



Dan T. Stathos, CPA*
Associate Director

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Professional Summary

Dan Stathos, an Associate Director in NCI's Austin, Texas office, has been involved with electric, gas, water and telephone utilities for the past forty years, over twenty-five of which have been in providing financial and accounting, regulatory, information systems planning and implementation services and operational improvement. Mr. Stathos is a former Partner with the independent accounting and consulting firm of Deloitte Haskins & Sells (now Deloitte & Touche), a Regional Consulting Manager for Oracle Systems, and a former Assistant Director of Accounting for the Public Utility Commission of Texas.

Areas of Expertise

- **Information Technology Strategy, Planning and Management:** Focuses on the strategic planning for the use and deployment of information technology to gain competitive advantage, provide improved reliability or customer satisfaction, and to reduce overall costs.
- **Utility Accounting, Finance, and Regulatory:** Provides an in-depth knowledge of all aspects of utility accounting, finance and regulatory and rates for investor-owned, public power and governmental providers of utilities services.
- **Change Management and Operational Improvement:** Provides operational reviews, management audits and assists clients in justification for management processes, costs incurred, and process improvement for cost reduction, operational efficiency and improved customer satisfaction.
- **Smart Grid and NERC CIP Management and Implementation:** Provides both management and technical consulting in the implementation of smart meter, grid modernization through the use of technologies, and supports NERC CIP compliance programs related to Critical Infrastructure Protection under the North American Electric Reliability Corporation reliability standards and FERC approved rules
- **Due Diligence and Feasibility Studies:** Has performed numerous projects evaluating the financial feasibility of new business ventures in the electric, natural gas, and telecommunications industries, as well as performing due diligence evaluations for transactions involving electric, gas, telecommunications, and utility sector software and services providers.



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Professional Experience

Information Technology Strategy, Planning and Management:

- Served as acting CIO for a large public power utility with over 1 million customers, providing strategy development, governance facilitation, outsourced contractor management, and specific project management services as required. Activities included establishment of a governance structure both internally and with an outsourced IT provider, oversight of selection and implementation of technology to support operations including GIS, Outage Management, Energy Management, Power Supply Management, Customer Relationship Management, AMI, and Smart Grid.
- An independent review of a large southern California public power agency's information technology organization with emphasis on roles, responsibilities, technology direction, governance, information security, and its ability to provide IT support to various divisions' operations. This assessment was done as part of an overall assessment of the public power agency and performed on behalf of the owner, the City.
- Served as project manager and facilitator for large-scale process improvement and information technology systems implementation projects in the areas of finance, customer billing, customer relationship management and wholesale power markets, and T&D operations.
- For a regional wastewater authority, directed the re-implementation of a failed billing system. This effort included an initial assessment of the current state of the project, identifying root causes for the failed implementation, and managing the gathering of data for use in legal action against a Big Four accounting and implementation firm.
- For investor-owned electric utilities, public power electric cooperatives and joint action agencies, performed evaluations of their information systems, with particular emphasis on generation management, wholesale power market operations, T&D operations, billing and customer information management.
- As an executive for a large public power utility, managed information technology function and served as facilitator of executive team to identify new technologies, and to implement technology solutions. Also served as the utility member of a City-wide information technology advisory committee.

Utility Accounting, Finance, and Regulatory

- For various clients, supported various aspects of rate requests and regulatory filings. Supported development of revenue requirements, rate base, working capital requirements, treatment of deferred federal income taxes, depreciation expense and other components of regulatory proceedings.



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Professional Experience (Continued)

- For one of the largest electric utilities in the U.S., provided assistance in the assessment of regulatory accounting requirements for a transmission service provider. Included development of recommendations for cost assignment and support for general and administrative costs from affiliated subsidiaries. Further support was provided for the company's initial filing of rates before the regulatory agency.
- For the Auditor's office of a major municipally-owned electric utility, supported the review of a participation agreement and the audit of direct cost assignment to a joint power project. Reviewed requirements of the agreements and reviewed for compliance with components of the agreements.
- As a Partner in the Public Utility Consulting practice, provided services to investor-owned electric utilities, governmental utilities, and telecommunications providers. Services and experience included financial feasibility studies, audit support, development of accounting policies, procedures and requirements definition documents for accounting processes and systems.
- As a Senior Accountant for a multi-state, multi-utility service provider, maintained the corporate books and records, handled all SEC reporting, and was responsible for the annual development of all corporate and special cost allocation methodologies used within the company. Performed annual allocation studies and implemented journal entry processes to perform the allocations. Also responsible for interpreting fuel and purchased power contracts, establishing accounting processes and records for the company and its fuel subsidiaries and affiliates. Managed the risk profile of 500 million portfolios and enabled cash flow and liquidation curve predictions for accounting reports.
- As a member of the accounting staff for a newly formed utility regulatory agency, was responsible for establishment of all accounting and reporting requirements for electric, water, wastewater and telecommunications companies under the jurisdiction of the Commission. This included many municipally-owned utilities, where the respective city councils had passed jurisdiction to the Commission. Participated in review of regulatory filings and developing recommendations and testimony on various matters including revenue requirements, affiliate transactions, fuel adjustment clauses, cost allocations and other accounting matters.

