

Nadia Ely (Host) ([00:01](#)):

Hello, I'm Nadia Ely. Welcome to Dominion Energy Strategic Underground Program Podcast, which aims to increase the overall reliability of our customer's electric service. This podcast geared toward our colleagues and the public, showcases the program's benefits as it highlights those who continuously innovate the program and the strides it's making. It features subject matter experts who share their SUP expertise and experiences. This episode tackles the supply chain issues brought on by the pandemic and recent world events, and how the Strategic Underground Program and the company itself have managed to keep reliability and safety top of mind. Discussing this today, our vice president of Shared Services, Wendy Wellener, and Strategic Underground Program communications consultant, Heather Montville. Thank you both for being with me.

Nadia Ely (Host) ([00:52](#)):

Wendy, just over the last two years we saw tremendous challenges as the COVID-19 pandemic began to materialize. And now here we are in the present day and a sort of normalization was beginning to return, but we began experiencing supply chain delays. What plans and processes did the company put in place to keep initiatives like the strategic underground program and others running seamlessly?

Wendy Wellener ([01:18](#)):

Thanks Nadia. Thanks for having me with you today. It's a, a pleasure to join you, , both you and Heather. So, we, in the supply chain, space have had quite a couple of, challenging years. when the pandemic started back in late '19, early 2020, it became pretty evident that we needed to purchase, PPE and different materials that we didn't normally stock on hand, in order to keep our colleagues safe across the company. So, we started that, we don't necessarily react at Dominion Energy, to crisis when they come about. We usually have a good plan. And we started to plan in, in late 2019 and bought, you know, hand sanitizer, wipes, gloves, masks, all the things that we ultimately did need across the company. And throughout that period of time, we've had challenging, periods of time with PPE and continuing to keep those in stock and testing, and vaccine clinics, and all those types of things that supply chain has helped facilitate throughout the company.

Wendy Wellener ([02:27](#)):

But we've also seen some pretty significant supply chain shortages on top of the pandemic impact, some of that driven by the pandemic, some of it driven by things like the Russia, Ukraine conflict, weather events around the world. Lots of different indicators and predicating, events started, this massive disruption around our supply chain. And we're not only seeing it at Dominion Energy, we're seeing it as consumers as well. So, as we go to the grocery store, you're seeing some of the shelves not stocked as fully as you would normally see them. if you're shopping for a new car, or a new computer, or a new phone, likely you've seen some disruption and delays, and longer lead times, and lack of ability to get maybe what you want or need at the time you want or need it. And we are definitely seeing that in the supply chain space as well and have for the last couple of years.

Wendy Wellener ([03:25](#)):

So, the teams have been working very closely with, those on the business segments and operations to ensure that we are doing everything we can to keep operations, running smoothly. That is our number one goal in supply chain is operational reliability. And so, it's critical for us to have those relationships with the segments, and our focus on the materials around the company so that we are getting what we need when we need it to continue to maintain operational reliability. I guess one of the things that we started with, which has really helped us is, business continuity plan. And Dominion Energy across the company, does a lot of business continuity planning. Again, we are a company who plans for crisis. We don't wait until it's upon us to react. We have a lot of proactive processes that we put in place to ensure that we are ready when something comes our way.

Wendy Wellener ([04:23](#)):

And I don't think anybody expected a pandemic like we've had over the last couple of years, but our business continuity plan, certainly gave us a good platform by which to springboard from, to help us work through it. So, it

was tested by the pandemic, but it allowed the supply chain team to react quickly to a major disruption and then continue to meet core business needs. So on top of that, I think our relationships with the business segments and with our operational partners have been really critical. When you think about supply chain disruptions, if you're reading about things in the news or online, you're hearing terms like supply chain resiliency. That's a big term that, has been kind of part of chatter these days. And basically what that means is the ability of your supply chain, which is the onboarding of materials, to meet your operational needs, to maintain without disruption, so that you're able to get what you need when you need it.

Wendy Wellener ([05:28](#)):

And so we focus on supply chain resiliency by ensuring we're doing certain things to ensure that we're not seeing disruptions. One of the key focus areas for us has been, those relationships, like I said, that really, allow us to work closely with the business segments to address our current challenges, make sure there's transparency in what we're seeing, but transparency in what they're needing as well. Dominion Energy has, put a lot of reliance on suppliers that have done a great job for us. They provide a material or a service that has worked well for us. They've come through for us. We're happy with the pricing. But in, in some cases, we have been single threaded. So, in order to diversify our portfolio, we've had to open our eyes to different suppliers and engage new contracts, new suppliers.

Wendy Wellener ([06:27](#)):

In some cases we've found diverse suppliers, which is also a focus for Dominion Energy. We've expanded our supplier base there, but found new suppliers so that you have multiple sources of materials instead of just one. That's a way that we address the supply chain resiliency for Dominion Energy. We've also added some different standards where in some cases we would buy one design of a material or two designs. We've worked with, the standards teams engineers, designers, and the segments to open up potential for other designs, new designs. So, again, building on that supply chain resiliency, multiple suppliers and multiple designs, so that you have more opportunity to get more materials in, to meet the needs of the business.

