



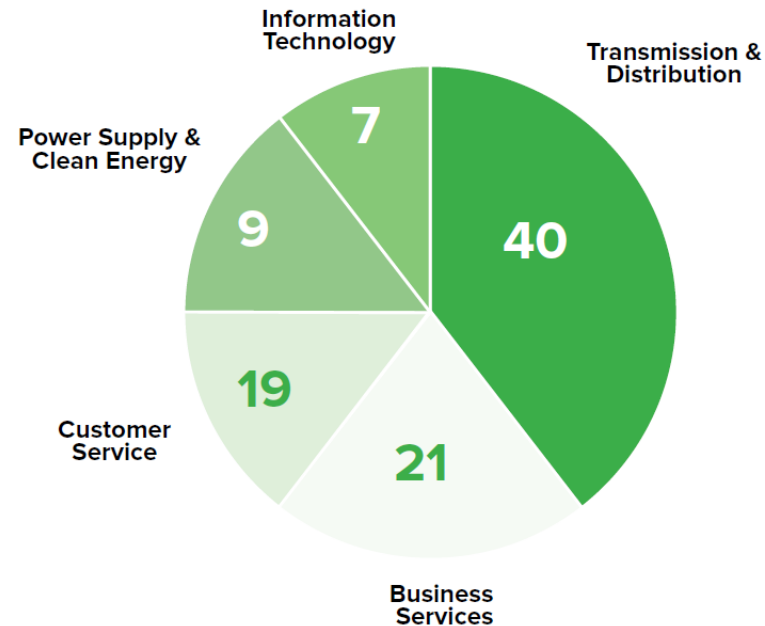
Quarterly Report on 2022 Performance Metrics

May 18, 2022

PSEG LONG ISLAND 2022 METRICS

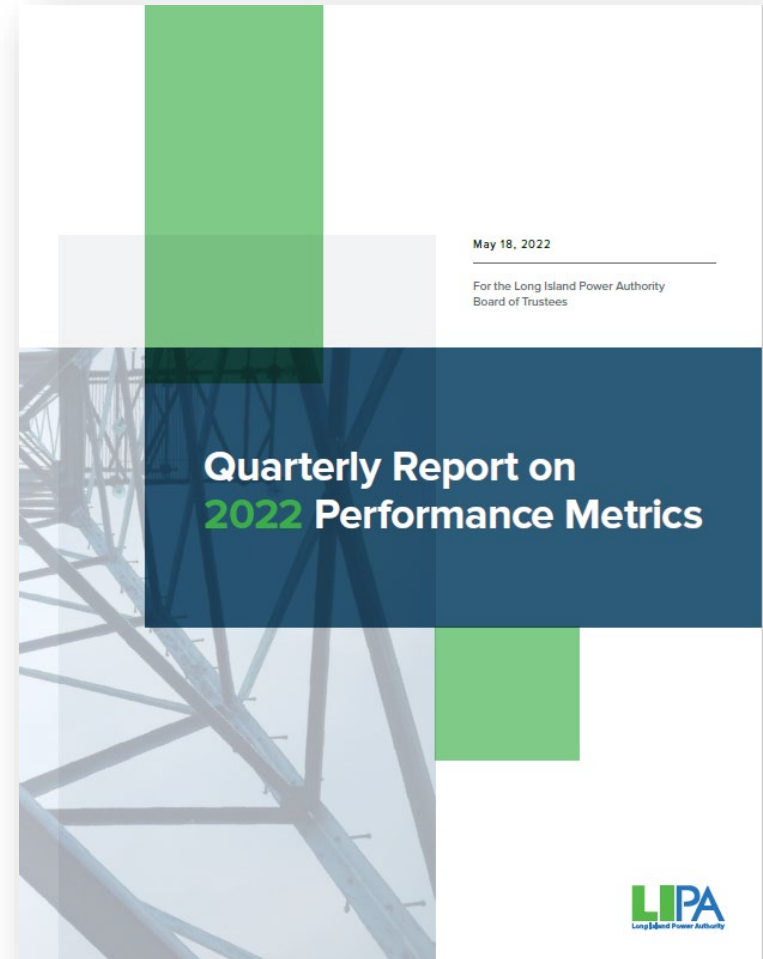
- For 2022, the Board approved **96 PSEG Long Island Performance Metrics**, distributed across all the management services provided by PSEG Long Island to LIPA and its customer
- \$20 million of Variable Compensation* is at-risk based on these performance standards
 - *Indexed for the Consumer Price Index, with an adjustment for 2022 of \$1.025 Million*
- Metrics are designed to be achievable levels of performance that are objectively verifiable, with budgeted funds to achieve this performance

2022 PERFORMANCE METRICS
DISTRIBUTION BY SCOPE



PERFORMANCE METRIC REPORTING

- On an ongoing basis, LIPA **Independently Verifies and Validates** (IV&V) PSEG Long Island's performance against the established standards for each metric
- IV&V will culminate in a LIPA evaluation report available in 2023, with an independent review of LIPA's evaluation by the Department of Public Service (DPS)
- Quarterly Metrics reports will be provided to the LIPA Board. The May Q1 report is the first such report, and provides an overview of the status of each metric



PERFORMANCE METRIC MONITORING

- Each metric is monitored by a LIPA team including an Executive Sponsor from LIPA's senior management, a Project Manager, and Subject Matter Experts
- All metrics fall into one of two categories:
 - **53 Qualitative Metrics that are project-oriented and incorporate one or more required deliverables with defined target dates.** Required deliverables for these metrics are tracked and reviewed on an ongoing basis; at year-end, the performance for deliverables will be assessed against the established standards and requirements for each individual metric.
 - **43 Quantitative Metrics that specify predefined numerical measurements of performance.** They are tracked and measured using scorecards submitted monthly by PSEG Long Island, which are independently validated by LIPA staff and assessed for factors including year-to-date (YTD) performance versus target, trending, and outlook for year-end performance.

QUALITATIVE METRICS STATUS

- LIPA has developed a **metric tracking system** to manage the over **300 Deliverables** required by the **53 Qualitative metrics**:
 - Used to manage and track Deliverable Submission by PSEG Long Island and Deliverable Review by LIPA
 - Allows for direct read and update access for LIPA, PSEG Long Island, and DPS
 - Provides transparency and traceability
- Since the intent of the metrics is to improve performance, LIPA will do the following if deemed reasonable, justified, and in the best interests of achieving the metric objective:
 - **Return unsatisfactory Deliverables** to PSEG Long Island for revision and resubmission. Items in this state are reported as Review In Progress until finally Approved or Rejected
 - **Grant Exception Requests** to requirements, such as extension of a due date, where appropriate

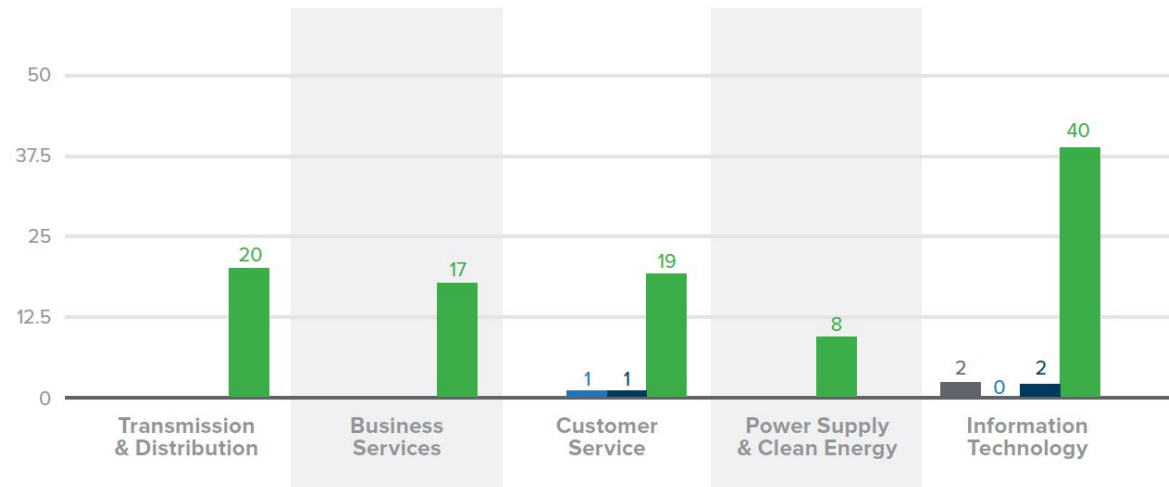
QUALITATIVE METRICS STATUS

- Of the **108 Deliverables** that were required to be submitted in Q1:
 - One has been Rejected by LIPA for Not Meeting Metric Standards
 - Two are Outstanding with No Exception Requested
 - The rest are Approved, have LIPA Review In Progress, or have Exceptions Requested and under review
- The status of the Q1 Deliverables is summarized on the following slide

QUALITATIVE METRICS DELIVERABLES STATUS

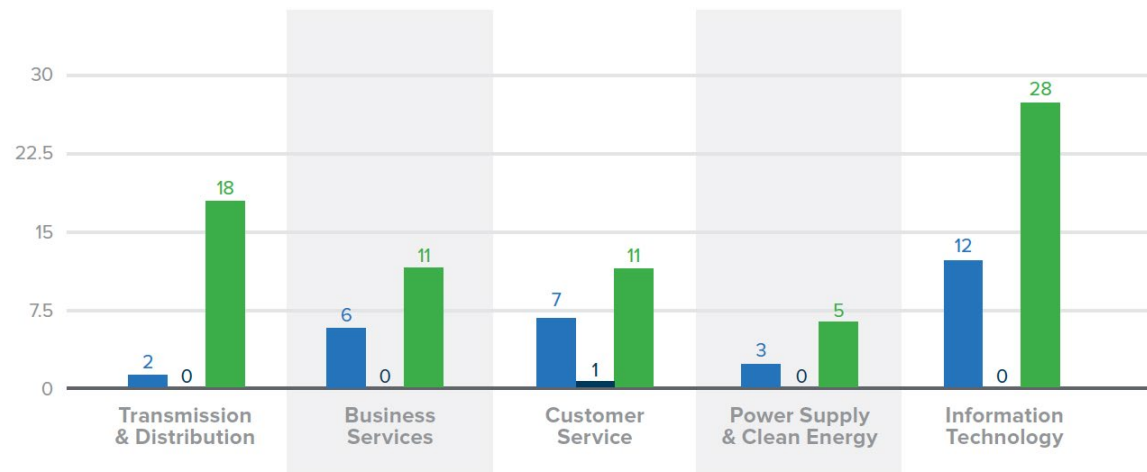
PSEG LI SUBMISSION STATUS BY SCOPE

- Overdue - No Exception Requested/Exception Denied
- Overdue - Exception Requested
- Pending Submission
- Closed by PSEG LI and Ready for LIPA Review



