

RICHARD J. SCHULTE

Principal, Schulte Associates LLC

Summary

An executive management consultant with very diverse skills and experience in energy industry organizational management, energy supply resource planning, electric utility technology research and development, natural gas appliance performance and safety testing, certification and standards, natural gas utility management, and materials, equipment and systems standards.

Experience

Schulte Associates LLC, Minneapolis, Minnesota **1995 to present**

SA is an executive management consulting firm with a specialty practice in energy-related industries. SA provides planning, management, reorganization, regulatory and marketing services to firms in energy-related industries. SA's primary focus is improving the operational performance of companies, and developing new company initiatives. Examples of SA clients and engagements include:

- *Strategic and Organizational Assessment, Public Power Agency.* Performed a strategic and organizational assessment for a public power agency serving 12 municipal utilities in the Upper Midwest. The project developed an Agenda for Action for the agency board to follow in addressing strategic and organizational opportunities and challenges. SA was appointed and is currently serving as Interim Chief Executive Officer (CEO) of the agency to accomplish these actions.
 - *Electric Power Plant Regulatory Permitting.* Provided strategic and organizational consulting services for five Minnesota, South Dakota and North Dakota investor-owned and public power utilities in permitting and certificate of need activities in all three states for the Big Stone Unit II project, a 500 to 580 Megawatt supercritical pulverized coal baseload electric generation facility and associated transmission developments in Northeastern South Dakota and Western Minnesota. Secured all necessary permits.
 - *Natural Gas Acquisition and Marketing.* Led an SA study of natural gas acquisition and marketing opportunities for a collection of rural electric cooperatives. Supply uncertainties, lack of risk management know-how, large working capital requirements, and volatile operating margins were identified as good reasons for the cooperatives to stay out of gas marketing and trading activities.
 - *Company turnaround--natural gas development.* Performed a corporate operational assessment for the Board of Directors of a natural gas development and production company with a very large lease position (250,000 acres) in southwest Wyoming. Subsequent to the study and at the request of the Board, SA provided interim CEO
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services to turn the company around. During the next four months, SA reduced staffing by 50%, brought the company to positive cash flow for the first time in company history, and recruited/hired a permanent CEO. The study also led to replacement or discharge of the company chairman, CFO and other key personnel. Today, the company's stock value has increased more than 100-fold, and is one of the leading growth energy offerings on the New York Stock Exchange.

American Society for Testing and Materials (ASTM) 1998-2004
Chairman (2002) and Director. ASTM produces and distributes more than 10,000 product, material, testing and system standards used by industry worldwide.

Energy West, Inc., Great Falls, Montana 1996-2006
(Now a part of Energy, Inc.)
Member, Board of Directors and Chairman of the Audit Committee. Energy West was an energy-related holding company marketing and distributing natural gas, propane and electricity through subsidiaries operating in parts of Montana, Wyoming, Arizona, South Dakota, and Nebraska.

CSA America, Cleveland, Ohio and Toronto, Ontario 1997 - 1998
Special Advisor. Effective July 1, 1997, IAS and its affiliated companies were acquired by the Canadian Standards Association (CSA). The latter organization is the largest standards development, testing and certification agency in Canada. After advocating, negotiating and carrying out the sale of IAS to CSA, Mr. Schulte remained as President of IAS for a one-year transition period, and served as a member of the CSA Senior Management Team. On June 30, 1998, with the integration of IAS into CSA substantially complete, Dick resigned from his IAS leadership position. Dick continued to serve as Special Advisor to CSA and IAS through December 31, 1998. In 1999, IAS was re-named CSA America, a subsidiary of CSA operating under the trade name, CSA International.

International Approval Services, Cleveland, Ohio and Toronto, Ontario 1993 - 1998
President & CEO. A.G.A. and the Canadian Gas Association (CGA) formed International Approval Services (IAS) to manage the standards, certification, quality system registration and field safety testing programs formerly operated by A.G.A. and CGA on an independent basis. Mr. Schulte was the advocate for and leader of this organizational change. When the negotiations were complete, he was named President & CEO of the joint venture and its two subsidiaries, IAS U.S. and IAS Canada. He provided overall direction and management of IAS staff who operated from seven facilities in Canada and the U.S.

The joint venture was the principal standards developer, testing agency and safety certification body for gas-fired appliances and related equipment used by consumers of natural gas and propane in both Canada and the United States. The Blue Star and Blue

Flame safety certification seals, issued by IAS, appear on more than 200 million gas products still being used in the two countries and some overseas markets.

