



# 2019 Key Performance Indicators Plan

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# KPI Categories and Payout

## CURRENT

Power Quality and Reliability	20%
Cost and Price	20%
Billing and Payment	10%
Corporate Citizenship	10%
Communications	10%
Customer Service	15%
Safety and Security	15%

PERFORMANCE LEVEL	KPI-P1	KPI-P2
Silver	5%	5%
Gold	7%	7%
Platinum	10%	10%

**Customer Service** - Weight of this category inaccurately reflects JD Power scoring model.

**Safety and Security** – Weight does not reflect PEC's focus on Safety. The security components are part of a larger Compliance program, which is not fully measured as currently designed.

## PROPOSED

Power Quality and Reliability	20%
Cost and Price	20%
Billing and Payment	10%
Corporate Citizenship	10%
Communications	10%
Customer Service	10%
Safety and Compliance	20%

PERFORMANCE LEVEL	Payout
Silver	5%
Gold	7%
Platinum	10%

**Customer Service** – Weight changed to 10% to better align with JD Power scoring model

**Safety and Compliance** – Name changed to allow for all compliance training to be measured. Weight increased to better reflect PEC's emphasis on the importance of working safely and completing all required compliance training.



# Power Quality and Reliability

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
System Average Interruption Duration Index (SAIDI)	66 minutes	60 minutes	54 minutes	50%
<b>ARCOS Availability</b>	<b>70%</b>	<b>75%</b>	<b>80%</b>	<b>25%</b>
Percentage of Outages where Estimated Time of Restoration is provided	90%	95%	100%	25%

**ARCOS** - This does not incentivize desired behaviors.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
System Average Interruption Duration Index (SAIDI)	66 minutes	60 minutes	54 minutes	50%
<b>Feeders With Highest SAIDI Impact Removed</b>	<b>P1: 3</b> <b>P2: 5</b>	<b>P1: 5</b> <b>P2: 7</b>	<b>P1: 7</b> <b>P2: 9</b>	<b>30%</b>
Percentage of Outages where Estimated Time of Restoration is provided	90%	95%	100%	20%

### **Feeders with Highest SAIDI Impact Improved** – New metric.

Focuses maintenance, vegetation and power restoration on the ten feeders with the worst performance, causing the greatest impact on SAIDI.

**Estimated Time of Restoration** – Look for improved tracking and reporting capabilities in 2020 with implementation of new OMS system, which could lead to potential metric changes in future plans.



# Cost and Price

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
Low Cost Provider - % Lower Than State Average	≥ 5 %	≥ 7%	≥ 8%	40%
Total Controllable Costs Per Consumer	≤ \$186 / ≤ \$372	≤ \$185 / ≤ \$369	≤ \$183 / ≤ \$366	20%
Average Consumers per Employee	≥ 382 / ≥ 385	≥ 387 / ≥ 390	≥ 392 / ≥ 395	15%
Overtime Hours as a % of Total Hours Worked	≤ 4.5%	≤ 4.0%	≤ 3.5%	15%
Transmission and Peak Power Reduction	≥ 2.0%	≥ 2.5%	≥ 3.0%	10%

**Lowest Cost Provider** – Compares the average PEC residential cost for 1,000 kWh against the average Texas residential customer, based on EIA provided data, and does not provide sufficient comparison with competitive areas.

**Total Controllable Costs Per Meter** – This name inaccurately reflects actual measurement.

**Average Consumers per Employee** – This was created based on KRTAs which we no longer use. It conflicts with our current staffing efforts.

**Transmission and Peak Power Reduction** – This metric measures both active and passive demand reduction, some of which is out of PEC's control.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
Competitive Rates	≥ 5 %	≥ 7%	≥ 8%	40%
Expenses Per Meter	P1: ≤ \$186 P2: ≤ \$372	P1: ≤ \$185 P2: ≤ \$369	P1: ≤ \$183 P2: ≤ \$366	35%
Overtime Hours as a % of Total Hours Worked	≤ 4.5%	≤ 4.0%	≤ 3.5%	15%
4CP Avoidance	Up to 13 MW	13 to 17 MW	> 17 MW	10%

**Competitive Rates** – Compares the cost of 1000 kwh paid by PEC residential members against the average Texas residential customer in competitive areas, based on PUCT provided data.

**Expenses Per Meter** – Name changed to accurately reflect calculation.

**4CP Avoidance** – This metric measures only active demand reductions (voltage control and PEC facilities), which PEC directly controls.



# Billing and Payment

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
Uncollectible Accounts Written off as Percentage of Operating Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%	50%
Percentage of Accounts Enrolled in Autopay	≥ 40%	≥ 45%	≥ 50%	30%
Percentage of Account Utilization of Non-Conventional Rate Options	≥ 30%	≥ 40%	≥ 50%	20%

**Percentage of Accounts Enrolled in Autopay** – Does not fully reflect E-Saver rate participation.

**Percentage of Account Utilization of Non-Conventional Rate Options** – Autopay and bankdraft rates are already counted in the autopay metric.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
Uncollectible Accounts Written off as Percentage of Operating Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%	50%
Percentage of Accounts Enrolled in Autopay and Bankdraft	≥ 40%	≥ 43%	≥ 45%	30%
Percentage of Accounts Enrolled in Electronic Billing	≥ 30%	≥ 33%	≥ 35%	20%

**Percentage of Accounts Enrolled in Autopay and Bankdraft** - Calculates member participation in automatic payments, which directly impact cost savings and is an added convenience for the membership.

