

2021 KPIs Update



Operating Committee
Meeting
March 18, 2021

Key Performance Indicators

- VELCO has well established KPIs intended to measure our performance and guide cooperate strategizes & initiatives to:
 - Ensure the safety of people, maintain a secure & reliable electric grid while maintaining compliance
 - Achieve our mission to serve as a trusted partner
 - Work towards our vision of creating a sustainable Vermont
 - To live our values...T.R.U.S.T.
- As a best practice VELCO has a process to reevaluate KPIs annually and determine when adjustments are needed to meet these goals

Final Results for 2020 KPIs



1. System Average Interruption Duration Index (SAIDI)
2. Radio SAIDI
3. Telecommunication transport SAIDI
4. Increase Revenues
5. Reduce Revenue Requirement
6. Operating Costs to Budget
7. Capital Budget Performance



1. Compliance
2. OSHA Lost Time Incident Rate
3. At Fault Vehicle Accident Rate



1. Sustained Forced Outages
2. Reduce Operating Budget

1.27 – Final Corporate Performance Rating

KPIs

Title	Measure Definition	2020 Final Reported	Update for 2021
Capital Budget Performance	Overall Capital budget performance for 2020 compared to the budget established in 2019	Distinguished – +2.9%	Overall Capital budget performance for 2021 compared to the budget established in 2020
SAIDI	System Average Interruption Duration Index (SAIDI) describes transmission's contribution to outage duration for the average distribution customer. This measurement considers sustained outages which are those lasting longer than five (5) minutes.	Distinguished – .00051	<ul style="list-style-type: none"> no proposed revision to KPI goals, these remain the same as 2020 metric values updated document to reflect 2020 customer totals used in 2020 KPI calculation updated to include 2020 values and calculated historical averages updated to reflect change from TOA to iTOA as the outage tracking software
Sustained Forced Outages	Forced loss of use of VELCO transmission lines regardless of loss of customers and are equal to or greater than five (5) minutes in duration per 100 VELCO circuit miles.	Threshold – 1.108 (Between Threshold & Target)	<ul style="list-style-type: none"> revision to SFO definition that <u>clarifies outages on jointly owned lines count as SFOs if caused by failure of VELCO operated equipment</u> updated document to reflect 2020 data and recalculated historical averages updated to reflect change from TOA to iTOA as the outage tracking software

KPIs

Title	Measured Definition	2020 Final Reported	Update for 2021
Radio System SAIDI	Radio System Average Interruption Duration Index (Radio System SAIDI) describes the radio system outage duration for customer coverage area in square miles. This measurement considers sustained communication outages which are those lasting longer than fifteen (15) minutes.	Distinguished – 145.1	Update KPI Values to the new measure of: Minutes (% Reduction from previous year) Distinguished ≤ 268 (33%) Target ≤ 600 (25%) Threshold ≤ 800 (50%)
Telecommunication Transport SAIDI	The telecommunication transport System Average Interruption Duration Index describes telecommunication transport system's contribution to outage duration for customer communication traffic. This measurement considers sustained communication outages which are those lasting longer than five (5) minutes.	Distinguished – 0	no change

KPIs

Title	Measured Definition	2020 Final Reported	Update for 2021
OSHA Lost Time Incident Rate	Number of recordable incidents that result in lost time for all VELCO employees.	Target – 0.9 With condition met	no change
Operating Costs to Budget	Actual O&M and A&G performance for 2020 compared to budget established in 2019.	Distinguished– 94.8%	Overall O&M and A&G performance for 2021 compared to budget established in 2020 .
Increase Revenues (<i>strategic KPI</i>)	2020 revenues from non-utility operations (FERC account 417)	Distinguished – \$983,700	<p>2021 revenues from non-utility operations</p> <p>note: 4170 balance is decreased by the Mat Usage Fee that is included in the Reduced Revenue Requirement KPI Known at Target with 5% adders to Distinguished and 3% reduction to Threshold</p> <p>Distinguished: \$598k Target : \$570k Threshold: \$553k</p>

KPIs 2020

Title	Measured Definition	2020 Final Reported	Update for 2021
Reduce Revenue Requirement (strategic KPI)	2020 reduction in revenue requirement from utility operations	Distinguished – \$1,021,000	<p>2021 reduction in revenue requirement from utility operations</p> <p>note: Defined as 451 and 454 revenue excluding SPA and ShPA Known at Target with 5% adder to Distinguished and 3% less to Threshold</p> <p>Distinguished: <u>\$1.08m</u> Target: <u>\$1.03m</u> Threshold: <u>\$1.00m</u></p>
Reduce Operating Budget (strategic KPI)	Decreases in 2021 VELCO operating budget (net of administrative and payroll overhead), compared to 2020 budget of \$36.29M	Threshold – 0.23% (Between Threshold & Target)	<p>Maintain a level operating budget (net of administrative and payroll overhead) for 2022, compared to 2021 budget of <u>\$36.57</u></p> <p>Threshold is at the <u>\$36.57m</u> + CPI-U, with Target being 1% below Threshold and Distinguished being 2% below Threshold)</p>

KPIs

Title	Measured Definition	2020 Final Reported	Update for 2021
Compliance	Number of Material non-compliance violations x % of CATSWeb compliance actions completed on time.	Target – <1 (0.80 between Target & Distinguished)	Number of material non-compliance violations (# of internally reported and remediated possible non-compliance violations - # of material non-compliance violations) x <u>% of compliance actions completed on time</u>
At Fault Vehicle Accident Rate	Number of recordable at fault accidents (accident must be on a public thoroughfare and written police report) for all VELCO vehicles driven at anytime and all personal vehicles driven for work-related business. (two year rolling)	Target – 0.9 (With condition met)	No change