Wendy Wellener ([07:34](#)):

And in some cases we've increased safety stock levels to ensure that we have, maybe more than we normally would have, in case we can get it, that way we, we have it on hand when we need it. forecasting and prioritization requires a lot of collaboration and communication between the supply chain teams and the operation teams, so that we know exactly what we're going to need. exactly might be a strong term. But have a good sense of, in the future, what do we think we'll need when it comes to again, transformers, wire, cable, um, things like that? How much are we going to need and when are we going to need them, so that we can plan and prioritize with multiple vendors for those types of components?

Wendy Wellener ([08:23](#)):

The pandemic also brought risk management into the forefront, and we're currently focused on, continuous improvements to existing third party risk management practices as well those are just some examples of some of the key activities we've put in place to drive that supply chain resiliency and support of the business.

Heather Montville ([08:55](#)):

It almost seems like these days abnormal is our new normal kind of in every facet of life, really not just here at Dominion Energy. it really gives new meaning to one of our core values of embracing change. But, we thankfully, have the right people in place to support and collaborate to pull together those expanded avenues to overcome these challenges, not to mention all the alternative planning and other proactive efforts that are already part of the company's typical business strategy. It's really an interesting time we're in.

Nadia Ely (Host) ([09:28](#)):

It certainly is ladies - Wendy, great answer. Very thorough. We appreciate you hitting all those points. Heather, I'm going to stay with you. And as you know, we have processes in place to mitigate these typical construction delays, but the supply chain challenge has made these delays more prevalent. As construction is a core part of the Strategic Underground Program, how has the SUP team been able to maintain stellar customer service, satisfaction and communication amidst these supply chain roadblocks?

Heather Montville ([10:02](#)):

Thanks Nadia. Well, as you said, construction is a core component of the strategic underground program, but, even more so communication is a key element as well. The two go hand in hand obviously, and we're committed to keeping our customers informed throughout a Strategic Underground Project, always. But arguably even more now that we've been faced with this unprecedented situation. Throughout, the COVID-19 pandemic, we updated processes and invested in new ways to communicate and meet our customers' needs in an effort to keep the ball rolling, while we worked through the bottlenecks and the roadblocks that we were facing. The situation overseas has really just exacerbated the supply chain delays. So, again, we've had to make improvements and come up with new ways to continue keeping the lights on and continue to improve reliability for our customers.

Heather Montville ([11:03](#)):

Let's be honest, the storms in the Andes aren't going to stop, right? So, we have to keep moving, we have to keep working and we have to find ways to keep the lights on. And as Wendy mentioned, transformers have been the big ticket item for us, particularly in the Strategic Underground Program. Without transformers, we can't connect our customers to the new underground facilities that are installed as part of every Strategic Underground project. So, as you can imagine, not having this key piece of equipment available to us could potentially be pretty devastating for the program and for our customers. And right now we are continuing to build the new underground infrastructure so that when the transformers do become available, and they are slowly starting to become available again, our crews, can return to each neighborhood, install them and make those underground connections.

Heather Montville ([11:58](#)):

Everything else has already been done, because we are continuing to work. But in addition to that, we've also really ramped up our already robust communication strategy. We are keeping in constant contact with our customers as usual, but even more so now than we usually do. We always notify our customers when construction is ready to begin. But now, in addition to that, we are informing them about this unique supply chain situation. We're explaining the new temporary processes that have been established, and educating them on how to look up the status of their project online, and then reaching out to them again, when we've done all the work that we can do until the transformers are available.

Heather Montville ([12:46](#)):

And at that point, we clean up the work site, we restore all the properties, planting grass seed, and making everything safe so that we can move on to the next project. We've been navigating this situation since January. And I'm being honest when I say that we have not received any negative feedback about our process thus far. Our customers have been very understanding of the circumstances, and I think that is in large part, thanks to not only the things that we have put in place as a company, as a whole, like Wendy was mentioning, but also first Strategic Underground, our consistent communication with our customers.

Wendy Wellener ([13:28](#)):

Yeah, Heather, I totally agree with you on the communication piece. And that is a theme that is really integral, across the company with our customers. You're hearing that theme, really everywhere it's critical for us on the supply chain side, within Dominion Energy, to have strong communication channels with those in operations who are managing Strategic Underground so that we know what we need, when we need it, , that we have full transparency, , throughout the, the supply chain process so that we can, again, communicate to each other and understand how the business will be supported. But then you're also hearing that theme from Heather with regard to the customer and ensuring that we're with a full transparency communicating to them what's happening. So, the communication theme throughout, is really critical to ensuring the success of the program.

