PEC 2022 KPI Plan - Summary of Updates
Changes highlighted in <mark>yellow</mark>.

Restructure and Weighting
The KPI categories and source of the weighting distribution is aligned with Board Goals identified in PEC's Strategic Plan that is drafted by the Board of Directors every three years. This is a change for 2022 from the previous structure that was based on the JD Power Survey. That format will better align performance KPIs with the direction provided by the Board of Directors. Each KPI Category contains specific Objectives, also defined by the Board of Directors, that will have associated, performance-related KPI goals.

Previous Structure Based on JD Power

KPI Categories	Category Weight
Power Quality and Reliability	20%
Cost and Price	15%
Billing and Payment	10%
Corporate Citizenship	10%
Communications	10%
Customer Service	10%
Safety and Compliance	25%

New Structure Based on Strategic Plan

KPI Categories	Category Weight
1. Maximize Value to Our Members	20%
2. Operational Excellence	20%
3. Financial Health	20%
4. Workforce Optimization	20%
5. Safety & Security	20%

Performance Calculation
As goals are met, the performance calculation will apply a measurement distribution percentage for each metric using the following calculation:

Measurement Distribution = Performance Level Percentage × Measurement Weight

Performance level is defined in the below:

Performance Level	Payout
Silver	5%
Gold	7%
Platinum	10%

Through this methodology, the maximum possible KPI distribution payout percentage, based on category performance metrics, is 10%.

Distribution Adder
In addition to the measurement distribution, there is an opportunity for a 1% adder to the distribution payout for each period if PEC reaches additional goals. A change in the adder goal has been made for the 2021 KPI Plan.

2021 Distribution Adders (1% per period):
- KPI P1 & P2: 1% adder if PEC is among the top 10 overall utilities in the J.D. Power Syndicated Survey

2022 Distribution Adders (1% per period)**:**
- KPI P1: Successful launch of the UI Budgeting and Financial Planning Software by June 2022, including user acceptance testing coop-wide.
- KPI P2: Meeting Platinum level goals for each of the Pursue Workforce Optimization KPI metrics.

1. BOD Goal: Maximize Value to Our Membership

- **Objective 1 – Member Engagement:** Develop a three-year member engagement campaign by 2022 to promote the benefits of cooperative membership.

- **Objective 2 – Community Partnerships:** Establish a plan by 2022 to foster healthy and communicative relationships with state and local officials and authorities to benefit our membership.

- **Objective 3 – Customer Service:** Establish member engagement and satisfaction programs by 2022 to maintain or surpass the American Customer Satisfaction Index (ACSI) benchmark.

	Metric	Silver	Gold	Platinum	Weight
(1)	Increase in Social Media Followers	≥ 750	≥ 1,000	≥ 1,250	TBD%
(1)	Increase in Power of Change Enrollments	≥ 1,900	≥ 2,000	≥ 2,100	TBD%
(2)	Community Outreach	≥ 4	≥ 6	≥ 8	TBD%
(3)	Customer Satisfaction Score - Coop Insight Survey	≥ 8.5	≥ 8.6	≥ 8.7	TBD%
(3)	Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 75%	TBD%
(3)	Percentage of Accounts Enrolled in Electronic Billing	≥ 40%	≥ 43%	≥ 45%	TBD%

Notes: Changing Customer Satisfaction survey source and goals for paperless enrollment.

2. BOD Goal: Achieve Operational Excellence

- **Objective 1 – System Maintenance:** Establish a systematic and responsive system maintenance program targeting the 35 feeders with the highest SAIDI to improve reliability and lower SAIDI by 2025.

- **Objective 2 – SCADA, Control Center, & Related Technology Systems:** Design and construct operational control centers by 2025 that meet applicable federal and state standards for system stability, and improved operations.

- **Objective 3 – Engineering Design Standards:** Complete a detailed Engineering Standards guide by 2023 for all training, planning, and purchasing purposes across all districts.

- **Objective 4 – Facilities and Real Estate Planning:** Create a data-driven framework for the acquisition and disposition of real estate for facilities and system expansion by 2021.

