mexico.

— **Australia** is investing heavily in hydrogen feasibility studies and pilot projects. Governments and corporates are seeking to accelerate the commercialization of hydrogen for domestic and export use applications. With an abundance of renewable energy, producing green hydrogen is being considered a significant opportunity for power generation in energy-poor countries, in addition to supporting decarbonization of hard-to-abate sectors.

— **Japan** expects to get to net zero by 2050 by moving all of its sources of energy into a new technology structure to address differences in cost structures for different types of energy and effectively manage distribution.

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Contributing to the economic recovery

A more collaborative position for the industry

Around the world, utilities are being called upon to play a major role in the coordinated response to COVID-19 and the economic recovery. They are collaborating with a diverse group of stakeholders that includes regulators, federal governments, and state governments (where applicable), as well as market operators and energy oversight planning bodies in some regions. To the degree that these efforts involve accelerating the transition to renewables, hydrogen, and new technologies, there will likely be a significant uptick in new jobs and a potential decrease in unemployment rates.

Cost mitigation. Given the electric power industry's contribution to the economic recovery—as well as its increasing recognition as an essential service—utilities are in a stronger position to negotiate with regulators and advocate for cost mitigation. Utilities can use advanced analytics and predictive modeling to better demonstrate to regulators the impacts of the economic downturn. Documentation should be meticulous and include bad debt from residential customers, revenue reduction due to commercial/ industrial loss loads, and offsets from tax credits and other stimulus payments.

Speed of the market. In some jurisdictions, progress in the energy industry is outpacing regulatory bodies' ability to keep up. In others, there are critical new regulations on the horizon that could have a material impact on recovery and growth strategies going forward. For example:

- **The U.K.** has a long history of government policies and subsidies that support renewables, such as the "Renewable Obligation Certificate" and the contract for difference. In the 2020 budget, the government committed to several new climate change measures, including investments in green transport, funds to develop at least two carbon-capture storage facilities, and a green heat network.
- In **Australia**, the Energy Security Board, in collaboration with multiple market bodies, is consulting with utilities to design a national energy market that is fit-for-purpose given the changing dynamics. Called the Post 2025 project, it examines reforms that will unlock full capabilities offered by decentralization, digitalization, and decarbonization opportunities.
- **In the U.S.**, regulators are currently assessing the financial impact on utilities of existing rate structures. They are also taking a closer look at performance-based ratemaking (PBR), through which utilities are rewarded for positive metrics across such areas as efficiency, customer service, and the use of renewable energy sources.
- In **India**, the COVID-19 crisis has highlighted the need for closer cooperation between electricity distribution companies, the system and grid operators, and the regulators through the Central Electricity Regulatory Commission. Collaboration is aimed toward critical power market reforms including the creation of an India-wide electricity market.

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Demonstrating a solid commitment to technology transformation

Resilience and agility go hand in hand

Historically, utilities across the globe have been largely hierarchical and functionally siloed. Making the structural changes to continue to thrive in a post COVID-19 world requires a much more agile approach to operations and meeting employee needs.

It is important to remember that utilities have already shown uncharacteristic agility in their response to the economic shutdown. Many successfully transitioned their call center operations in mere days and pivoted to new remote working models to protect their employees—shifts that would have been almost unimaginable only a year ago.

Further, there is clearly great value in treating utility personnel as front-line, essential workers, not only by the public but also by the utilities themselves. Utilities' efforts to protect employees during the pandemic have not gone unnoticed. According to the annual KPMG Worker Pulse Survey, 86 percent of utility workers surveyed say their organization acted quickly to create a safe working environment for everyone, and 88 percent say their organization effectively communicated about updates and changes to the business.[xxx]

Technology transformation. The crisis has accelerated utilities' adoption of digital operations and data collection, which are central to well-functioning virtual work models, how regulators perceive utilities, and improving customer experience. In fact, 80 percent of energy industry respondents to the KPMG 2020 CEO Outlook said they have either accelerated or rapidly accelerated their efforts to digitalize operations and create a next-generation operating model since the outbreak began.[xxxi] And, according to the 2020 Harvey Nash/KPMG CIO Survey, 56 percent of power and utilities expect an information technology (IT) budget increase in the next 12 months, making power and utilities the top sector for budget increases. And 40 percent expect an increase in IT headcount as well.[xxxii]