Nadia Ely (Host) ([14:28](#)):

And no doubt our customers very much appreciate that communication and transparency. Wendy and Heather, thank you. Wendy, staying with you, but Heather I'd like you to address this question as well as it pertains to SUP. What is Dominion Energy doing to maintain the supply chain despite the current challenges, both here in the states and abroad, and what strategies does the company and SUP have in place to avoid further delays? Again, Wendy, I'll start with you.

Wendy Wellener ([14:57](#)):

Thanks, Nadia. So, I'd talked a little bit about this earlier, but, we have developed a very close working relationship with the Strategic Underground team to understand their needs and work collaboratively to solve the supply chain disruption. So, basically what that might mean is we've, developed a solution, to shift from procuring, say, a mix of transformer sizes and types, to a larger transformer that can be used in a wider range of applications. That's an example of one of the ways we've worked to mitigate. we meet with the team, on a weekly basis to review, a large spreadsheet, for lack of a better term, that basically tracks deliveries received, the allocations from each manufacturer.

Wendy Wellener ([15:50](#)):

As I said, we've diversified, so we have different orders and plan deliveries coming in from multiple suppliers. Total quantity on hand, and then prioritizing work with new connects, because Strategic Underground is a part of the work that Dominion Energy, is performing when it comes to transformers. So, prioritization of when they come in and how they'll be utilized, to ensure that we do have sufficient stock. there's quite a lot of effort and work, to ensure that, our supplies are prioritized internally in the appropriate way. we're working on bringing on new suppliers, to increase supply, and that gets back to really working with the operations teams and engineers to approve new designs where we can. So, that opens up additional sources of supply.

Wendy Wellener ([16:42](#)):

And then providing an annual forecast for key categories and increased frequency with vendor meetings to understand, potential issues faster. it really goes back to that theme of communication. That's so critical that both Heather and I have talked about internal communication within the company, external communication with our customers, but also with our suppliers, so that we're all meeting the needs together, and everyone understands the entire picture. I think that's the most critical part of all of this.

Heather Montville ([17:17](#)):

I agree. it's pretty incredible to think that we are branching out in ways that we haven't in the past. I think as a company, Dominion Energy is always in pursuit of constant improvement, innovation obviously, and the Strategic Underground Program as well. Always in pursuit of constant improvement. we've dealt with supply chain delays

and other discrepancies like that, and roadblocks and things in the past with similar materials as we're dealing with now, but nothing to this extent. just the fact that we are all hands-on deck, similar to the way that we bought, and donated and made masks in the height of the pandemic. we're investing in alternative solutions to avoid disruptions like this in the future. And it's a learning curve, and, I think the company has done an amazing job of navigating it and we will continue to do so the same way within the strategic underground program.

Wendy Wellener ([18:20](#)):

I will add to this too, that even though we're focusing on the supply chain challenges that we're seeing, we're also seeing some goodness come about as part of our pandemic response, but also, , our need to diversify our suppliers 65% of our PPE supplies that we purchased for our colleagues internally were sourced from small local and diverse suppliers. So, we really put a strategy in place to procure PPE, not from the large shops that we normally would have procured from, who couldn't meet our needs, but small diverse suppliers who really rallied and pivoted their own businesses to provide PPE. And as part of our supplier diversification efforts, we've identified more local sources of supply of some of our main, materials that we utilize.

Wendy Wellener ([19:10](#)):

Some are mom and pop shops, if you will, who are able to meet some of our needs. one of the suppliers we've added to provide wire cable has potential plans to build a distribution center in the Hampton Roads area, really driving economic impact here locally we talk about it from a challenge perspective, but there's also some, some goodness and some positive = economic impact that we were able to drive

Heather Montville ([19:45](#)):

I love that support small and diverse business, any chance we get, right? I love that the company is doing that. It's really respectable.

Wendy Wellener ([19:53](#)):

it's a win-win.

Nadia Ely (Host) ([20:03](#)):

Thank you both for sharing your perspectives. Any points either of you would like to drive home?

Wendy Wellener ([20:14](#)):

I will just shout out a big, thank you, to those internal to Dominion Energy who've been working so hard together to address solutions for these issues. I think it really has been a one Dominion Energy response to a very, very significant challenge. I feel like we are really in a great place because of the collaboration we have across the company, because of the relationships that we have within the company between the services company and operations. But really our, our ability to address an issue head on which is what we always do and come up with strategic collaborative solutions. we have been doing that and have been doing that for the last couple of years. So, thank you everyone who has been involved in that.

Heather Montville ([21:20](#)):

I'll piggyback on that too. We, are guided by our core values, with one Dominion Energy being one of them. the fact that we have come together as a company, and as a group, and as a community, in these un- unprecedented times speaks volumes about the company itself and about the people who work for this company.

Nadia Ely (Host) ([21:46](#)):

At this time I'd like to thank Wendy Wellener and Heather Montville for their expertise and participation. Learn more about the Strategic Underground Program at dominionenergy.com/underground. Thanks for listening and be on the lookout for more episodes. I'm Nadia Ely.