LIPA IV&V APPROVAL STATUS BY SCOPE

- LIPA Review - In Progress
- LIPA Review - Rejected - Did Not Meet Metric Standards
- LIPA Review - Approved - Met Metric Standards/Completed



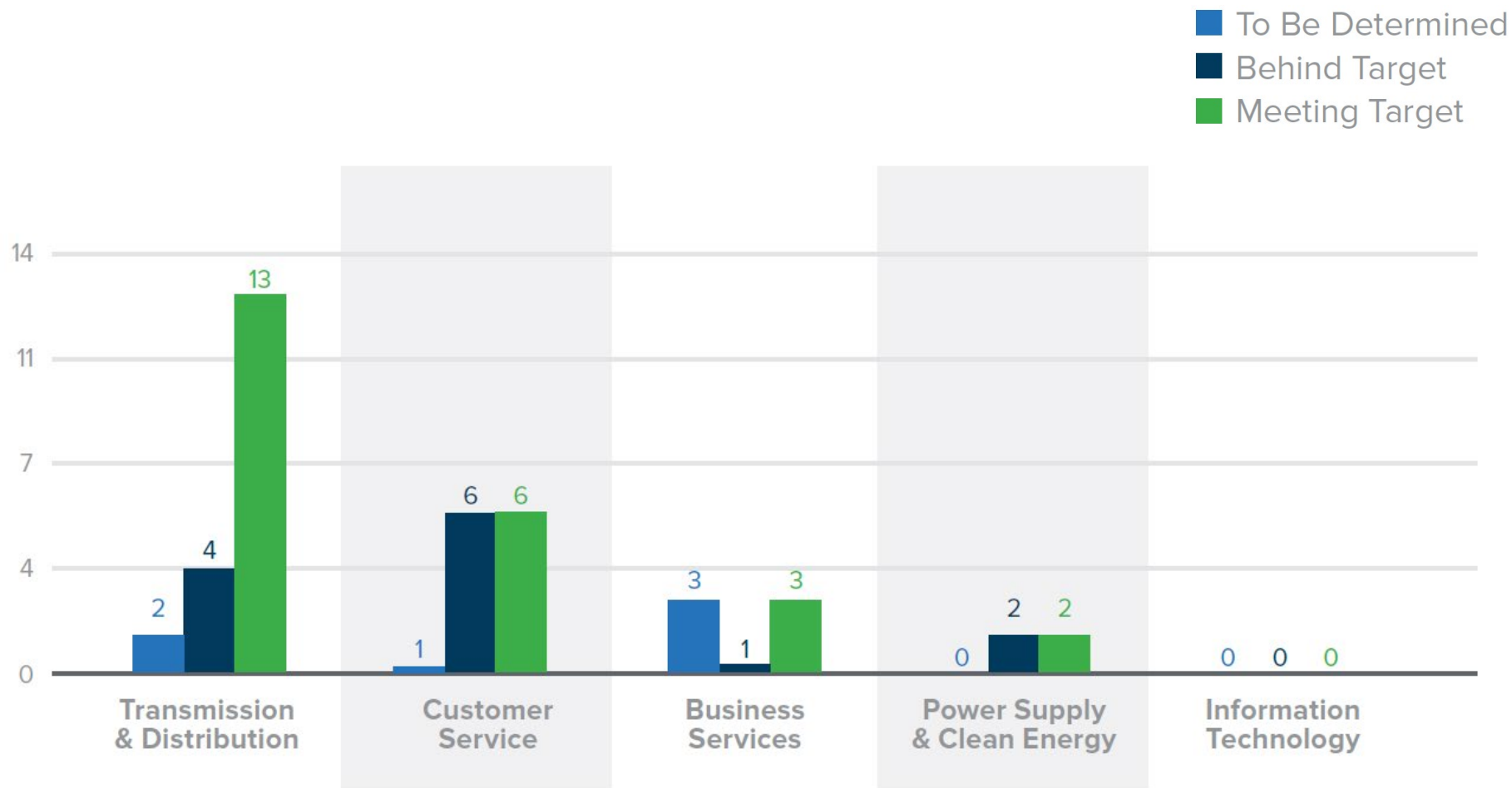
QUANTITATIVE METRICS STATUS

- PSEG Long Island submits monthly Scorecards and supporting data for the **43 Quantitative Metrics**. LIPA staff:
 - Conduct Scorecard Review Meetings with PSEG LI and DPS
 - Review and validate submitted materials, and conduct IV&V for year-to-date (YTD) performance versus target, trending, and outlook for year-end performance
 - Monitor compliance with metric standards, requirements, and calculations, including agreed to exceptions
- Each metric is assessed as **Meeting Target** (YTD performance at or better than target), **Behind Target** (YTD performance worse than target) or **Missed Target** (YTD performance is such that the year-end target cannot be met).
 - Status may also be considered **TBD**, when the basis of the metric measurement has not yet occurred during the year, or there is a situation where the metric parameters are being reexamined by LIPA and PSEG Long Island

QUANTITATIVE METRICS STATUS

- Of the **43 Quantitative Metrics**:
 - 13 are Behind Target
 - 24 are Meeting Target
 - Six (6) are TBD; three (3) because the basis for measurement will occur later in the year, and three (3) because LIPA and PSEG LI are currently clarifying the performance or reassessing the parameters.
 - The reason for each instance is detailed in the report.
- The Q1 status of the Quantitative Metrics is summarized on the following slide.

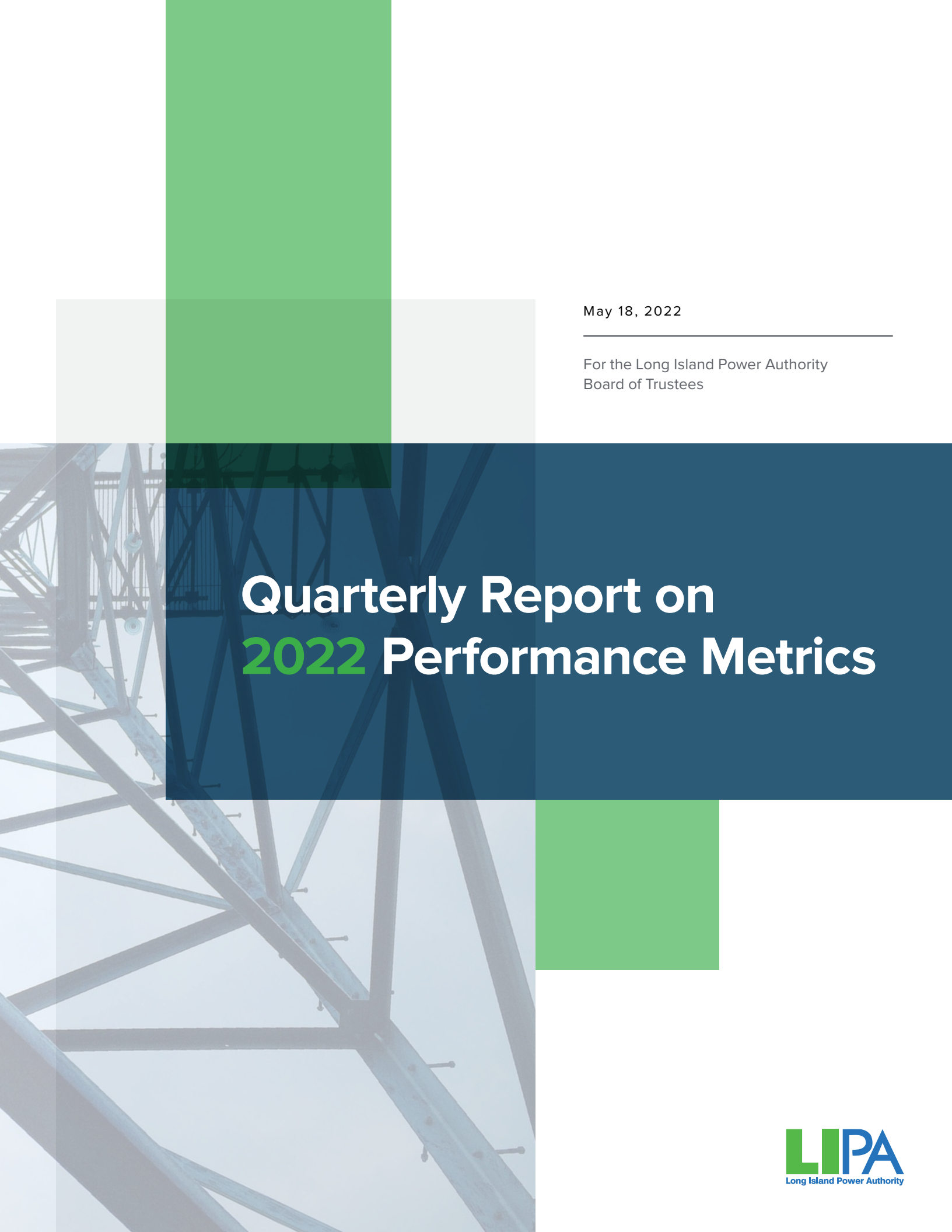
QUANTITATIVE METRICS STATUS





Discussion

Questions?



May 18, 2022

For the Long Island Power Authority
Board of Trustees

Quarterly Report on **2022** Performance Metrics

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INTRODUCTION

The Second Amended and Restated Operations Services Agreement (OSA) between the Long Island Power Authority (LIPA) and PSEG Long Island includes \$20 million¹ of Variable Compensation that is at-risk based on performance standards. The performance standards were negotiated between LIPA and PSEG Long Island for 2022 as part of the reformed OSA. Beginning in 2023, the performance standards will be set by LIPA, with an independent recommendation to the LIPA Board of Trustees (Board) by the Department of Public Service (DPS), the staff arm of the State's Public Service Commission.

For 2022, LIPA and PSEG Long Island agreed to **96 performance standards** (the 2022 Performance Metrics), distributed across all of the management services provided to LIPA and its customers. Metrics typically address identified gaps between the level of service the Board has established in [Board Policy](#) and the current level of service. These metrics, which will be reset annually by LIPA and DPS, are designed to be achievable levels of performance that are objectively verifiable. The funds to achieve this performance are also budgeted by the Board, tying realistic plans and budgets to achievable, measurable outcomes each year. These performance standards ensure that PSEG Long Island's compensation is tied to delivering meaningful results for Long Island and Rockaways electric customers.

Under the LIPA Reform Act, LIPA is responsible for independently verifying and validating (IV&V) PSEG Long Island's performance and then providing its evaluation to DPS, who independently reviews LIPA's evaluation before any Variable Compensation is paid to PSEG Long Island. Within 90 days of the close of each contract year, PSEG Long Island will submit to LIPA their own evaluation of their performance on each metric.

