



2021 Key Performance Indicators Plan

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Key Performance Indicators (KPI)

Purpose and Structure

- The purpose of Key Performance Indicators (KPIs) is to provide an objective method for evaluating the degree of success with which PEC achieves identified performance targets.
- PEC's annual KPI Plan is designed to align with the categories found in the J.D. Power Syndicated Survey.
- The primary categories are weighted by importance and contain individual metrics with specific performance goals.
- Each year, PEC's KPI Plan is approved by the Board of Directors and a subsequent performance-based financial distribution is calculated and approved for each of two KPI periods:
 - KPI P1: January 1 - June 30
 - KPI P2: July 1 - December 31

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%



Power Quality and Reliability

CURRENT

Metric	Silver	Gold	Platinum
System Average Interruption Duration Index (SAIDI)	≤ 63 min.	≤ 58 min.	≤ 53 min.
Feeders with Highest SAIDI Impact Removed	P1: ≥ 3 P2: ≥ 5	P1: ≥ 5 P2: ≥ 7	P1: ≥ 7 P2: ≥ 9
Percentage of Outages Where Estimated Time of Restoration is Provided	≥ 90%	≥ 95%	≥ 99%

PROPOSED

Metric	Silver	Gold	Platinum
System Average Interruption Duration Index (SAIDI)	≤ 60 min.	≤ 55 min.	≤ 50 min.
Feeders with Highest SAIDI Impact Removed	P1: ≥ 3 P2: ≥ 5	P1: ≥ 5 P2: ≥ 7	P1: ≥ 7 P2: ≥ 9
Percentages of Outages Where Estimated Time of Restoration is Provided	≥ 90%	≥ 95%	≥ 99%

NOTES:

- **SAIDI:** Target goals are being lowered to match current performance.

Cost and Price

CURRENT

Metric	Silver	Gold	Platinum
Competitive Rates	≥ 5 %	≥ 7%	≥ 8%
Total Distribution Spend per Meter	P1: ≤ \$358 P2: ≤ \$709	P1: ≤ \$351 P2: ≤ \$695	P1: ≤ \$344 P2: ≤ \$681
Overtime Hours as a % of Total Hours	≤ 4.5%	≤ 4.0%	≤ 3.5%
4CP Avoidance	9 to 13 MW	13 to 17 MW	> 17 MW

PROPOSED

Metric	Silver	Gold	Platinum
Operating Expense as a % of Budget	≤ 100%	≤ 99%	≤ 98%
Competitively Sourced Spend	≥ 92%	≥ 94%	≥ 96%
Competitive Rates	≥ 5 %	≥ 7%	≥ 8%
Total Distribution Spend per Meter	P1: ≤ \$358 P2: ≤ \$709	P1: ≤ \$351 P2: ≤ \$695	P1: ≤ \$344 P2: ≤ \$681
Overtime as a % of Total Hours	≤ 4.5%	≤ 4.0%	≤ 3.5%
4CP Avoidance	9 to 13 MW	13 to 17 MW	> 17 MW

NOTES:

- **Operating Expense as a % of Budget:** Adjusting the Total Distribution Spend per Meter to represent operating expenses, net of depreciation, taxes, donations, and KPI payouts in total dollars compared to budgeted dollars.
- **Competitively Sourced Spend:** Adding a procurement goal to measure the percentage of cooperative spend that was competitively sourced. Goals are based on historic performance.
- **Competitive Rates:** Only a small revision of the metric definition to clarify data sources for rate comparison.

Cost and Price (cont'd)

CURRENT

Metric	Silver	Gold	Platinum
Competitive Rates	≥ 5 %	≥ 7%	≥ 8%
Total Distribution Spend per Meter	P1: ≤ \$358 P2: ≤ \$709	P1: ≤ \$351 P2: ≤ \$695	P1: ≤ \$344 P2: ≤ \$681
Overtime Hours as a % of Total Hours	≤ 4.5%	≤ 4.0%	≤ 3.5%
4CP Avoidance	9 to 13 MW	13 to 17 MW	> 17 MW

PROPOSED

Metric	Silver	Gold	Platinum
Operating Expense as a % of Budget	≤ 100%	≤ 99%	≤ 98%
Competitively Sourced Spend	≥ 92%	≥ 94%	≥ 96%
Competitive Rates	≥ 5 %	≥ 7%	≥ 8%
Total Distribution Spend per Meter	P1: ≤ \$358 P2: ≤ \$709	P1: ≤ \$351 P2: ≤ \$695	P1: ≤ \$344 P2: ≤ \$681
Overtime as a % of Total Hours	≤ 4.5%	≤ 4.0%	≤ 3.5%
4CP Avoidance	9 to 13 MW	13 to 17 MW	> 17 MW

NOTES:

- **Total Distribution Spend per Meter:** Removing metric in place for Operating Expense as a % of Budget.
- **Overtime as a % of Total Hours:** Removing this metric as it is captured in the cost metric and in some instances overtime hours may make more business-sense than utilizing contract workers.
- **4CP Avoidance:** Removing this metric as it is only provided annually and managed by a small group of staff.

Billing and Payment

CURRENT

Metric	Silver	Gold	Platinum
Uncollectible Accounts Written-off as a Percentage of Operating Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%
Percentage of Accounts Enrolled in Autopay	≥ 45%	≥ 48%	≥ 50%
Percentage of Accounts Enrolled in Electronic Billing	≥ 30%	≥ 33%	≥ 35%

PROPOSED

Metric	Silver	Gold	Platinum
Uncollectible Accounts Written-off as a Percentage of Operating Revenue	≤ 0.20%	≤ 0.15%	≤ 0.10%
Percentage of Accounts Enrolled in Autopay	≥ 50%	≥ 53%	≥ 55%
Percentage of Accounts Enrolled in Electronic Billing	≥ 33%	≥ 36%	≥ 38%

NOTES:

- **Accounts Enrolled in Autopay:** Increasing goals to match current performance.
- **Accounts Enrolled in Electronic Billing (Paperless):** Increasing goals to match current performance.