— **Employees**: Many employees have taken to social media to share stories of how their companies provided technology support so that they could remain safe during COVID-19 while continuing to deliver exemplary customer service. Further, the vast majority of utility workers responding to the KPMG Worker Pulse Survey are satisfied with the direction in which their organizations are moving on the technology front: Nine out of ten energy workers say their organization provided resources to help them work effectively under new conditions, and 86 percent say their organization provided the technologies they need to be successful at their jobs.[xxxiii]

— **Regulators**: When it comes to regulators, utilities need to be able to demonstrate that, given current restrictions on capital investments, they are shifting resources to operational improvements such as moving data to the cloud and upgrading their data analytics capabilities. Utilities can also choose from a wide range of digital technologies that are already available and proven in other industries. These include drones, satellite, or LiDAR imagery to map the network and identify defects; artificial intelligence to process the imagery from drones and satellites to predict failures; advanced distribution management systems to orchestrate network flows; and robotic process automation in the back office.

— **Customers**: It is encouraging that 35 percent of CIOs across all industries responding to the Harvey Nash/KPMG survey say that upgrading cloud technologies is among their top three IT investment priorities.[xxxiv] And much of this investment will be focused on improving customer experience. Already, utilities with advanced digital infrastructures in place have been well positioned to help customers during the COVID-19 crisis and to offer new services and solutions to meet their evolving needs. As an example, in Australia new platforms linked to connected devices and the internet of things and powered by artificial intelligence are facilitating a future in which virtual power plants and demand management will be more ubiquitous.

Perhaps most important to employees, regulators, and customers alike is the need for advanced technology solutions that can help manage and orchestrate more devices on the grid. As the global energy industry becomes more decentralized and encompasses more solar, wind, and storage solutions, having these structures in place will be critical.

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Looking ahead

Today's challenges offer historic opportunities for utilities around the world to solidify their resilience and supercharge their green energy initiatives. Some first steps to keep in mind include:

- **Recognize** that power and utility companies should be leaders, not laggards, in the global energy transition over the coming decades.
- **Enhance** communication and engagement with both residential and commercial customers, which is particularly important in times of stress.
- **Accelerate** the adoption of digital technologies to introduce new offerings, enhance service delivery, and strengthen customer engagement across multiple channels. Ensure that these efforts align with operating-cost-reduction goals and the ability to reassure customers that world-class data security and privacy measures are in place.
- **Anticipate** long-term changes in the regulatory landscape, including a greater emphasis on ESG and sustainability and efforts to mitigate revenue loss incurred during the shutdown.
- **Rethink** the needs and expectations of employees to ensure their needs are met as new technologies, flexible operational environments, and virtual models are introduced.
- **Rationalize** traditional brick-and-mortar working environments, questioning assumptions about both office and field operations.
- **Acknowledge** that the current crisis will most likely not be the last and that changes made to address the COVID-19 outbreak may become the new normal.

As utilities around the world choose the best path forward to deal with immediate and longer-term challenges, it is critical to remind customers that they have been there for them through thick and thin: They have kept the lights on during storms and crises, offered debt forgiveness in times of economic strife, absorbed and shifted load patterns, and continued to operate safely. In other words, they need to continue to shift perceptions so that they are viewed as one of the most essential and trusted providers in the new reality.

How KPMG can help

KPMG helps electric power utilities around the world "future proof" their operating models to prepare for both foreseeable and unpredictable forces that are fundamentally changing the industry. These forces include, but are not limited to, economic and societal turbulence; increased demand for green alternatives, demand management, and energy storage; talent management challenges in the new reality; the entrance of nontraditional utility players; technology disruption; evolving regulations; and the need to secure and upgrade the energy infrastructure.

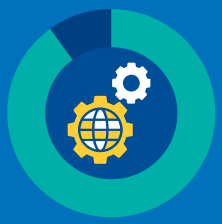
Our experienced industry professionals, who draw from the disciplines of engineering, finance, risk management, economics, and regulatory affairs, work extensively with generation, transmission, and distribution utilities in the gas, power, and water sectors to create value, increase agility, and reduce risk. Our clients turn to us as they look for growth opportunities and seek to fine-tune the supporting organization's capabilities to help ensure efficient and secure delivery, as well as significant improvements in environmental performance. Our engagements range from simple to complex operating models, and from straightforward function review/ benchmarking projects to full-blown business transformation programs.

KPMG member firms provide professional services to:

70 percent of 104 power and utilities companies in the **Forbes 2000**

73 percent of 67 power and utilities companies in the **Forbes 1000**

78 percent of 32 power and utilities companies in the **Fortune Global 500**



90 percent of the 20 power and utilities companies in the **FT Global 500**

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Endnotes

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