LIPA is overseeing PSEG Long Island's progress toward achievement of the 2022 Performance Metrics on an ongoing basis, and the Board has directed LIPA staff to provide quarterly IV&V reports on the status of PSEG Long Island's execution of the metrics. This is the first such Quarterly IV&V Report and summarizes the first quarter status of the metrics.

¹ The Variable Compensation paid is indexed for the Consumer Price Index as specified in the OSA, with an adjustment for 2022 of \$1.025 Million

OVERVIEW OF 2022 PERFORMANCE METRICS

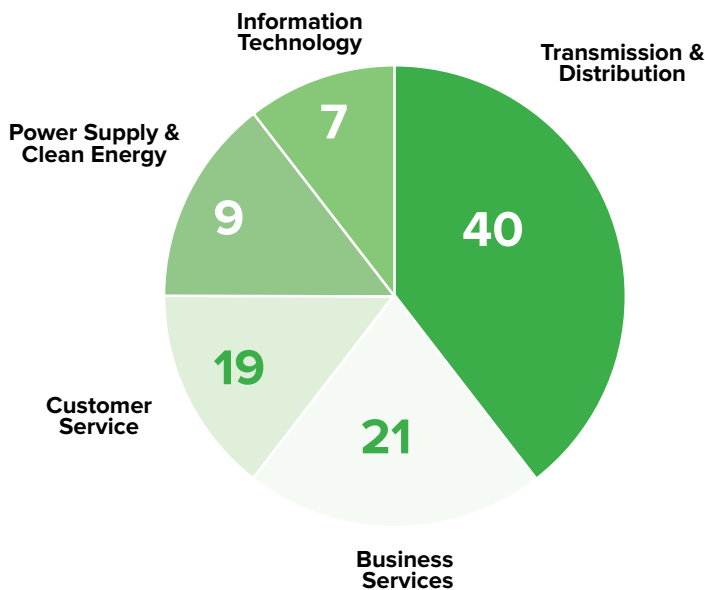
The 96 metrics that constitute the 2022 Performance Metrics include numerous improvements to customer service, reliability, resiliency, information technology, clean energy, and other customer improvements, distributed across five (5) major scopes.

The individual metrics and the associated Variable Compensation for each scope are summarized in Appendix A. The details of the 96 metrics are available on [LIPA's website](#).

All metrics fall into one of two categories – Quantitative or Qualitative:

- The 43 **Quantitative Metrics** specify predefined numerical measurements of performance.
- The 53 **Qualitative Metrics** are project-oriented and incorporate one or more required deliverables with defined target dates.²

FIGURE 1:
2022 PERFORMANCE METRICS DISTRIBUTION BY SCOPE



² Note that some qualitative metrics also contain one or more quantitative elements.

METRIC TRACKING AND MEASUREMENT

LIPA staff monitor PSEG Long Island's progress on the metrics on an ongoing basis throughout the year. For each metric, LIPA has assigned a Project Manager (PM) to lead IV&V and appropriate Subject Matter Experts (SMEs) to assist with the metric. Their work is overseen by an Executive Sponsor (ES) from LIPA's senior management.

Qualitative Metrics are monitored and tracked via a process overseen and supported by the LIPA Enterprise Program Management Office (EPMO). A LIPA PM and SMEs are assigned to review each deliverable. Status is monitored weekly and reported to the LIPA Executive Committee bi-weekly.

LIPA has developed an automated tracking system to manage over 300 deliverables required by the Metrics. PSEG Long Island staff upload deliverables directly to the system, which initiates workflows for LIPA review. The system provides transparency and traceability, with time-stamped deliverables, activity history, comments, and real-time access for both PSEG Long Island and DPS.

Deliverables for Qualitative Metrics go through the following main stages of submission and review:

- **PSEG Long Island Submission:** In order to meet the metric standards, PSEG Long Island must submit required deliverables to LIPA's tracking system by the target due date, in accordance with all requirements specified in the metric. PSEG Long Island has the option of requesting an Exception to any deliverable requirement. LIPA reviews all Exception Requests and grants them if deemed reasonable, justified, and in the best interests of achieving the metric objective. Deliverables in this stage can have the following statuses:
 - Pending Submission
 - Closed by PSEG Long Island and Ready for LIPA Review
 - Overdue – Exception Requested
 - Overdue – No Exception Requested/Exception Denied
- **LIPA Review:** All submitted deliverables are reviewed by LIPA for compliance with metric standards and requirements. Since the intent of the metrics is to improve performance, LIPA will return unsatisfactory deliverables to PSEG Long Island for revision and resubmission if deemed in the best interests of achieving the metric objective. Deliverables in this stage can have the following statuses:
 - LIPA Review – In Progress
 - LIPA Review – Approved – Met Metric Standards/Completed³
 - LIPA Review – Rejected – Did Not Meet Metric Standards³

Quantitative Metrics are principally tracked and measured using scorecards, which are submitted monthly by PSEG Long Island. LIPA conducts Scorecard Review Meetings at a scope or lower level, with PSEG Long Island staff and DPS in attendance. PSEG Long Island also provides underlying data files for each Quantitative Metric, which LIPA staff reviews and validates. Quantitative Metrics are reviewed via an IV&V process by the assigned PM and SMEs for year-to-date (YTD) performance versus target, trending, and outlook for year-end performance. Further, LIPA monitors compliance with metric standards, requirements and calculations, and agreed to exceptions.

- LIPA's IV&V leads to the rendering of one of the following statuses:
 - Meeting Target – YTD performance is at or better than target
 - Behind Target – YTD performance is worse than target
 - Missed Target – YTD performance is such that the year-end target cannot be met
 - TBD – the basis of the metric measurement has not yet occurred during the year or there is a situation where the metric parameters are being reexamined by LIPA and PSEG Long Island

³ This status applies only to the respective deliverable and not to the metric as a whole; the impact on the metric of an individual deliverable meeting or not meeting the metric standards will be as specified in the metric.

SUMMARY

Qualitative Metrics

The 53 Qualitative Metrics had 108 deliverables due in the first quarter of 2022. Their status is summarized in the figures below, and the status of each individual deliverable is detailed in the Scope sections that follow.

FIGURE 2: Q1 QUALITATIVE METRICS DELIVERABLES - PSEG LONG ISLAND SUBMISSION STATUS BY SCOPE

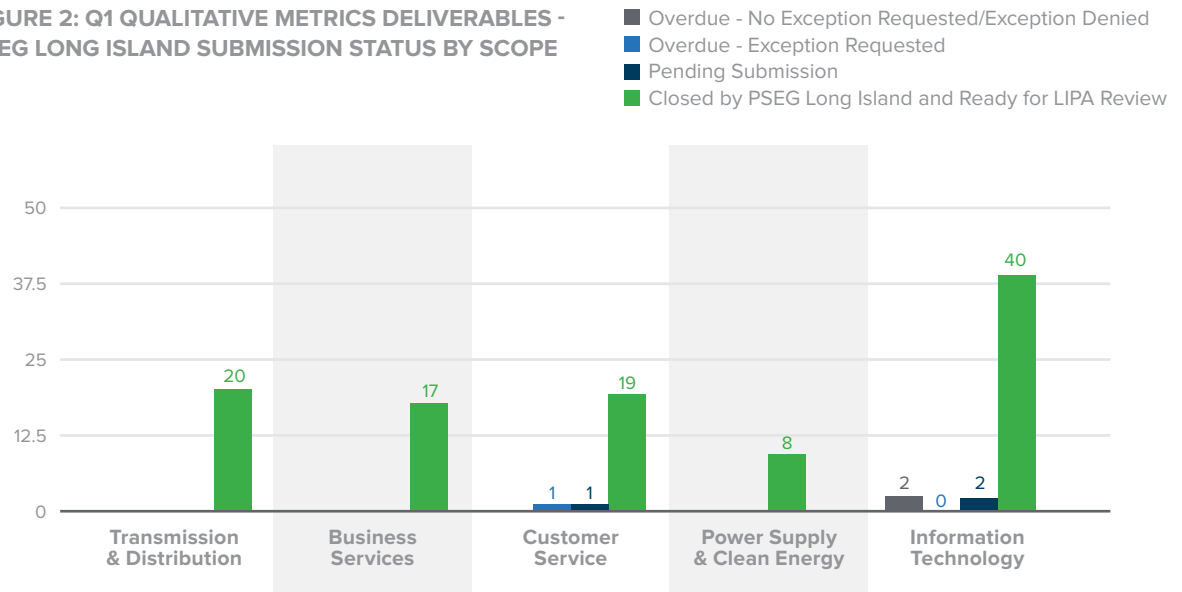
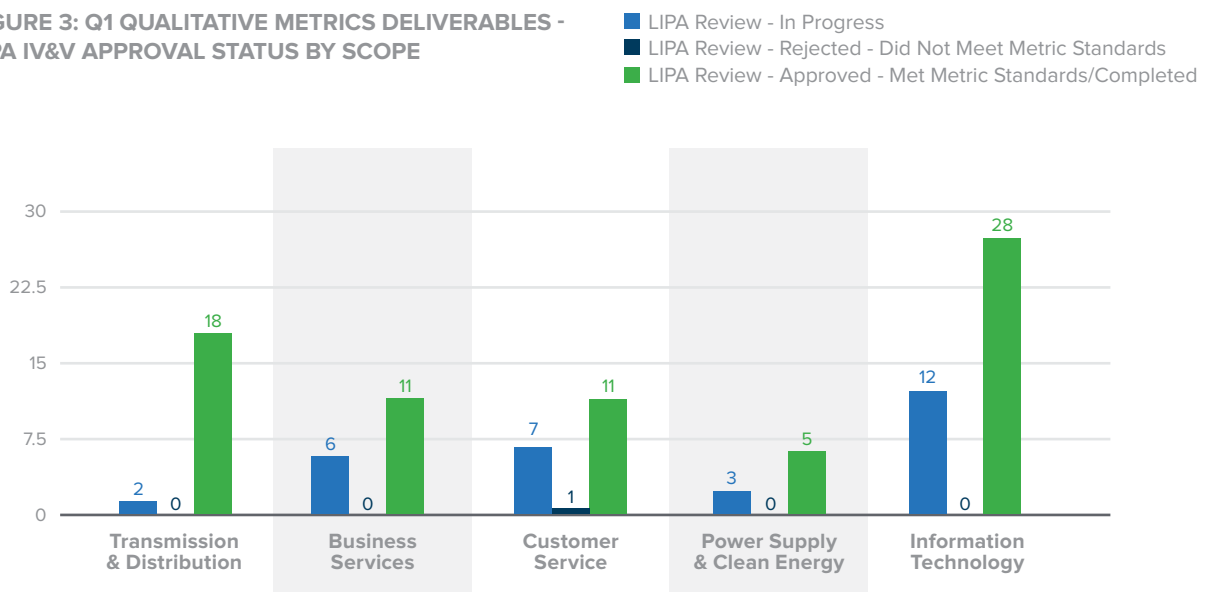