Corporate Citizenship

CURRENT

Metric	Silver	Gold	Platinum
Increase in Power of Change Enrollments	≥ 1,900	≥ 2,000	≥ 2,100
Number of Energy Audits Performed	≥ 125	≥ 150	≥ 175
Community Outreach	≥ 10	≥ 12	≥ 14
PEC-Sponsored Volunteer Activities	≥ 2	≥ 3	≥ 4

PROPOSED

Metric	Silver	Gold	Platinum
Increase in Power of Change Enrollments	≥ 1,900	≥ 2,000	≥ 2,100
Number of Energy Audits Performed	≥ 125	≥ 150	≥ 175
Community Outreach	≥ 4	≥ 6	≥ 8
PEC-Sponsored Volunteer Activities	≥ 2	≥ 3	≥ 4

NOTES:

- **Community Outreach:** Planning for a continued pandemic environment - reducing goals for Community Outreach and will specifically broaden the definition of outreach efforts to include virtual and other non-in-person events.
- **Volunteer Activities:** Planning for a continued pandemic environment - removing metric for PEC-Sponsored Volunteer Activities.

Communications

CURRENT

Metric	Silver	Gold	Platinum
J.D. Power Communications Category Score	≥ 670	≥ 680	≥ 690
Increase in Social Media Followers	≥ 750	≥ 1,000	≥ 1,250

PROPOSED

Metric	Silver	Gold	Platinum
J.D. Power Communications Category Score	≥ 670	≥ 680	≥ 690
Increase in Social Media Followers	≥ 750	≥ 1,000	≥ 1,250
Internal Communications	≥ 60%	≥ 65%	≥ 70%

NOTES:

- **Internal Communications:** Adding this performance metric to capture effectiveness of internal employee engagement by using the number of unique viewers to PEC's internal newsletter, *Wired*.
 - In 2020, the need for internal communications took an even bigger leap to support employee engagement.
 - Goals are based the high range of historical data.

Customer Service

CURRENT

Metric	Silver	Gold	Platinum
J.D. Power Customer Service Category Score	≥ 770	≥ 780	≥ 790
Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 70%
Service Level	≥ 75%	≥ 80%	≥ 85%

PROPOSED

Metric	Silver	Gold	Platinum
J.D. Power Customer Service Category Score	≥ 770	≥ 780	≥ 790
Percentage of Problems Solved on First Call Contact	≥ 65%	≥ 70%	≥ 75%
Service Level	≥ 70%	≥ 75%	≥ 80%

NOTES:

- **Service Level:** Several 2021 initiatives will impact Service Level by requiring the creation of new contact-center groups that will pull staff away from standard incoming call management:
 - AMI meter distribution
 - Re-balancing call utilization with an outside-party contact center
 - New member website responses
- The industry standard goal for Service Level is 80%, which will be the benchmark going forward.



Safety and Compliance

CURRENT

Metric	Silver	Gold	Platinum
Total Case Incident Rate (TCIR)	≤ 3.0	≤ 2.4	≤ 2.0
Days Away Restricted Duty (DART)	≤ 1.8	≤ 1.2	≤ 0.6
Preventable Vehicle Accidents	≤ 8	≤ 5	≤ 2
Percentage of Employees Who Complete the Compliance Training	≥ 90%	≥ 95%	= 100%

PROPOSED

Metric	Silver	Gold	Platinum
Total Case Incident Rate (TCIR)	≤ 3.0	≤ 2.4	≤ 2.0
Days Away Restricted Duty (DART)	≤ 1.8	≤ 1.2	≤ 0.6
Vehicle Accident Rate	≤ 3.5%	≤ 2.5%	≤ 1.0%
Percentage of Employees Who Complete the Compliance Training	≥ 90%	≥ 95%	= 100%

NOTES:

- **Vehicle Accident Rate:** For consideration of the large fleet and travel distances that PEC services require, the Preventable Accident metric is being adjusted to capture miles traveled in a ratio with number of incidents. The calculation is an industry standard similar to those of TCIR and DART. The set goals are based on previous goals for number of incidents. For example, based on PEC historical mileage:
 - **2 incidents = 0.85**
 - **5 incidents = 2.13**
 - **8 incidents = 3.40**

KPI Adder Change

CURRENT

Potential 1% Adders to Period Payout Distributions:

- **2020 P1:** 1% adder if PEC can reach a SAIDI of 50 minutes or less
- **2020 P2:** 1% adder if PEC is among the top 10 overall utilities in the annual J.D. Power Syndicated Survey

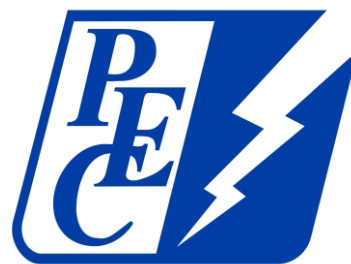
PROPOSED

Potential 1% Adders to Period Payout Distributions:

- **2021 P1:** 1% adder if PEC is among the top 10 overall utilities in the mid-point scoring of the J.D. Power Syndicated Survey.
- **2021 P2:** 1% adder if PEC is among the top 10 overall utilities in the annual J.D. Power Syndicated Survey

NOTES:

- **2020 P1:** The J.D. Power Survey represents a comprehensive synopsis of the membership's view of the cooperative. Expanding this goal to both periods offers consistency and further encourages leadership to understand and analyze the feedback of the membership.



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