

PSEG Long Island Operating Report

Report to the Board of Trustees

November 17, 2021

Agenda

- Operational Update – OSA Scorecard October 2021
- Change Management and Organizational Preparations for New Amended OSA
- Outage Management System (OMS) Update

Operations Services Agreement Metrics		October YTD					Month of October			YTD Result Color	
		Base Points	Low/High	OSA YE Target	OSA YTD Target	YTD Result	OSA Forecast	OSA Month Target	Month Result	Month Status	At or Better than YTD Plan
People	OSHA Recordable Incidence Rate	5	L	1.27	1.27	0.97	↑	1.27	0.50	+	YE Forecast ↑ On track to meet Target → Meeting Target at risk ↓ Not expected to meet Target
	OSHA Days Away Rate (Severity)	2.5	L	17.00	17.00	9.33	↑	17.00	12.02	+	
	Reduce Motor Vehicle Incidents	2.5	L	-5.8%	-5.8%	-34.5%	↑	-5.8%	-42.9%	+	
Safe, Reliable	JD Power Customer Satisfaction Survey (Residential)	5	H	730 or 8th	730 or 8th	681	→	730 or 8th	697	-	Month Status + At or Better than Plan - Worse than Plan N/A
	JD Power Customer Satisfaction Survey (Business)	5	H	789 or 6th	789 or 6th	732	→	789 or 6th	732	-	
	After Call Survey (Residential)	5	H	91.5%	91.5%	95.1%	↑	91.5%	95.5%	+	
	After Call Survey (Business)	5	H	91.5%	91.5%	96.3%	↑	91.5%	96.5%	+	
	Personal Contact Survey	5	H	92.0%	92.0%	97.6%	↑	92.0%	94.6%	+	
	Average Speed of Answer	5	L	19	19	10	↑	19	10	+	
	Customer Complaint Rate	5	L	6.5	6.5	2.5	↑	6.5	2.2	+	
	SAIFI (System Average Interruption Frequency Index)	5	L	0.76	0.62	0.61	↑	0.06	0.05	+	
	CAIDI (Customer Average Interruption Duration Index)	5	L	85	85	80	↑	85	86	-	
	SAIDI (System Average Interruption Duration Index)	5	L	59.0	49.0	49.1	→	4.1	4.2	-	
	MAIFI (Momentary Average Interruption Frequency Index)	5	L	2.56	2.15	1.58	↑	0.20	0.14	+	
	AMI Installations	5	H	336,000	336,000	355,742	↑		4,162		
	First Call Resolution (FCR)	5	H	82.8%	82.8%	83.2%	↑	82.8%	84.0%	+	
Double Woods (Focus Areas)	1	L	9,110	9,255	6,738	↑	N/A	N/A	N/A		
Economic	Operating Budget (\$M)	N/A	L	562.0	469.9	447.9	↑	46.2	40.1	+	
	Capital Budget (\$M)	N/A	L	739.9	584.2	536.5	↑	50.2	38.2	+	
	Net Write-Offs per \$100 Billed Revenue	5	L	0.54	0.54	0.25	↑	0.54	0.24	+	
	AR > 90 (No Exclusions)	5	L	31.6%	31.6%	29.1%	↑	31.6%	30.9%	+	
	Low to Moderate Income Program Participation (Focus Areas)	1	H	35,000	35,000	44,339	↑	N/A	N/A	N/A	
Green	Customer Self-Service	5	H	48.5%	46.1%	50.4%	↑	N/A	N/A	N/A	
	Energy Efficiency Annualized Energy Savings	5	H	1,099,976	932,838	1,014,903	↑	92,746	98,332	+	
	Electric Vehicles (Focus Areas)	1	H	1,000	850	2,104	↑	75	272	+	
Heat Pumps (Focus Areas)	1	H	4,447	4,190	5,740	↑	500	771	+		