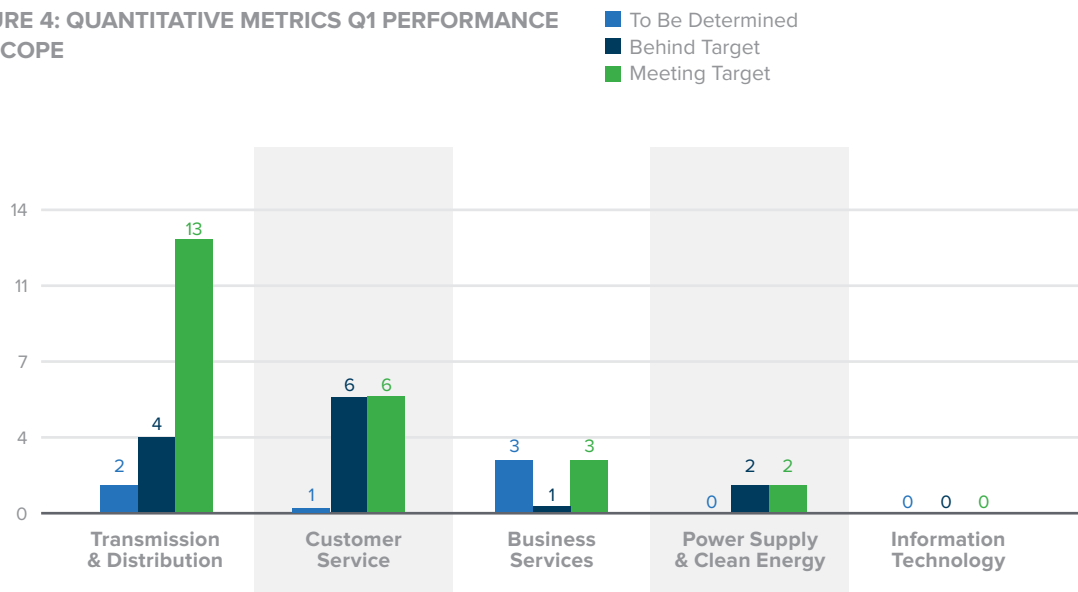
FIGURE 3: Q1 QUALITATIVE METRICS DELIVERABLES - LIPA IV&V APPROVAL STATUS BY SCOPE



Quantitative Metrics

The status of the 43 Quantitative Metrics is summarized in the figure below, and the status of each individual metric is detailed in the Scope sections that follow.

FIGURE 4: QUANTITATIVE METRICS Q1 PERFORMANCE BY SCOPE



The Transmission & Distribution (T&D) scope has 40 metrics, accounting for \$8,000,000 in compensation at-risk based on performance. Of these 40 metrics, 21 are Qualitative, and 19 are Quantitative. The T&D metrics and the associated Variable Compensation are summarized in Appendix A. Detailed metric descriptions are available on [LIPA's website](#).

Qualitative Metrics

The 21 T&D Qualitative Metrics had 20 deliverables due in the First Quarter. 18 deliverables have been Approved by LIPA and two (2) have LIPA Review in Progress.

The status of each T&D Qualitative metric deliverable that was due in the First Quarter is detailed in the following table.

FIGURE 5: TRANSMISSION & DISTRIBUTION QUALITATIVE METRICS Q1 DELIVERABLES STATUS

METRIC #	DELIVERABLE	STATUS
Asset Management Program Implementation – Asset Inventory		
T&D-1.1	Develop a Data Governance Plan for appropriately managing the asset data to be captured during the field verification of LIPA outside plant assets (See Definitions #2, #3, and #4) including LIPA comments to be completed by March 31, 2022. Basic elements shall include: Data Stewardship, Data Standards, Data Management and maintenance, and Data Quality Management.	Approved - Met Metric Standards/Completed
T&D-1.2	Quarterly update on the data collection effort leading to field verification and inspection of the condition of 97% of the ~15,521 OSP wood transmission poles in the 2022 Program with at least 98% accuracy.	Approved - Met Metric Standards/Completed
Work Management Enhancements - Workforce Management Plans		
T&D-18.1	Submission of 2022 Workforce Management Plan for LIPA approval by February 1, 2022 (Approval not to be unreasonably withheld). The Workforce Management Plan shall include monthly and annual resource plans for all Capital and O&M work to be completed.	Approved - Met Metric Standards/Completed
Asset Management Program Implementation – Asset Management Governance		
T&D-2.1	Modify the Asset Management Implementation Plan and resubmit to LIPA for review and approval (approval not to be unreasonably withheld) within 60 days of receipt of LIPA's comments	Approved - Met Metric Standards/Completed
T&D-2.2	The RFP for the Strategic Asset Management Plan (SAMP) to be issued by January 31, 2022.	Approved - Met Metric Standards/Completed
T&D-2.3	PSEG Long Island to provide LIPA with quarterly reports on work associated with ISO-55000 Implementation Plan	Approved - Met Metric Standards/Completed

Work Management Enhancements - Clarify and Rationalize Work Management Roles		
T&D-22.1	Standardize and publish PSEG Long Island work management roles/positions (e.g. planner, scheduler, work coordinator, router) and implement consistently across yards.	Approved - Met Metric Standards/Completed
T&D-22.2	Develop formal job descriptions for critical work management positions and educate employees on roles and responsibilities for these positions.	Approved - Met Metric Standards/Completed
T&D-22.3	Create process flow charts that depict work management work flow with swim lane detail for each work management role.	Approved - Met Metric Standards/Completed
T&D-22.4	LIPA to verify via a review and acceptance of the Work Management process documentation.	Approved - Met Metric Standards/Completed
Vegetation Management Work Plan – Cycle Tree Trim With Vegetation Intelligence		
T&D-24.1	The 2022 Vegetation Work Plans identify the minimum of 225 circuits (or approximately ¼ of the total circuit miles) and budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible.	Approved - Met Metric Standards/Completed
Vegetation Management Work Plan – Trim to Sky (TTS) Circuits		
T&D-25.1	The 2022 Vegetation Work Plans identify the minimum of 225 circuits (or approximately ¼ of the total circuit miles) and budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022. Work plans shall include annual and monthly work and resource plans. Work plans should be coordinated with maintenance and construction work plans, where possible.	Approved - Met Metric Standards/Completed
Vegetation Management Work Plan – Hazard Tree Removal		
T&D-26.1	The 2022 Vegetation Work Plans identify the costs and resources associated with a workplan of 12,000 hazard trees. Workplan and associated budgets shall be provided to LIPA for approval, which shall not be unreasonably withheld, by January 31, 2022	Approved - Met Metric Standards/Completed
T&D-26.2	PSEG Long Island will provide identified hazard trees by December 1, 2021 for 2022 Q1 and will provide subsequent quarterly updates for planned hazard trees for the following quarter one month prior to the beginning of that quarter (March 1, June 1, and September 1)	Approved - Met Metric Standards/Completed
Storm Hardening Work Plan - Overhead Hardening		
T&D-27.1	Development of the 2022 Storm Hardening Work Plan – Overhead Hardening for LIPA approval, which shall not be unreasonably withheld, by January 31, 2022.	Approved - Met Metric Standards/Completed

Storm Hardening Work Plan - Underground Hardening

T&D-28.1	By March 31, 2022, submit a 2022 Underground Pilot Plan for a minimum of 4 locations.	Review in Progress
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Storm Hardening Work Plan - Transmission Load Pockets

T&D-29.1	By January 31, 2022, submit a 2022 Storm Hardening Work Plan for a minimum of 8 load pockets.	Approved - Met Metric Standards/Completed
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Storm Hardening Work Plan - ACRV Commissioning Program

T&D-30.1	By January 31, 2022, submit a 2022 Storm Hardening Work Plan for operationalizing ASUVs for a minimum of 10 circuits.	Approved - Met Metric Standards/Completed
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Storm Hardening Work Plan - LT5H (ASUV) Program

T&D-31.1	By January 31, 2022, submit a 2022 Storm Hardening Work Plan – LT5H (ASUV) that identifies installation locations, schedules, and cost estimates, and creates PJDs for ~150 ASUVs to be installed and commissioned in 2022.	Approved - Met Metric Standards/Completed
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Real Estate Strategy

T&D-33.1	By March 31, 2022, PSEG Long Island shall deliver a project-specific PIP based on office space need requirements per line of business and informed by recommendations issued by Colliers under the 2021 master plan subject to LIPA approval, which shall not be unreasonably withheld. LIPA approval, which shall not be unreasonably withheld, of Project Implementation Plan (PIP) by April 15, 2022, with implementation of mutually approved and funded deliverables by the date(s) specified in the PIP.	Review in Progress
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Quantitative Metrics

The First Quarter status of each T&D Quantitative Metric is detailed in the following table. Of the 19 metrics, 13 are meeting the YTD target, four (4) are behind the YTD target and two (2) are TBD as LIPA and PSEG Long Island are reassessing the standard of measurement for the metrics (see Table Note 2).

FIGURE 6: TRANSMISSION & DISTRIBUTION QUANTITATIVE METRICS Q1 STATUS

METRIC #	METRIC NAME	L/H	YE TARGET	YTD TARGET	YTD RESULT	YTD PERFORMANCE
T&D-4	Transmission & Distribution System Relay Operations - Relay Mis-Operations	L	18	5	1	Meeting Target
T&D-5	Transmission & Distribution Inadvertent Operation Events	L	34	9	4	Meeting Target
T&D-7	System Average Interruption Duration Index (SAIDI) Reliability	L	59.0	10.4	13.6	Behind Target
T&D-8	System Average Interruption Frequency Index (SAIFI) Reliability	L	0.76	0.17	0.16	Meeting Target
T&D-9	Momentary Average Interruption Frequency Index (MAIFI) Reliability	L	1.89	0.35	0.40	Behind Target
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)	L	23,475	23,475	18,356	Meeting Target
T&D-11	Reduce Repeat Customer Sustained Multiple Customer Outages (S-MCOs)	L	46	12	0	Meeting Target
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)	L	92,500	92,500	68,893	Meeting Target
T&D-13	Safety – Serious Injury Incident Rate (SIIR)	L	0.11	0.11	0.00	Meeting Target
T&D-14	Safety – OSHA Recordable Incidence Rate	L	1.12	1.12	0.74	Meeting Target
T&D-15	Safety – OSHA Days Away Rate	L	12.50	12.50	1.47	Meeting Target
T&D-16	Safety – Motor Vehicle Accident (MVA) Rate	L	9.20	9.20	7.48	Meeting Target

T&D-23	Employee Overtime (Note 2)	H	100.0%	100.0%	50.0%	Behind Target
T&D-32	Estimated Time of Restoration (ETR)	H	65.0%	65.0%	75.7%	Meeting Target
T&D-35	Construction - Project Milestones Achieved	H	85.0%	85.0%	100.0%	Meeting Target
T&D-36	Construction - Cost Estimating Accuracy	H	85.0%	85.0%	97.7%	Meeting Target
T&D-37	Completion of Program Planned Units Per Workplan (Note 3)	H	87.5%	87.5%	TBD	TBD LIPA / PSEG Long Island Clarifying
T&D-38	Program Unit Cost Variance (Note 3)	L	87.5%	87.5%	TBD	TBD LIPA / PSEG Long Island Clarifying
T&D-39	Project Completion Consistent with Project Design (Note 4)	H	100.0%	100.0%	100.0%	Meeting Target
T&D-40	Double Wood Poles	L	6,295	6,295	6,532	Behind Target

Table Note 1: “L/H” column refers to “Low/High” – a designation of “H” indicates that the performance objective is to score higher than the target; “L” has a performance objective that is lower than the target.

