



2019 OSA Metrics

Board of Trustees Meeting

March 20, 2019

OSA PERFORMANCE METRICS SUMMARY OF 2019 CHANGES

- Tier 1 – determine PSEG Long Island incentive compensation and reported to Board at each meeting
 - Targets updated based on benchmarking data and historic performance
 - Swapped four metrics between Tier 1 and Tier 2
- Focus Area Metrics
 - New JD Power Communications Effectiveness
 - New Utility 2.0 – AMI/Outage Management System Integration
 - Mobile “app” completed and Non-Product Billing moved to Tier 2
- Tier 2 – additional performance data reported to management – two new metrics
 - Transformer and Cable Failures
 - Additional Reporting on Customers with Least Reliable Service

OSA TIER 1 METRICS AND TARGETS

Performance Category/Metric		High/Low	I/M	2018 Result	2018 Target	2019 Target
Customer Satisfaction (40%)	JD Power Residential Survey	H (Score) L (Rank)	I	680 15th/16	672 or 14th/16	689 or 12th/16
	JD Power Business Survey	H (Score) L (Rank)	I	724 10th/11	719 or 9th/11	732 or 8th/11
	After Call Survey - Residential	H	M	94.5%	90.0%	91.5%
	After Call Survey - Business	H	M	94.2%	90.0%	91.5%
	Personal Contact Survey	H	M	95.9%	90.0%	92.0%
	Customer Self-Service	H	I	37.6%	32.0%	40.5%
	Customer Complaint Rate (Per 100,000 Customers)	L	M	4.6	8.3	6.5
	Average Speed of Answer (Seconds)	L	M	15	26	19
	First Call Resolution	H	I	Tier 2	Tier 2	82.8%
Technical and Regulatory Performance (30%)	SAIDI (System Average Interruption Duration Index)	L	M	65.2	75.0	72.5
	SAIFI (System Average Interruption Frequency Index)	L	I	0.86	0.92	0.83
	CAIDI (Customer Average Interruption Duration Index)	L	M	76	85	85
	MAIFI (Momentary Average Interruption Frequency Index)	L	I	3.44	3.62	3.29
	Customers Experiencing Multiple Sustained Outages (≥ 4)	L	I	38,239	39,010	36,289
	OSHA Recordable Incidence Rate	L	I	1.58	1.79	1.53
	OSHA Days Away Rate (Severity)	L	I	27.79	28.22	22.61
	Interconnection Cycle Time (All Projects)	H	N/A	Tier 1	Tier 1	Tier 2
	Reduce Motor Vehicle Incidents	L	I	Tier 2	Tier 2	-5.6%
4. Financial Performance (30%)	Energy Efficiency Annualized Energy Savings**	H	M	292,537	259,000	276,500
	Long Term Estimates	L	N/A	Tier 1	Tier 1	Tier 2
	AMI Implementation (# Meters)	H	I	66,488	52,000	250,000
	Days Sales Outstanding	L	N/A	Tier 1	Tier 1	Tier 2
	Net Write-Offs (Per \$100 Billed Revenue)	L	M	0.53	0.73	0.61
	Accounts Receivable > 90 Days	L	I	Tier 2	Tier 2	18.0%
	Purchased Power Invoicing (Accuracy and Timeliness)	H	N/A	Tier 1	Tier 1	Tier 2
	Focus Areas	H/L	I	Multiple	Multiple	Multiple

FOCUS AREA METRICS

Metric	Description/Objective	2019 Target (1 Point)
Double Wood Poles	Reduce the net amount of double wood poles, as recorded in the National Joint Utilities Notification System (NJUNS), on Dec 31, 2019	-2,500 Net Reduction
Low to Moderate Income (LMI)	Achieve higher enrollment in the LMI discount program	27,000 (2018 year-end: 25,026)
Utility 2.0 – OMS Integration	AMI outage data to be utilized by the Outage Management System (OMS) to automatically create customer outage records in OMS and to also reduce unnecessary truck rolls for customers that have already had their power restored	By Dec 31 st
JD Power Communications Effectiveness	<p>Improve communications effectiveness performance as measured via 3 diagnostic questions in JD Power – Residential Survey:</p> <ul style="list-style-type: none"> • Recall of Utility Communications • Utility Maintains Infrastructure • Customer Familiarity with EE Programs 	Reduce gap to 1 st Quartile performance by 6.6%

TIMELINE FOR 2018 INCENTIVE PAYMENT

Actions	Responsible Party	Target Date
Submit calculation of incentive compensation and supporting data and documentation	PSEG Long Island	3/31/2019
LIPA review of PSEG Long Island calculation and submit LIPA evaluation to DPS Long Island	LIPA	5/15/2019
DPS Review of PSEG Long Island submission and LIPA evaluation – DPS submits recommendation to LIPA	DPS Long Island	6/14/2019
LIPA pays PSEG Long Island undisputed amount	LIPA	6/29/2019

A photograph of an offshore wind farm in the ocean, with a large wind turbine in the foreground and several others in the distance. The image is overlaid with a semi-transparent blue filter. The text is centered in white.