2022 Performance Metrics

Scope Functions, Metric Areas and Incentive Compensation Allocations

Electric T&D	Customer Services	Information Technology	Business Services	Power Supply & Clean Energy
40% = \$8M	20% = \$4M	15% = \$3M	15% = \$3M	10% = \$2M
<u>40</u> Metrics	<u>19</u> Metrics	<u>7</u> Metrics	<u>21</u> Metrics	<u>9</u> Metrics
<ul style="list-style-type: none"> Reliability Metrics Asset Management Work Management Employee Overtime Storm Hardening Vegetation Management Employee, Contractor and Public Safety Estimated Time of Restoration (ETR) Project Design, Construction and Cost Control 	<ul style="list-style-type: none"> Customer Projects J.D. Power Survey Performance Research New Customer Transactional Performance CAS Modernization Billing Timeliness and Accuracy Collections: Net Write Offs, A/R Aging, DSO and LMI Program Contact Center Service Level Customer Complaint Rate Long Term Estimates and Advanced Consumption 	<ul style="list-style-type: none"> Organizational Performance Maturity Level – Doing and Managing System Resiliency System and Software Lifecycle Management System Implementation – Projects and PIPs System Segregation 	<ul style="list-style-type: none"> Risk Management Human Resources Legal Vendor Performance Accounting & Budgets Rates & Tariffs External Affairs & Communications Contract Administration Manuals (CAMs) 	<ul style="list-style-type: none"> Long-Range Planning Studies, including IRP and Energy Storage Energy Efficiency Savings DER Hosting Electric Vehicle Make Ready Program Beneficial Electrification Programs TOU Pricing PILOTs Billing System Regulatory Requirements

Change Management

1. DEFINE



- Align expectations regarding the scope of the change as well as timing and business impact

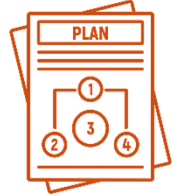
3. IMPLEMENT



- Engage with leaders and employees to execute the change

Current Phase

2. PLAN



- Understand how the changes will impact the organization and design a strategy to support implementation and adaption to new operating model

4. ADAPT/SUSTAIN



- Work with leaders and employees to track adoption and pivot where needed and drive lasting change

Organizational Preparations

- Adjusted organizational design in support of contractual obligations, organizational effectiveness and delivery of Scope Function Specific operating standards.
 - New organizational design will strengthen operational decision-making to local management team, increase leadership in critical areas, position organization for continuous improvement and to embrace change and, promote/encourage new ideas.
- Filled VP of Electric Transmission and Distribution and Chief Information Officer roles.
- Developed and actively posting enhanced leadership roles that were identified in the term sheet (Emergency Preparedness, Business Services, Chief Information Security Officer and Human Resources leaders).
- Creating workshops to educate leadership, management and employees on contractual changes and operating changes associated with revised OSA.
- Developing workshops to review Scope Function-specific performance metrics to identify the drivers, dependencies and initiatives around new goals, targets and operating standards.

OMS 6.7.8 Testing Update

Update:

- The work to upgrade to the outage management system is largely complete at this time.
- Remaining work is focused on extensive testing to ensure system operations meet all performance standards.
- Considering the remaining testing activities, the lead-time for production deployment and the current time of the year, the deployment to production for the upgraded system is expected to be completed in January 2022.
- There is no risk to operations or customer reliability with this upgrade deployment schedule change.
 - The current outage management systems are operating without issue and have successfully been tested against multiple storm scenarios.

Next Steps:

- Over the next two weeks the Test Team will run additional tests and further tune the system to meet performance requirements.
- In December, PSEG Long Island plans to run two formal performance tests (90% of customers out over a 24 hour period and end-to-end 5 hour test based on the Storm Isaias model).
 - Both LIPA and DPS will be monitoring these tests as they did in May.
- PSEG Long Island will run a full resiliency fail over test near the end of December as one of our final tests prior to commissioning the system in January.

We are committed to providing the customers of Long Island with a working Outage Management System and will not put a system into production unless the system passes all testing criteria.