Table Note 2: T&D-23 – “Employee Overtime” is comprised of three individual targets for: Overhead/ Underground lines, Distribution Operations, and Substation/Relay Maintenance. The metric target permits for 50% incentive compensation payout for meeting at least 2 of the 3 individual overtime targets. Through Q1, PSEG Long Island is meeting the targets for the first two individual areas, but is behind target for the Substation/Relay Maintenance area. As such, PSEG Long Island’s Q1 performance is represented as 50%, in agreement with the criteria specified in the overall metric target.

Table Note 3: Metrics T&D-37 and T&D-38 are currently being reassessed by LIPA and PSEG Long Island to potentially modify the standard of measurement to be consistent with business practices (e.g. measuring in circuit miles as opposed to number of circuits). Through the end of Q1, the actual performance level for T&D-37 was meeting target while the performance level for T&D-38 was behind target.

Table Note 4: T&D-39 – “Project Completion Consistent with Project Design” was originally positioned as a Qualitative Metric, however, the nature of it is such that the success/failure measurement will be binary, and thus, commencing in Q2, should be repositioned/reported as a Quantitative Metric. Through the end of Q1, the actual performance level for this metric was 100.0%.

INFORMATION TECHNOLOGY

The Information Technology scope has seven (7) metrics, accounting for \$3,000,000 in compensation at-risk based on performance. All seven metrics are Qualitative. The Information Technology metrics and the associated Variable Compensation are summarized in Appendix A. Detailed metric descriptions are available on [LIPA's website](#).

Qualitative Metrics

The seven (7) Information Technology Qualitative Metrics had 43 deliverables due in the First Quarter. Of these:

- 40 deliverables have been closed by PSEG Long Island, of which 28 have been Approved by LIPA and 12 have LIPA Review In Progress.
- Two (2) deliverables are Overdue with no exception requested.
- One (1) deliverable had an exception approved.

The status of each Information Technology Qualitative Metric deliverable that was due in the First Quarter is detailed in the following table.

FIGURE 7: INFORMATION TECHNOLOGY QUALITATIVE METRICS Q1 DELIVERABLES STATUS

METRIC #	DELIVERABLE	STATUS
System and Software Lifecycle Management		
IT-4.1	IT and OT asset inventory, as specified in the Definition section of the attached "IT-4 System Lifecycle Management" metric document, is approved by LIPA.	Review in Progress
System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)		
IT-5-T1.01.01	GIS - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T1.01.02	GIS - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-5-T1.02.01	DER - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T1.05.01	Regulatory Billing - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, for the specified Regulatory Billing Projects (CCA/ESCO, SCC-FIT-V, SDSCC) and with the objective of implementing the new rates on January 1, 2023, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T1.06.01	CCaaS - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Review In Progress

IT-5-T1.06.02	CCaaS - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-5-T1.09.01	CDG Automated Billing - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by June 30, 2023, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T1.10.02	Enterprise Time and Attendance - Monthly Reporting of Project Status and compliance for the month of February 2022.	Exception Approved. This Report is Exempted
IT-5-T2.01.01	CAD and OMS Enhancements - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by the end of 2022, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T2.02.01	CyberArk for CNI - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by the end of 2022, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T2.03.01	Cybersecurity Program - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by November 2022, submitted to LIPA for approval.	Overdue – No Exception Requested
IT-5-T2.05.01	Industrial Defender for DSCADA - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by the end of 2022, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T2.07.01	AMI System Enhancements - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Approved - Met Metric Standards/Completed
IT-5-T2.08.01	Suffolk County Sewage Billing Project - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by Q2 2023, submitted to LIPA for approval.	Review In Progress
IT-5-T2.10.01	New Business Portal - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Review In Progress
System Implementation – Board Project Improvement Plans (PIPs) (Tier 1 and 2)		
IT-6 T1.1.1	3.2.2.3 - Project Implementation Plan (PIP 3.2.2.3) is submitted to LIPA: Work with CGI to obtain and implement fixes for identified application defects, including upgrading to a more recent version of the OMS software.	Approved - Met Metric Standards/Completed

IT-6 T1.1.2	3.2.2.3 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T1.1.3	3.2.2.3 - Implementation of Board adopted recommendation (3.2.2.3): Completed root cause analysis, remediated issues and recommended application performance items, fully tested and deployed 6.7 system (hardware and application) as described in the approved Project Implementation Plan, delivered for LIPA approval.	Review In Progress
IT-6 T1.1.4	3.2.2.3 - All Project Deliverables specified in the LIPA-approved Project Implementation Plan delivered.	Review In Progress
IT-6 T1.1.5	3.2.2.3 - Post-deployment 30-day monitoring issue log delivered.	Approved - Met Metric Standards/Completed
IT-6 T1.2.1	4.01 - Project Implementation Plan (PIP 4.01) is submitted to LIPA: Develop and execute a comprehensive and strategic technology plan for outage reporting and communications.	Approved - Met Metric Standards/Completed
IT-6 T1.2.2	4.01 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T1.3.1	4.14 - Project Implementation Plan (PIP 4.14), as described in the attached "LIPA-PSEG-2022-IT-6 System Implementation Board Project Improvement Plans (PIPs) (Tier 1 and 2)" metric document, with full deployment to be completed by 2023 Q2 (prior to the storm season), is submitted to LIPA for Board Approval: Complete the Mobile Workforce Solution for foreign crews and crew guides, ensuring that procedures are integrated into the ERP.	Review In Progress
IT-6 T1.4.1	5.4.2b - Project Implementation Plan (PIP 5.4.2b), as described in the attached "LIPA-PSEG-2022-IT-6 System Implementation Board Project Improvement Plans (PIPs) (Tier 1 and 2)" metric document, and incorporating end-state and all deliverables specified in said document, is submitted to LIPA for approval: AMI Integration and Operation with OMS (Integration component of 5.4.2	Approved - Met Metric Standards/Completed
IT-6 T1.4.2	5.4.2b - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T1.4.3	5.4.2b - Project Implementation Plan (PIP 5.4.2b) is Board Approved.	Approved - Met Metric Standards/Completed
IT-6 T1.5.1	DIA-01 - Project Implementation Plan (DIA-01), as described in the attached "LIPA-PSEG-2022-IT-6 System Implementation Board Project Improvement Plans (PIPs) (Tier 1 and 2)" metric document, is submitted to LIPA for approval: Develop a Standardized Data Access Platform consisting of an enterprise-wide data warehouse, a broader data lake, and provisioning and development of tools to support reporting and analytics.	Approved - Met Metric Standards/Completed
IT-6 T1.5.2	DIA-01 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Overdue - No Exception Requested
IT-6 T1.5.3	DIA-01 - Master Data Analytics Project Plan, providing a plan and long-term roadmap as specified in the attached "LIPA-PSEG-2022-IT-6 System Implementation Board Project Improvement Plans (PIPs) (Tier 1 and 2)" metric document, and including a Phase 1 deployment by the end of 2022, is developed and submitted to LIPA for approval.	Review In Progress
IT-6 T2.1.1	4.13 - Project Implementation Plan (PIP 4.13) is submitted to LIPA: After the OMS faults are diagnosed and repaired, thoroughly stress-test the CAD system and the ESB to ensure there are no independent defects affecting either system.	Approved - Met Metric Standards/Completed

IT-6 T2.1.2	4.13 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T2.1.3	4.13 - Implementation of Board adopted recommendation (4.13): Stress testing of CAD and ESB against the repaired OMS 6.7 system, as specified in the attached "LIPA-PSEG-2022-IT-6 System Implementation Board Project Improvement Plans (PIPs) (Tier 1 and 2)" metric document, delivered for LIPA approval.	Review In Progress
IT-6 T2.2.1	4.15 - Project Implementation Plan (PIP 4.15)) is submitted to LIPA: Performance test OMS and feeder systems to establish peak capacity.	Approved - Met Metric Standards/Completed
IT-6 T2.2.2	4.15 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Review In Progress
IT-6 T2.3.1	4.18 - Project Implementation Plan (PIP 4.18) is submitted to LIPA: Monitor application performance and error logs of all mission critical application systems, such as OMS, CAD, SCADA, ESB, etc.	Approved - Met Metric Standards/Completed
IT-6 T2.3.2	4.18 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T2.3.3	4.18 - Project Implementation Plan (PIP 4.18) is Board Approved.	Approved - Met Metric Standards/Completed
IT-6 T2.3.4	4.18 - Implementation of Board adopted recommendation (4.18): Implementation of the system monitoring for performance and error logs of all mission critical application systems, such as OMS, CAD, SCADA, ESB, etc., as specified in the LIPA-approved Project Implementation Plan, completed; and all Deliverables specified in the LIPA-approved plan delivered to LIPA.	Review In Progress
IT-6 T2.4.1	3.2.2.4 - Project Implementation Plan (PIP 3.2.2.4) is submitted to : Automate monitoring of OMS and CAD performance at the application level to detect application failures and give administrators an opportunity to adjust the configuration settings that affect performance.	Approved - Met Metric Standards/Completed
IT-6 T2.4.2	3.2.2.4 - Monthly Reporting of Project Status and compliance for the month of February 2022.	Approved - Met Metric Standards/Completed
IT-6 T2.4.3	3.2.2.4 - Project Implementation Plan (PIP 3.2.2.4) is Board Approved.	Approved - Met Metric Standards/Completed
IT-6 T2.4.4	3.2.2.4 - Implementation of Board adopted recommendation (3.2.2.4): Implementation automation of monitoring OMS and CAD performance at the application level to detect application failures, including allowing administrators to adjust the configuration settings that affect performance, as specified in the LIPA-approved Project Implementation Plan, completed; and all Deliverables specified in the LIPA-approved plan delivered to LIPA.	Review In Progress

POWER SUPPLY & CLEAN ENERGY PROGRAMS

The Power Supply & Clean Energy Programs scope has nine (9) metrics, accounting for \$2,000,000 in compensation at-risk based on performance. Of these nine (9) metrics, five (5) are Qualitative, and are four (4) Quantitative. The Power Supply & Clean Energy Programs metrics and the associated variable compensation are summarized in Appendix A. Detailed metric descriptions are available on [LIPA's website](#).