	Metric	Silver	Gold	Platinum	Weight
(1)	Feeders with Highest SAIDI Impact Addressed	≥ 3	≥ 5	≥ 7	TBD%
(2)	System Average Interruption Duration Index (SAIDI)	≤ 60 min.	≤ 55 min.	≤ 50 min.	TBD%
(3)	District Planning and Design Training Completions	≥ 4	≥ 5	≥ 6	TBD%

Notes:

- (1) Feeders metric – Can adjust worst feeder list to be only those with preventable outages – more targeted.
- (2) Potential new reliability metrics: Sectionalized Outages, Switching & Tagging, Outages from Human Error.
- (3) **District Planning and Design Training** – To measure training provided with goals set for at least 1 training session per month from internal material or outside vendor (for subjects like field staking.)
- (4) Facility & Real Estate Metric – Objective reached through launch of Real Estate Plan in March 2021.

3. BOD Goal: Protect the Financial Health of the Cooperative

- **Objective 1 – Financial Management:** Develop processes by 2022 to increase individual employee awareness of and participation in the Cooperative's financial health.

- **Objective 2 – Rate Stability:** Implement debt and capital restructuring best practices for rate stability, including the defeasance of 2002 bonds and the implementation of a commercial paper program, by 2022.

- **Objective 3 – Capital Spending:** Create and fully implement a capital allocation model to support long-term capital spending by 2022.

Metric		Silver	Gold	Platinum	Weight
(1)	Operating Expense as a % of Budget	≤ 100%	≤ 99%	≤ 98%	TBD%
(1)	Competitively Sourced Spend	≥ 92%	≥ 94%	≥ 96%	TBD%
(1)	Uncollectible Accounts Written off as % of Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%	TBD%
(2)	Competitive Rates	≥ 5%	≥ 7%	≥ 8%	TBD%

Notes:

- (3) Objective 3 to be addressed through the KPI P1 Adder for a successful launch of the UI Budgeting and Financial Planning Software by June 2022, including coop-wide user acceptance testing, and for utilization through the 2023 budgeting process. The utilization of this software coop-wide will become a performance metric beginning in 2023.

4. BOD Goal: Pursue Workforce Optimization

- **Objective 1 – Technical Training:** Train 80% of employees requiring technical or electrical skills utilizing the new PEC training facility by 2024.

- **Objective 2 – Workforce Development:** Attract, retain, and develop our workforce by increasing employee skills, training, and external recruitment outreach by 20% each by 2023.

Metric		Silver	Gold	Platinum	Weight
(1)	% of Employees Completing Technical Training	≥ 70%	≥ 75%	≥ 80%	TBD%
(2)	% of Employees Completing Compliance Training	≥ 90%	≥ 95%	≥ 99%	TBD%
(2)	% of Employees Completing Professional Development Training	≥ 50%	≥ 60%	≥ 75%	TBD%

Notes:

- **(1) % of Employee Completion of Technical Training** – Represents the percentage of all employees who require technical or electrical skills that complete training utilizing the PEC training facility.

- **(2) % of Employee Completion of Professional Development Training** – Represents the percentage of all employees that complete at least 30 minutes of professional development training relevant to their individual career, within the KPI period.

5. BOD Goal: Advance Safety and Security

- **Objective 1 – Safety and Security Culture:** Develop a plan to promote a shared culture of safety, security, and privacy across the cooperative with full compliance by 2024.

- **Objective 2 – Cyber Security:** Enhance systems and practices through 2025 to prevent and mitigate a cyber-incident to ensure business continuity.

- **Objective 3 – Work Environments:** Improve the security of our work environments through completing the implementation of the Security Vulnerability Master Plan by 2024.