National Research Council (Washington, D.C.)

1994

Served as a member of a committee organized by the National Research Council for the U.S. Congress to study the interaction of international standards development procedures, certification programs for manufactured products, and U.S. trade policy. The Council's report, Standards, Conformity Assessment, and Trade in the 21st Century, was published in March 1995. In 1996, recommendations from the report became part of federal legislation adopted by the U.S. Congress to promote greater use by governmental agencies of product standards and certification procedures developed in the private sector.

American National Standards Institute, New York, New York

1985 - 1994

Director. ANSI is the national coordinating body for development of product, material and process standards used by all sectors of U.S. industry. He was involved in strengthening the Institute's accreditation program for third party certifiers. He served as part of the ANSI team that negotiated the initial agreement with the Registrar Accreditation Board (RAB) and the American Society for Quality (ASQ) for operation of the U.S. national accreditation program for registrars of quality systems. He served a three-year term as an ANSI member of the ANSI/RAB Oversight Board for the American National Registration Program for management systems.

During the 90's, Mr. Schulte also served as a member and chairman of the ANSI Blue Ribbon Panel. It was organized by ANSI to seek improvements in the relationships between ANSI, several large standards developing organizations, and the U.S. Department of Commerce.

American Gas Association Laboratories, Cleveland, Ohio

1984 - 1993

Officer of A.G.A. and Vice President, A.G.A. Laboratories. In this position was responsible for the day-to-day management of A.G.A.'s standards, product certification and research programs; all addressed to promoting safety, efficiency and environmental improvements in the design, production, installation, fueling and maintenance of gas fired appliances. During his tenure at A.G.A. Laboratories, the organization also became a provider of registration services for companies operating internal management systems complying with international standards ISO 9000 and ISO 14000.

Stone & Webster Management Consultants, Inc., Denver, Colorado

1977 - 1984

Consultant. Resumed Stone & Webster consulting career performing organizational studies, sales forecasts, contract negotiations, and energy supply planning for electric and gas utilities throughout the U.S.

- Large project activity included participation in the re-organization of the Sierra Pacific Power Company at Reno, Nevada, and marketing of the entire output of a new, coal-fired, generating station built by the City of Colorado Springs.
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- Another assignment involved a management audit of the standards and certification programs then operated by the American Gas Association (A.G.A.) in Cleveland, Ohio. A.G.A. is a Washington-based trade association representing 150 gas utilities that distribute about 80% of the natural gas used in the U.S. by residential, commercial and industrial customers.

Electric Power Research Institute, Palo Alto, California 1974 - 1977

Director, Electrical Systems Division. In 1974, the Electric Power Research Institute (EPRI) was organized in Palo Alto, California. EPRI became the national research arm of the electric utility industry in the U.S. EPRI collected funds from its members, planned research programs, issued research contracts, and managed the development of new utilization, distribution, transmission and production technologies for the electric power industry. Dick left Stone & Webster to become the first (acting) director of the Institute's Electrical Systems Division.

- Directed the Institute's initial research work in electric distribution, transmission and storage technologies.
- Held follow-on positions in research program planning for the Division and the Institute as a whole.
- Made numerous public appearances on behalf of the Institute to explain its research activities and achievements.

Stone & Webster Management Consultants, Inc., New York, New York 1969 - 1974

Consultant. Performed technical, financial, planning and management assignments for electric and gas utilities. Dick also negotiated research agreements, on behalf of the Edison Electric Institute (EEI), for advanced development work on fuel cells, high voltage electrical equipment, and computer software. EEI was and is the U.S. national trade association for investor-owned electric utilities.

U.S. Air Force, Alamogordo and Albuquerque, New Mexico 1964 - 1969

During five years on active duty, held a series of positions in Systems Command in New Mexico wherein he analyzed technical intelligence data, operated a weapons fuzing laboratory, and investigated the accidental loss of combat aircraft. Achieved rank of Captain.

Education

Born and raised in Huron, South Dakota. BS degree in electrical engineering (power systems) and a commission in the United States Air Force from South Dakota State University. MS degree in Aeronautics and Astronautics (automatic control and space navigation), Massachusetts Institute of Technology.

Personal Information

Dick and his wife, ReJean, recently moved from Cleveland, Ohio to Northfield, Minnesota. Richard owns and operates a home repair and remodeling business serving residential customers in Northfield, Minnesota. His wife holds a Doctorate in Education and retired as an associate professor and coordinator of the Early Childhood Teacher Training Program at Cuyahoga Community College in Parma, Ohio. Dick and ReJean have two grown children.

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