Qualitative Metrics

The five (5) Power Supply & Clean Energy Programs Qualitative Metrics had eight (8) deliverables due in the First Quarter. All eight (8) deliverables have been closed by PSEG Long Island, with five (5) Approved by LIPA, and three (3) with LIPA Review in Progress.

The status of each Power Supply & Clean Energy Programs Qualitative Metric deliverable that was due in the First Quarter is detailed in the following table.

FIGURE 8: POWER SUPPLY & CLEAN ENERGY PROGRAMS QUALITATIVE METRICS Q1 DELIVERABLES STATUS

METRIC #	DELIVERABLE	STATUS
Long Range Planning Studies – Integrated Resource Plan (IRP)		
PS&CE-1.1	Base assumptions on or about January 15, 2022.	Approved - Met Metric Standards/Completed
Long Range Planning Studies – Energy Storage Request for Proposal (RFP)		
PS&CE-2.1	Complete evaluation of proposals to the Energy Storage RFP and recommend selections; Phase 2 – on or about March 31, 2022.	Approved - Met Metric Standards/Completed
Utility 2.0 – Distributed Energy Resources (DER) Hosting		
PS&CE-4.1	Select distribution circuits, estimated to be between (30-50) circuits based on 80% penetration ratio and obtain LIPA and DPS agreement, final number to be determined prior to February 28, 2022.	Approved - Met Metric Standards/Completed
Distributed Energy Resources (DER) Interconnection Process		
PS&CE-7.1	PSEG Long Island should ensure an independent review of escalated interconnection cases by changing the organizational placement of the Interconnection Ombudsperson to be outside of the group that administers the SGIP, and for this activity will report directly to the VP – Power Markets. PSEG Long Island to develop a process for escalated interconnection cases, consistent with other NYS utility practices and in agreement with LIPA, and provide to LIPA by February 28, 2022. Once agreed upon, will be included in the SGIP.	Approved - Met Metric Standards/Completed
PS&CE-7.2	Make developer community aware of all payment options including check, on line check payment, and electronic wire transfer, by updating the SGIP website and FAQs regarding the payment options. This will be completed by March 31, 2022	Approved - Met Metric Standards/Completed

Time of Use (TOU) Pricing Options - Space Heating and Large Commercial

PS&CE-8.1	The draft rate designs and draft tariff leaves will be provided to LIPA staff by January 31, 2022.	Review in Progress
PS&CE-8.2	Revised rate designs and tariff leaves reflecting LIPA's comments will be provided to LIPA staff and DPS staff by February 28, 2022.	Review In Progress
PS&CE-8.3	The final Tariff proposal will be provided to LIPA and DPS staff by March 31, 2022	Review In Progress ⁴

Quantitative Metrics

The First Quarter status of each Power Supply & Clean Energy Programs Quantitative Metric is detailed in the following table. Of the four metrics, two (2) are meeting the YTD target and two (2) are behind the YTD target. Both metrics that are behind target are meeting two of the four objectives of their respective target criteria.

FIGURE 9: POWER SUPPLY AND CLEAN ENERGY PROGRAMS QUANTITATIVE METRICS Q1 STATUS

METRIC #	METRIC NAME	L/H	YE TARGET	YTD TARGET	YTD RESULT	YTD PERFORMANCE
PS&CE-3	Energy Efficiency Plan Savings	H	1,147,670	263,756	299,261	Meeting Target
PS&CE-5	Beneficial Electrification – Building Electrification (Note 2)	H	100.0%	100.0%	50.0%	Behind Target
PS&CE-6	Electric Vehicle (EV) Make-Ready (Note 2)	H	100.0%	100.0%	50.0%	Behind Target
PS&CE-9	TOU Pricing Pilot – Year 1 Marketing	H	12,000	2,000	2,108	Meeting Target

Table Note 1: “L/H” column refers to “Low/High” – a designation of “H” indicates that the performance objective is to score higher than the target; “L” has a performance objective that is lower than the target.

Table Note 2: PS&CE-5 – “Beneficial Electrification – Building Electrification” and PSE&CE-6 – “Electric Vehicle (EV) Make-Ready” are both comprised of four individual targets. In each case, the overall metric target permits for partial incentive compensation payout (in 25% increments) for meeting each of the four individual metric targets. Through Q1, PSEG Long Island is meeting two of the four targets for each of PS&CE-5 and PS&CE-6. As such, PSEG Long Island’s Q1 performance for each of these two metrics is represented as 50%, in agreement with the criteria specified in the respective overall metric targets.

⁴ An Exception Request has been submitted and is under review by LIPA.

CUSTOMER SERVICE

The Customer Service scope has 19 metrics, accounting for \$4,000,000 in compensation at-risk based on performance. Of these 19 metrics, 6 are Qualitative, and are 13 Quantitative. The Customer Service metrics and the associated variable compensation are summarized in Appendix A. Detailed metric descriptions are available on [LIPA's website](#).

Qualitative Metrics

The six (6) Customer Service Qualitative Metrics had 20 deliverables due in the First Quarter. Of these:

- 19 deliverables have been closed by PSEG Long Island, with 11 Approved by LIPA, seven (7) with LIPA Review In Progress, and one (1) Rejected.
- One (1) deliverable has an Exception Request under review by LIPA.

The status of each Customer Service Qualitative Metric deliverable that was due in the First Quarter is detailed in the following table.

FIGURE 10: CUSTOMER SERVICE QUALITATIVE METRICS Q1 DELIVERABLES STATUS

METRIC #	DELIVERABLE	STATUS
Delivery of Strategic Customer Experience & Billing Projects		
CS-1.1	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-Advanced Metering Infrastructure (AMI) field remote disconnect (Phase 1).	Approved - Met Metric Standards/Completed
CS-1.1.1	AMI field technician to initiate the service disconnect remotely with associated updates to the billing system consistent with the current field business rules for cut-off, work order and contacts to achieve the expected outcomes-Phase 1.	Review In Progress
CS-1.1.2	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval - AMI field remote disconnect end-state directly from field work order (AMI Phase 2).	Approved - Met Metric Standards/Completed
CS-1.2	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-AMI technology implementation to improve the efficiency of theft detection and increase remote theft detection.	Approved - Met Metric Standards/Completed
CS-1.3	Project Implementation Plan is submitted for LIPA approval-Chat optimization assessment and expected outcomes related to use, call/email deflection, satisfaction, and customer operations.	Approved - Met Metric Standards/Completed
CS-1.4	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-KUBRA Bill Print.	Approved - Met Metric Standards/Completed
CS-1.4.1	Migrate bill print functions from Exela to Kubra to achieve the expected outcomes.	Review In Progress
CS-1.6	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-Mobile App Enhancements.	Approved - Met Metric Standards/Completed

CS-1.7	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-Kubra Enhancements.	Approved - Met Metric Standards/Completed
Low to Moderate Income (LMI) Program Automation		
CS-18.1	Provide the current resource requirement utilized to process LMI enrollments by January 31, 2022.	Review in Progress
Customer Information System (CIS) Modernization – Phase 1		
CS-4.1	Complete current environment analysis as specified in the Definition section of the attached "CS-4 Customer Information System (CIS) Modernization – Phase 1 " metric document and report submitted to LIPA for approval.	Rejected - Did Not Meet Metric Standards
Customer Transactional Performance		
CS-5.1	Develop a five (5) question monthly survey for the following customer transactions: payments, billing move in/move out (MIMO), and deferred payment agreements. The fifth survey is around outage reporting and we will continue to utilize the Chartwell Outage Communication Benchmarking.	Approved - Met Metric Standards/Completed
CS-5.4	Provide the 2021: (1) average cost of each transaction by channel; (2) volume of each transaction by channel. The 2021 cost and transaction volume, by channel will be provided to LIPA by February 28, 2022.	Overdue - Exception Requested
CS-5.7.1	Survey data will be shared with LIPA for January 2022 transaction survey results.	Approved - Met Metric Standards/Completed
CS-5.7.2	Survey data will be shared with LIPA for February 2022 transaction survey results.	Approved - Met Metric Standards/Completed
Billing Active & Inactive Accounts Long-Term Estimates (LTEs)		
CS-6.1	Master excel list of existing inactive estimates as of 12/31/21 to establish target.	Approved - Met Metric Standards/Completed
CS-6.1.1	Master excel list of existing inactive estimates as of 12/31/21 and any newly created estimates greater than 5 months that includes resolution reason, action taken in the field, action taken in CAS, CAS status update to reflect field condition with additional defined supporting data in the metric for January 2022.	Review In Progress
CS-6.1.2	Master excel list of existing inactive estimates as of 12/31/21 and any newly created estimates greater than 5 months that includes resolution reason, action taken in the field, action was taken in CAS, CAS status update to reflect field condition with additional defined supporting data in the metric for February 2022.	Review In Progress
CS-7.1.1	Master list of existing active estimates as of 12/31/21 and any new estimates greater than 3 including the resolution, reason, action taken in the field, action taken in CAS, with the additional field as defined in the supporting documentation for the previous month.	Review In Progress
CS-7.1.2	Master list of existing active estimates as of 12/31/21 and any new estimates greater than 3 including the resolution, reason, action taken in the field, action taken in CAS, with the additional field as defined in the supporting documentation for the previous month.	Review In Progress

Quantitative Metrics

The First Quarter status of each Customer Service Quantitative Metric is detailed in the following table. Of the thirteen metrics, six (6) are meeting the YTD target, six (6) are behind the YTD target and one (1) metric (CS-3 – J.D. Power Customer Satisfaction Survey (Business)) is TBD, with results not becoming available until Q3.