Metric	Silver	Gold	Platinum	Weight
(1) Total Case Incident Rate (TCIR)	≤ 3.0	≤ 2.4	≤ 2.0	TBD%
(1) Days Away Restricted Duty (DART)	≤ 1.8	≤ 1.2	≤ 0.6	TBD%
(1) Vehicle Accident Rate	≤ 3.5	≤ 2.5	≤ 1.0	TBD%
(2) Phishing Simulation Avoidance	≥ 96.5%	≥ 97.0%	≥ 97.5%	TBD%
(3) Access Control Efficiency	≥ 97%	≥ 98%	≥ 99%	TBD%

Notes:

- **(2) Phishing Simulation Avoidance** – Represents the percentage of employees that succeed in avoiding phishing simulation held by PEC by not clicking on phishing emails. The industry standard for click rate is 4.7% (or reversed for a more positive approach, 95.3%).

- (3) **Access Control Efficiency** – Measures PEC's responsiveness to the timely removal of access to PEC facilities for employees and contract workers leaving the cooperative's system. Specifically, it measures that the closing of access is performed within the requested timeframe.

Excluded KPIs from Previous 2021 Plan

- Percentage of Outages Where Estimated Time of Restoration is Provided – Obsolete with new OMS.
- Number of Energy Audits Performed – Low significance in value and volume (average 27/mo.).
- % of Accounts Enrolled in Autopay – Too many Customer Satisfaction metrics.
- Internal Communications – Does not match a Board Goal.
- JD Power Customer Service Score – No longer utilizing survey.
- JD Power Communication Score – No longer utilizing survey.
- JD Power Overall Satisfaction Score (Adder) – No longer utilizing survey.

Summary of Measures, Targets and Weights for 2021 KPI Plan (reference)

Metric	Silver	Gold	Platinum	Category Weight	Overall KPI Weight
Power Quality and Reliability					**20%**
System Average Interruption Duration Index (SAIDI)	≤ 60 min.	≤ 55 min.	≤ 50 min.	50%	10%
Feeders with Highest SAIDI Impact Removed	P1: ≥ 3 P2: ≥ 5	P1: ≥ 5 P2: ≥ 7	P1: ≥ 7 P2: ≥ 9	30%	6%
Percentage of Outages Where Estimated Time of Restoration is Provided	≥ 90%	≥ 95%	≥ 99%	20%	4%
Cost and Price					**15%**
Operating Expense as a %of Budget	≤ 100%	≤ 99%	≤ 98%	40%	6%
Competitively Sourced Spend	≥ 92%	≥ 94%	≥ 96%	40%	6%
Competitive Rates	≥ 5%	≥ 7%	≥ 8%	20%	3%
Billing and Payment					**10%**
Uncollectible Accounts Written off as Percentage of Operating Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%	50%	5%
Percentage of Accounts Enrolled in Autopay	≥ 50%	≥ 53%	≥ 55%	30%	3%
Percentage of Accounts Enrolled in Electronic Billing	≥ 33%	≥ 36%	≥ 38%	20%	2%
Corporate Citizenship					**10%**
Increase in Power of Change Enrollments	≥ 1,900	≥ 2,000	≥ 2,100	40%	4%
Number of Energy Audits Performed	≥ 125	≥ 150	≥ 175	30%	3%
Community Outreach	≥ 4	≥ 6	≥ 8	30%	3%
Communications					**10%**
J.D. Power Communications Category Score	≥ 670	≥ 680	≥ 690	40%	4%
Increase in Social Media Followers	≥ 750	≥ 1,000	≥ 1,250	40%	4%
Internal Communications	≥ 60%	≥ 65%	≥ 70%	20%	2%
Customer Service					**10%**
J.D. Power Customer Service Category Score	≥ 770	≥ 780	≥ 790	40%	4%
Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 75%	40%	4%
Service Level	≥ 70%	≥ 75%	≥ 80%	20%	2%
Safety and Compliance					**25%**
Total Case Incident Rate (TCIR)	≤ 3.0	≤ 2.4	≤ 2.0	25%	6.25%
Days Away Restricted Duty (DART)	≤ 1.8	≤ 1.2	≤ 0.6	25%	6.25%
Vehicle Accident Rate	≤ 3.5	≤ 2.5	≤ 1.0	25%	6.25%
Percentage of Employees Who Complete the Compliance Training	90%	95%	= 100%	25%	6.25%