



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.

Existing 2% Payout Incentive - If PEC is among the top 10 overall utilities in the J.D. Power Syndicated report, the KPI-P1 payout adder will change from 2% to 1%.



Power Quality and Reliability

CURRENT

	SILVER	GOLD	PLATINUM	WEIGHTING
System Average Interruption Duration Index (SAIDI)	66 minutes	60 minutes	54 minutes	50%
ARCOS Availability	70%	75%	80%	25%
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)	63 minutes	58 minutes	53 minutes	50%
Feeders With Highest SAIDI Impact Removed	P1: 3 P2: 5	P1: 5 P2: 7	P1: 7 P2: 9	30%
Percentage of Outages where Estimated Time of Restoration is provided	90%	95%	100%	20%

SAIDI - Target minutes adjusted to reflect improved performance, no change in weighting.

SAIDI Additional Target - If PEC can reach a SAIDI metric of 50 minutes or less for the KPI-P2, there will be a 1% adder to the KPI-P2 payout.

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 Account Utilization of Non-Conventional Rate Options - Removed duplication, a portion of autopay types are recorded in non-conventional rates in the form of eSaver and eDraft, and 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	≥ 40%	≥ 43%	≥ 45%	30%
Percentage of Accounts Enrolled in Electronic Billing	≥ 30%	≥ 33%	≥ 35%	20%

Percentage of Accounts Enrolled in Autopay - Goals adjusted to match performance and keep pace with member growth.

Percentage of Accounts Enrolled in Electronic Billing - Captures all accounts enrolled in electronic billing which is a direct cost 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	≤ 2.4	≤ 2.0	25%
Days Away Restricted Duty (DART)	≤ 1.8	≤ 1.2	≤ 0.6	25%
Preventable Vehicle Accidents	≤ 8	≤ 5	0	25%
Percentage of Employees Who Complete Compliance Training	90%	95%	100%	25%

TCIR & DART - Replaced dual-period targets for one target that applies to both P1 and P2.

Preventable Vehicle Accidents - Adjusted targets to reflect scope of PEC fleet, and converted to one target metric recorded on a rolling 12-month 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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