Change Management and Operational Improvement

- As a Director for a large municipally owned utility, established a change team to prepare the organization for deregulation. Facilitated executive management team in setting strategic direction for the organization, managed business process re-engineering for various business units within the utility including generation, transmission and distribution, supply chain, and contractor management.



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Professional Experience (Continued)

- For a large public power utility, developed a Strategy Roadmap for participation in a deregulated market as a competitive affiliate, as well as identifying all changes required to participate in a deregulated retail electric market, and developed options for participation in that market as a “wires only” company. As part of those projects, developed recommendations concerning new business processes, new products and services, organizational requirements, and described new skill sets and job descriptions for the retail energy company. Also performed similar assessment for several electric cooperatives and municipal electric utilities
- For numerous investor-owned and public power electric providers, as well as telecommunications providers, led operational reviews on behalf of executive management, or on behalf of regulators, City Councils, or the courts, served as an independent third party to perform management audits of utilities under their jurisdiction

Smart Grid and NERC CIP Management and Implementation

- For a Northeast public power utility, provided primary support of cyber security requirements for an ARRA-funded Smart-Grid demonstration project. Participation included defining the objectives of the project, establishing the Interoperability and Cyber Security Plan, and evaluation of project plan and proposed vendors to address AMI, Meter Data Management Systems, and Outage Management Systems
- Performed an independent assessment of a municipally-owned electric utility’s implementation of a smart meter program, including a review of the planning selection process for the Advanced Metering Infrastructure, meter data management system, the deployment approach, the adequacy of current processes in place, current benefits being realized from the implementation. Identified areas of opportunity for improvement and provided a road map to capture additional value from the implementation.
- Assisted a large public power authority to develop and implement an organization to oversee North American Electric Reliability Corporation (NERC) reliability standards compliance.
 - Performed a detailed review of a large public power agency’s review of compliance with NERC’s Critical Infrastructure Protection standards 2 through 9 including cyber security for the electronic perimeter.
 - Provided a review of processes and tools for access management under NERC CIP 3, Requirement 4.



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Professional Experience (Continued)

- Currently assisting in conversion to NERC CIP 5, and support of policies and procedures relation to business continuity and disaster recovery and backup.
- Contributed CIP chapters for an industry guide for NERC reliability standards published by LexisNexis Matthew Bender.
- Researched and worked with various software vendors to address functionality sought by utilities required to comply with NERC CIP standards.

Due Diligence and Financial Feasibility

- For various electric, gas distribution, and telecommunications clients, developed complex financial models to determine revenue requirements, develop rates and pricing, and determine the value of assets considered for acquisition.
- For creditors' committees of utilities in financial stress, performed due diligence concerning financial forecasts, pricing estimates, operational efficiency cost reductions and other factors.
- For investors, developed financial models and evaluated both operational and financial performance forecasts, underlying assumptions and participated in the development of valuation for transactions involving electric utilities, wireless carriers, technology vendors, and other types of investments under consideration.

Work History

Associate Director, Navigant	1997 – Present
Division Director, Austin Energy	1991 – 1997
Area Consulting Manager, Oracle	1990 – 1991
Manager, Partner, Deloitte Haskins + Sells	1979 – 1990
Manager, Ernst & Young	1978 -- 1979
Utility Commission of Texas, Asst. Director	
Accounting	1976 -- 1978
Gulf States Utilities, Senior Accountant	1971 -- 1976



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Certifications, Memberships and Awards

Certified Public Accountant, Texas*

Education

Bachelor of Business Administration, Accounting University of Texas at Austin

** Mr. Stathos is a CPA registered only in Texas. Neither Mr. Stathos nor Navigant Consulting provide audit, attest and public accounting services in Texas or any other state.*