2019 OSA Metrics

APPENDIX

OSA METRICS - MINIMUM & 100%+ LEVELS

- All Tier 1 “Improvement” metrics have a Minimum Performance Level (MPL) as well as 125 and 150% goals
 - PSEG Long Island’s incentive compensation for 2019 is capped at \$9.82 million.
 - 125/150% goals allow PSEG Long Island to compensate for missing a 100% target in a category by overachieving other goals in that same category (e.g. reliability).
- Example - System Average Interruption Frequency Index (SAIFI):
 - The MPL was set at a level consistent with the national median benchmark
 - To reach 2019 125% and 150% levels, the amount of customers interrupted must be reduced by about 95,000 and 163,000, respectively, over 2018 YE level

Metric	High/Low	MPL	25% Goal	50% Goal	100% Goal	125% Goal	150% Goal
SAIFI	L	0.97	0.85	0.84	0.83	0.77	0.71
Base Points Awarded		0.00	1.25	2.50	5.00	6.25	7.50

- SAIFI performance has improved from 1.11 in 2016 to 0.86 in 2018

TIER 1 METRICS – MPLS & 125/150% GOALS

Performance Category/Metric		High/Low	Base Points	MPL	100% Goal	125% Goal	150% Goal
Customer Satisfaction	JD Power Residential Survey	H (Score) L (Rank)	5	620	689 or 12th/16	698 or 10th/16	707 or 9th/16
	JD Power Business Survey	H (Score) L (Rank)	5	659	732 or 8th/11	741 or 7th/11	749 or 6th/11
	Customer Self-Service	H	5	35.0%	40.5%	43.5%	46.4%
	First Call Resolution	H	5	70.0%	82.8%	84.8%	86.7%
Technical and Regulatory Performance	SAIFI (System Average Interruption Frequency Index)	L	5	0.97	0.83	0.77	0.71
	MAIFI (Momentary Average Interruption Frequency Index)	L	5	4.00	3.29	3.23	3.21
	Customers Experiencing Multiple Sustained Outages (> 4)	L	5	55,989	36,289	33,569	
	OSHA Recordable Incidence Rate	L	5	2.84	1.53	1.27	
	OSHA Days Away Rate (Severity)	L	2.5	40.85	22.61	17.00	
	Reduce Motor Vehicle Incidents ¹	H	2.5	7.1%	-5.6%	-14.3%	-20.6%
Financial Performance	Energy Efficiency Annualized Energy Savings ²	H	5	215,000	276,500	291,500	306,500
	AMI Implementation (# Meters) ³	H/L	5	210,000	250,000	1 of 2 Additional	2 of 2 Additional
	Accounts Receivable > 90 Days	L	5	20.0%	18.0%	17.5%	17.0%
	Focus Areas	H/L	4	N/A	Multiple		

Notes:

- 1-Alternatively, the 150% goal may be satisfied by reaching the 125% goal AND reducing annual red light tickets by > 10% over 2018 year-end result
- 2-In addition to reaching the 125% and 150% MWh levels, successful installation of 75 (125% goal) and 200 (150% goal) residential heat pumps must be accomplished
- 3-Two activities are: 1) Reach cumulative AMI Opt-Out rate of 0.59% by 2019 year-end 2) Cost savings of > 5% from U2.0 filing per residential AMI meter/installed



** Each metric also has 25% and 50% goals, which are not included in the table for readability (for example, see SAIFI example on prior page)

TIER 2 METRICS & INFORMATIONAL ITEMS

Call Abandonment Rate	Customers with Multiple Momentary Outages	Days Sales Outstanding
Customer Appointments	Estimated Time of Restoration Accuracy	Billing Exception Cycle Time
Long-Term Billing Estimates	Restoration Preparedness	O&M/Capital Operating Results
Actual Meter Read Rate	Renewable Energy Generated	Project Performance (Capital & FEMA)
AMI Opt-Out Rate	Renewable Net Metering/Dynamic Load Mgmt	Field Collection Effectiveness
Paperless Billing %	EE & RE Cost per kWh	Deferred Payment Agreements
New Business Cycle Time	Interconnection Cycle Time (All Projects)	Damage Costs
New Business - Stakeholder Survey	Purchased Power Invoicing – Accuracy/Timeliness	Non-Product Billing
Customer Service Response Index	Reliability Programs & FEMA – Actual vs. Budget	O&M for Outside Services & Materials
Regulatory Complaints	T&D Preventative Maintenance	Construction Work In-Progress
Staffing Levels (Permanent)	Electric Damages per 1,000 Locate Requests	Booked Energy Sales
Employee Availability - Illness	Safety Leading Indicators & T&D Safety Initiatives	Power Supply Charge
Diversity Availability in Applicant Pool	Forced Automatic Outage Rate	A/R Cash Forecast
Supplier Diversity	IT Critical System - Unplanned Outages	Internal Control Failure Rate
Community Partnership Plan	IT Project Develivry	Timely Remediation of Internal Control Failures
Media Stories	Security Vulnerability Inspections	Timely Delivery of Financial Mgmt Reports to LIPA
Social Media Followers	NERC CIP Project Performance	NYISO Compliance Filing