FIGURE 11: CUSTOMER SERVICE QUANTITATIVE METRICS Q1 STATUS

METRIC #	METRIC NAME	L/H	YE TARGET	YTD TARGET	YTD RESULT	YTD PERFORMANCE
CS-2	JD Power Customer Satisfaction Survey (Residential)	H	TBD at YE (3rd Quartile)	716 (3rd Quartile)	702 (4th Quartile)	Behind Target
CS-3	JD Power Customer Satisfaction Survey (Business)	H	TBD at YE (3rd Quartile)	TBD at Wave 1 (3rd Quartile)	N/A – Wave 1 Results in July	TBD: Initial Results Available in Q3
CS-6	Inactive Accounts Long Term Estimates (LTEs) (Note 2)	L	TBD	TBD	5,323	TBD – LIPA / PSEG Long Island Clarifying
CS-7	Active Accounts Long Term Estimates (LTEs) (Note 2)	L	TBD	TBD	2,499	TBD – LIPA / PSEG Long Island Clarifying
CS-8	Unauthorized Use/Advanced Consumption Resolution	L	400	653	469	Meeting Target
CS-9	Billing Exception Cycle Time	H	95.0%	95.0%	99.5%	Meeting Target
CS-10	Billing – Cancelled Rebill	L	0.50%	0.50%	0.23%	Meeting Target
CS-11	Contact Center Service Level with Live Agent Calls	H	80.0%	80.0%	58.3%	Behind Target
CS-12	Customer Email Closure Rate (Note 3)	H	70.0%	70.0%	54.0%	Behind Target
CS-13	First Call Resolution (FCR)	H	80.0%	80.0%	82.1%	Meeting Target

CS-14	Net Write-Offs (Per \$100 Billed Revenue)	L	0.77	0.77	0.30	Meeting Target
CS-15	Accounts Receivable Aging > 90 Days Past Due (AR>90) (Note 4)	L	30.25%	30.25%	31.75%	Behind Target
CS-16	Days Sales Outstanding (DSO) (Note 4)	L	39.86	39.86	41.99	Behind Target
CS-17	Low-to-Moderate Income (LMI) Program Participation	H	55,000	41,329	40,650	Behind Target
CS-19	DPS Customer Complaint Rate	L	4.2	4.2	2.0	Meeting Target

Table Note 1: “L/H” column refers to “Low/High” – a designation of “H” indicates that the performance objective is to score higher than the target; “L” has a performance objective that is lower than the target.

Table Note 2: Metrics CS-6 and CS-7 are being tracked under the Qualitative metrics at this time. LIPA and PSEG Long Island are actively working towards clarifying measurement protocols, particularly with the baseline levels. Once resolved, both metrics will be included with the Quantitative metrics.

Table Note 3: Metrics CS-12 is actively being worked to address reported performance results that are inconsistent with the program definition.

Table Note 4: Metrics CS-15 and CS-16 are actively being worked to clarify target measurement protocols for energy assistance as defined in the metric. Once resolved, both metrics will have a monthly changing target based on new state and federal energy assistance.

BUSINESS SERVICES

The Business Services scope has 21 metrics, accounting for \$3,000,000 in compensation at-risk based on performance. Of these 21 metrics, 14 are Qualitative, and 7 Quantitative. The Business Services metrics and the associated variable compensation are summarized in Appendix A. Detailed metric descriptions are available on [LIPA's website](#).

Qualitative Metrics

The 14 Business Services Qualitative Metrics had 17 deliverables due in the First Quarter. Of these:

- All 17 deliverables have been closed by PSEG Long Island, with 11 Approved by LIPA, and six (6) with LIPA Review in Progress.

The status of each Business Services Qualitative Metric deliverable that was due in the First Quarter is detailed in the following table.

FIGURE 12: BUSINESS SERVICES QUALITATIVE METRICS Q1 DELIVERABLES STATUS

METRIC #	DELIVERABLE	STATUS
Contractor Performance Evaluation System		
BS-15.1	Develop a contractor performance evaluation system by March 31, 2022, for LIPA approval, which shall not be unreasonably withheld. The evaluation system shall include plans to award and / or re-allocate work that results in the best-performing contractors being retained and to improve or replace non-performing contractors.	Review In Progress
Government & Legislative Affairs		
BS-16.1	Develop mutually agreed upon legislative watch list with LIPA prior to the start of 2022 state legislative session.	Approved - Met Metric Standards/Completed
BS-16.2	Provide LIPA with written notice within three weeks of introduction of Bills in the NYS Legislature that could have a direct impact on LIPA/PSEG Long Island. Quarterly review to include sign off on percentage of bill notifications that were made timely.	Approved - Met Metric Standards/Completed
BS-16.3	Provide analysis on "mutual legislative priorities" in an agreed upon format, within 30 days of notification to LIPA of bill introduction. Analysis shall include but is not limited to: a. a summary of proposed legislation b. a summary of potential impacts on LIPA and/or PSEG Long Island operations c. a summary of potential ratepayer impacts Quarterly review to include sign off on percentage of bill notifications that were made timely.	Approved - Met Metric Standards/Completed
BS-16.4	Provide the bi-weekly update for the January 1, 2022 – January 14, 2022 reporting period, per the requirement to track status of "mutual state legislative priorities.	Approved - Met Metric Standards/Completed

BS-16.5	Provide the bi-weekly update for the January 15, 2022 – January 28, 2022 reporting period, per the requirement to track status of “mutual state legislative priorities.	Approved - Met Metric Standards/Completed
BS-16.6	Provide the bi-weekly update for the January 29, 2022 – February 11, 2022 reporting period, per the requirement to track status of “mutual state legislative priorities.	Approved - Met Metric Standards/Completed
BS-16.7	Provide the bi-weekly update for the February 12, 2022 – February 25, 2022 reporting period, per the requirement to track status of “mutual state legislative priorities.	Approved - Met Metric Standards/Completed
BS-16.8	Provide the bi-weekly update for the February 26, 2022 – March 11, 2022 reporting period, per the requirement to track status of “mutual state legislative priorities.	Approved - Met Metric Standards/Completed
BS-16.9	Provide the bi-weekly update for the March 12, 2022 – March 25, 2022 reporting period, per the requirement to track status of “mutual state legislative priorities.	Approved - Met Metric Standards/Completed
Project Outreach		
BS-17.1	By February 1, 2022, modify and finalize survey tool developed in accordance with DPS Management Audit Rec #36 to include the questions to gauge the following: - Was the project information easily accessible? - Was the information provided timely? - Was the information provided clear and easy to understand? - Was the utility contact information made available to submit inquiries about this project?	Approved - Met Metric Standards/Completed
BS-17.2	By February 1, 2022, develop and submit to LIPA a plan to increase awareness and participation in the survey referenced in #1.	Review in Progress
BS-17.3	Starting on March 15, 2022, and by the 15th of each month thereafter, provide to LIPA and DPS details of all survey responses received up until the 1st of the month.	Review in Progress
Customer Segmentation		
BS-18.1	Deliver customer segmentation research analysis by January 31, 2022.	Review in Progress
BS-18.2	Develop three (3) marketing campaigns that will target residential customer segments identified from the customer segmentation analysis. A multi-channel campaign will be launched in 2022 to increase participation in the following programs: · Household Assistance Rate · Digital Payments · Pay Station Payments PSEG Long Island will track customer conversion rates among customers to measure marketing effectiveness. Develop three (3) campaign strategies, as indicated above, by March 31, 2022 and track customer conversion rates.	Review In Progress

Contract Administration Manual (CAM) Completion

BS-6.1	1. Appointment of dedicated staff member no later than January 31, 2022. Appointment is communicated to LIPA's CAM lead within that same time period.	Review in Progress
BS-6.2	2. Initial drafts for each of the stated seven CAM documents by March 31, 2022.	Review In Progress

Quantitative Metrics

The First Quarter status of each Business Services Quantitative Metric is detailed in the following table. Of the seven (7) metrics, three (3) are meeting the YTD target, one (1) is behind the YTD target and three (3) are TBD. Two of the metrics (BS-3 and BS-4) that are categorized as TBD will have results first post in the Third Quarter, while the final TBD metric (BS-21) recently completed tracking and reporting processes after the close of Q1 (see Table Note 3).

FIGURE 13: BUSINESS SERVICES QUANTITATIVE METRICS Q1 STATUS

METRIC #	METRIC NAME	L/H	YE TARGET	YTD TARGET	YTD RESULT	YTD PERFORMANCE
BS-3	Employee Engagement – Participation Rate	H	100.0%	100.0%	Q3 Activity	TBD – Q3 Activity
BS-4	Employee Engagement – Score	H	66.7%	66.7%	Q3 Activity	TBD – Q3 Activity
BS-5	Full Time Vacancy Rate	H	100.0%	100.0%	20.0%	Behind Target
BS-13	Information Request (IR) Responses (Note 2)	H	90.0%	90.0%	96.7%	Meeting Target
BS-19	Reputation Management – Positive Media Sentiment	H	28.0%	28.0%	60.9%	Meeting Target
BS-20	Reputation Management – Share of Voice (Note 3)	H	50.0%	50.0%	100.0%	Meeting Target
BS-21	Social Media Engagement and Following (Note 4)	H	100.0%	100.0%	TBD	TBD – LIPA / PSEG Long Island Clarifying

Table Note 1: “L/H” column refers to “Low/High” – a designation of “H” indicates that the performance objective is to score higher than the target; “L” has a performance objective that is lower than the target.

Table Note 2: The objective of BS-5 – “Full Time Vacancy Rate” is to achieve a vacancy rate of no greater than 5.0% for the following four areas: (Overall PSEG LI, Electric T&D, Customer Services (including Energy Efficiency) and Business Services (including Power Systems Management) and a vacancy rate of no greater than 7.0% for Information Technology. Through Q1, PSEG Long Island’s performance level of 20% reflects that it is meeting the vacancy rate target for 1 area (Electric T&D), but is behind target for the four remaining areas.

Table Note 3: There is a slight discrepancy for reported performance for BS-13 “Information Requests (IR) Responses”. PSEG Long Island indicated a result of 96.8% (30 out of 31 responses on time), whereas LIPA IV&V yielded a result of 96.7% (29 out of 30 responses on time).

Table Note 4: BS-20 – “Reputation Management – Share of Voice” requires that PSEG Long Island achieves a 50% “Share of Voice” during storm and other crisis events. It is defined as the amount of media stories mentioning PSEG Long Island that quote someone from the organization or cite data it has provided. Through Q1, PSEG Long Island is performing at 100% versus the target of 50% for qualifying events.

Table Note 5: Tracking and reporting infrastructure was completed for BS-21 - “Social Media Engagement and Following” during Q2, with LIPA and PSEG Long Island scheduled to meet to review this in mid-May. As such, the Q1 Metric performance is designated as “TBD”. PSEG Long Island has indicated that YTD performance is being met for all four components of this metric. LIPA will review performance and report accordingly in the Q2 Metric Performance Report.

EXCEPTION REQUESTS

Qualitative Metrics

PSEG Long Island may request an Exception to any deliverable requirement. LIPA reviews all Exception Requests and grants them if deemed reasonable, justified, and in the best interests of achieving the metric objective. Exception Requests most commonly seek a change to the Due Date but may involve other exceptions/exclusions to the metric requirements. Detailed metric descriptions are available on [LIPA's website](#).

To date, eleven Exceptions have been requested for First Quarter deliverables. Nine (9) of the requested Exceptions have been approved, and two (2) are under LIPA review. The Exception Requests are detailed in the table below.