**Percentage of Accounts Enrolled in Electronic Billing** – Captures all accounts enrolled in electronic billing which is a direct savings for the Cooperative.



# Corporate Citizenship

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
Number of Energy Audits Performed	125 / 250	150 / 300	175 / 350	30%
Completed Empower Loans	8 / 15	15 / 30	25 / 50	20%
Increase in Power of Change Enrollments	900 / 1,800	1,250 / 2,500	1,600 / 3,200	20%
PEC-Sponsored Volunteer Activities	1 / 4	2 / 5	3 / 6	30%

**Completed Empower Loans** – Removed, program terminated.

**Increase in Power of Change Enrollments** – Targets aimed at year to date enrollment totals which do not account for meter growth.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
Number of Energy Audits Performed	125	150	175	25%
Participation in Public Events	10	12	14	25%
Increase in Power of Change Enrollments	1900	2000	2100	25%
PEC-Sponsored Volunteer Activities	1	2	3	25%

**Participation in Public Events** – Replaces Community Engagement Events (Communication). Includes expos, workshops, events for Community Grants, Youth Tour, Scholarships, etc. Focuses on events that involve participants from across the Cooperative .

**Increase in Power of Change Enrollments**- Targets will be measured on a rolling 12 month basis. Adjusted targets are based on average enrollments for the last two years .



# Communications

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
J.D. Power Communications Category Score	≥ 670	≥ 680	≥ 690	25%
Increase in Social Media Subscriptions	250 / 500	375 / 750	500 / 1,000	25%
Community Engagement Events	60 / 110	70 / 125	80 / 140	20%
Key Account Meetings	85 / 170	100 / 200	110 / 220	30%

**Increase in Social Media Subscriptions** – ‘Subscriptions’ does not accurately reflect social media activity.

**Community Engagement Events** – Measures based on the daily work product of a small group attending or participating in formal meetings, presentations and events with the public.

**Key Accounts Meetings** – Replaced by Strategic Growth. This metric is based on setting meetings over substance of interactions.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
J.D. Power Communications Category Score	≥ 670	≥ 680	≥ 690	50%
Increase in Social Media Followers	750	1000	1250	50%

**Increase in Social Media Followers** – Changed from ‘Subscriptions’ to ‘Followers’ to more accurately reflect nomenclature used on social media.



# Customer Service

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
J.D. Power Customer Service Category Score	≥ 770	≥ 780	≥ 790	20%
Service Level	≥ 75%	≥ 80%	≥ 85%	40%
Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 75%	40%

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
J.D. Power Customer Service Category Score	≥ 770	≥ 780	≥ 790	20%
Service Level	≥ 75%	≥ 80%	≥ 85%	40%
Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 75%	40%

No proposed changes, however overall category weighting adjusted from 15% to 10% to better align with JD Power scoring model and allow for increase in weight for Safety and Compliance category.



# Safety and Compliance

## CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
Total Case Incident Rate (TCIR)	≤ 3.0 / ≤ 1.5	≤ 2.4 / ≤ 1.2	≤ 2.0 / ≤ 1.0	20%
Days Away Restricted Duty (DART)	≤ 1.8 / ≤ 0.9	≤ 1.2 / ≤ 0.6	≤ 0.6 / ≤ 0.3	20%
Preventable Vehicle Accidents	≤ 3 / ≤ 6	≤ 2 / ≤ 3	0	15%
Percentage of Physical Security Incidents Reported within 48 Hours of Occurrence	65%	75%	85%	20%
Completion of Security Awareness Training Hours per Employee	≥ 2 / ≥ 4	≥ 3 / ≥ 6	≥ 4 / ≥ 8	10%
Percentage of Employees Who Complete the Cybersecurity Training	90%	95%	100%	15%

**Percentage of Physical Security Incidents Reported within 48 Hours of Occurrence** – Insufficient staffing to measure this metric.

**Completion of Security Training Hours and Cybersecurity Training Hours** – The metrics do not allow for measuring our full compliance training program.

## PROPOSED

	SILVER	GOLD	PLATINUM	WEIGHTING
Total Case Incident Rate (TCIR)	≤ 3.0 / ≤ 1.5	≤ 2.4 / ≤ 1.2	≤ 2.0 / ≤ 1.0	25%
Days Away Restricted Duty (DART)	≤ 1.8 / ≤ 0.9	≤ 1.2 / ≤ 0.6	≤ 0.6 / ≤ 0.3	25%
Preventable Vehicle Accidents	≤ 3	≤ 2	0	25%
Percentage of Employees Who Complete Compliance Training	90%	95%	100%	25%

**Preventable Vehicle Accidents** – No change in targets, now shown for a single KPI period.

**Percentage of Employees Who Complete Compliance Training** – Measures completion of all assigned compliance training from HR, Legal, Safety, Security, Cybersecurity, etc.

**Safety and Compliance** category weight increased to 20% to better reflect PEC's emphasis on the importance of working safely and completing all required compliance training.





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