FIGURE 14: QUALITATIVE METRICS EXCEPTION REQUESTS

Metric #	Metric Title	Metric Deliverable	Exception Requested	Original Due Date	Requested Due Date	Status
BS-14.1	Legal Staffing	PSEG Long Island to fully participate in a legal staffing study to be completed in Q1 2022 to be performed at LIPA's direction, to determine any gaps and what is needed to achieve adequate staffing for a fully functional Legal department at PSEG Long Island. The staffing study shall include findings and recommendations, including reasonable timelines for implementation.	Change Deliverable Due Date to account for six-week delay in retaining appropriate consultant to conduct staffing study	03/31/22	05/12/22	Approved
CS-1.5	Delivery of Strategic Customer Experience & Billing Projects	Project Implementation Plan (including expected outcomes) is submitted for LIPA approval-Credit card vendor selection.	Change Due Date for Credit Card Phase 0 project plan and expected outcomes	03/31/22	08/01/22	Approved
CS-5.4	Customer Transactional Performance	Provide the 2021: (1) average cost of each transaction by channel; (2) volume of each transaction by channel. The 2021 cost and transaction volume, by channel will be provided to LIPA by February 28, 2022.	Change Deliverable Due Date	02/28/22	05/06/22	Under Review
CS-5.7.2	Customer Transactional Performance	Survey data will be shared with LIPA for February 2022 transaction survey results.	Change due date for monthly customer transactional survey results	03/18/22	03/21/22	Approved

IT-5-T1.10.01	System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)	Enterprise Time and Attendance - Current State Analysis, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Change Deliverable Due Date	02/28/22	06/30/22	Approved
IT-5-T1.10.03	System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)	Enterprise Time and Attendance - Preliminary Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, submitted to LIPA for approval.	Change Deliverable Due Date	03/31/22	06/30/22	Approved
IT-5-T1.11.01	System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)	Enterprise Mobile Strategy - Detailed Project Implementation Plan, as described in the attached "LIPA-PSEG-2022-IT-5 System Implementation - 2022 Budget Projects (Tier 1 and Tier 2)" metric document, with the objective of completing the project by November 2022, submitted to LIPA for approval.	Change Deliverable Due Date	03/31/22	03/30/22	Approved
IT-6 T1.4.4	System Implementation – Board Project Improvement Plans (PIPs) (Tier 1 and 2)	5.4.2b - Implementation of Board adopted recommendation (5.4.2b): All Scope and Deliverables per Board-approved PIP delivered for LIPA approval.	Change Deliverable Due Date	03/31/22	04/29/22	Approved
IT-6 T2.2.3	System Implementation – Board Project Improvement Plans (PIPs) (Tier 1 and 2)	4.15 - Implementation of Board adopted recommendation (4.15): Performance testing of the OMS and feeder systems to establish peak capacity, as described in the LIPA-approved Project Implementation Plan, completed, and all specified Deliverables delivered.	Change Deliverable Due Date	03/31/22	12/30/22	Approved
PS&CE-8.3	Time of Use (TOU) Pricing Options - Space Heating and Large Commercial	The final Tariff proposal will be provided to LIPA and DPS staff by March 31, 2022.	Extension or Exclusion	03/31/22	04/24/22	Under Review
T&D-3.1	Enterprise Asset Management System (EAM) Implementation Plan	Comprehensive EAMS Implementation Plan as specified in the Definition section of the attached "T&D-3 Enterprise Asset Management System (EAM) Implementation Plan" metric document, is submitted to LIPA.	Change Deliverable Due Date	02/28/22	05/31/22	Approved

APPENDIX A: SUMMARY OF 2022 PERFORMANCE METRICS

FIGURE 15: TRANSMISSION & DISTRIBUTION METRICS

ID	METRIC	AT RISK COMPENSATION	METRIC OBJECTIVE & DELIVERABLES
TRANSMISSION & DISTRIBUTION			
T&D-1	Asset Management Program – Asset Inventory	\$150,000	Requires PSEG Long Island to collect and document all Transmission and Distribution (T&D) assets as part of an Asset Management Program in accordance with the Asset Management Recommendations adopted by the LIPA Board of Trustees.
T&D-2	Asset Management Program – Governance	\$200,000	Requires PSEG Long Island to develop and implement effective governance of an Asset Management Program in accordance with the Asset Management Recommendations adopted by the LIPA Board of Trustees.
T&D-3	Asset Management Program – Enterprise Asset Management System (EAMS)	\$600,000	Requires PSEG Long Island to plan and implement a full-fledged, electronic EAMS to track all asset, work, maintenance, and inventory activities, to be used for an Asset Management Program, including preventative and predictive maintenance of the T&D system, providing improved reliability and reduced cost to customers.
T&D-4	Transmission & Distribution System Mis-Operations	\$100,000	Requires PSEG Long Island reduce the number of relay mis-operations on the T&D System by 5% compared to the 3-year average.
T&D-5	Transmission & Distribution Operating Errors	\$100,000	Requires PSEG Long Island to limit the number of operating errors on the T&D System by 5% compared to the 3-year average.
T&D-6	PTCC Replacement	\$250,000	Requires PSEG Long Island to execute deliverables related to strategic considerations and conceptual facility designs for the construction of a new Primary Transmission Control Center (PTCC) and Alternate Transmission Control Center (ATCC) to replace the facilities that manage the electric flows on the Long Island electric grid.
T&D-7	System Average Interruption Duration Index (SAIDI) Reliability	\$400,000	Requires PSEG Long Island to maintain the outages (>5 minutes in duration) experienced by the average customer at under 1 hour annually, which is within the top 10% of peer utilities.

T&D-8	System Average Interruption Frequency Index (SAIFI) Reliability	\$200,000	Requires PSEG Long Island to maintain the number of outages experienced by the average customer at 1 outage (>5 minutes in duration) every 16 months, which is within the top 10% of peer utilities.
T&D-9	Momentary Average Interruption Frequency Index (MAIFI) Reliability	\$200,000	Requires PSEG Long Island to reduce the number of momentary outages (<5 minutes in duration) by 13% compared to the 3-year average. Performance has steadily improved and is now approaching the median level of peer utilities.
T&D-10	Reduce Sustained Multiple Customer Outages (S-MCOs)	\$150,000	Requires PSEG Long Island to reduce the number of customers with more than 4 outages (>5 minutes in duration) per year by 22% to meet the 3-year average, achieving performance that is within the top 25% of peer utilities.
T&D-11	Reduce Repeat Customer Sustained Multiple Customer Outages (S-MCOs)	\$200,000	Requires PSEG Long Island to improve circuit conditions for customers that have had more than 4 outages (>5 minutes in duration) per year for three or more consecutive years. PSEG Long Island will remediate circuit conditions accounting for at least 80% of these customers.
T&D-12	Reduce Momentary Multiple Customer Outages (M-MCOs)	\$150,000	Requires PSEG Long Island to reduce the customers with more than six momentary outages (<5 minutes in duration) per year by 20% compared to the 3-year average.
T&D-13	Safety – Serious Injury Incident Rate	\$200,000	Requires PSEG Long Island to safely maintain, construct, and operate the electric T&D system without risk of serious injuries and/or fatalities. The target level of performance is within the top 25% of peer utilities.
T&D-14	Safety – OSHA Recordable Incidence Rate	\$250,000	Requires PSEG Long Island to maintain employee safety as recorded by OSHA incidents at the 3-year average and increase focus on safety training, employee awareness, and diligence.
T&D-15	Safety – OSHA Days Away Rate	\$250,000	Requires PSEG Long Island to improve employee safety as measured by OSHA Days Away. The target level is approximately 22% better than the 3-year average.
T&D-16	Safety – Motor Vehicle Accident (MVA) Rate	\$100,000	Requires PSEG Long Island to reduce the Motor Vehicle Accident (MVA) Rate by 5% compared to the 3-year average.

T&D-17	Work Management – Short-Term Scheduling	\$150,000	Requires PSEG Long Island to improve work management through short term scheduling in ways that optimize staffing levels, productivity, and overtime.
T&D-18	Work Management – Workforce Management Plans	\$250,000	Requires PSEG Long Island to improve work management by creating an annual workplan with monthly visibility of all work to be completed in 2022.
T&D-19	Work Management – Improve Planning and Tracking of Work	\$100,000	Requires PSEG Long Island to improve work management by improving the planning and tracking of work in ways that optimize staffing levels, productivity, and overtime.
T&D-20	Work Management – Improve and Standardize Compatible Unit Estimating (CUEs)	\$100,000	Requires PSEG Long Island to enhance the governance and use of a detailed estimating process to improve cost and scheduling accuracy.
T&D-21	Work Management – KPIs and Dashboards	\$100,000	Requires PSEG Long Island to develop work management metrics and tracking to identify opportunities to improve staffing levels, productivity, and reduce overtime in support of scheduled T&D work.
T&D-22	Work Management – Clarify and Rationalize Work Management Roles	\$50,000	Requires PSEG Long Island to standardize work management roles/positions and implement consistency across yards.
T&D-23	Employee Overtime	\$300,000	Requires PSEG Long Island to achieve a 2 percentage point reduction in overtime hours worked from the 3-year average.
T&D-24	Vegetation Management – Cycle Tree Trim With Vegetation Intelligence	\$200,000	Requires PSEG Long Island to develop and execute vegetation management plans that limit vegetation-caused outages using vegetation intelligence.
T&D-25	Vegetation Management – Trim-To-Sky (TTS) Circuits	\$250,000	Requires PSEG Long Island to execute enhanced TTS vegetation management techniques that limit vegetation-caused outages.
T&D-26	Vegetation Management – Hazard Tree Removal	\$400,000	Requires PSEG Long Island to identify and remove 12,000 "hazard" trees subject to falling and damaging the electric system during a storm, an increase from approximately 3,000 today.
T&D-27	Storm Hardening – Overhead Hardening	\$250,000	Requires PSEG Long Island to develop and execute the milestones of the budgeted Storm Hardening Work Plans, which will strengthen the T&D system and improve its ability to withstand storms.

T&D-28	Storm Hardening – Underground Hardening	\$150,000	Requires PSEG Long Island to develop a pilot program to identify opportunities for rear-yard branch circuits to be converted from overhead to underground lines.
T&D-29	Storm Hardening – Transmission Load Pockets	\$150,000	Requires PSEG Long Island to identify projects that will enhance system resiliency by providing alternate sources of power to transmission load pockets.
T&D-30	Storm Hardening – ACRV Commissioning Program	\$250,000	Requires PSEG Long Island to begin a program to operationalize automatic overhead switches as tripping devices to reduce the amount of customers interrupted during a storm.
T&D-31	Storm Hardening – LT5H (ASUV) Program	\$150,000	Requires PSEG Long Island to install a minimum of 150 automatic overhead switches that will reduce the amount of customers interrupted during a storm.
T&D-32	Estimated Time of Restoration (ETR)	\$200,000	Requires PSEG Long Island to improve by 10% the accuracy of restoration time estimates in blue sky conditions, giving customers the best available information regarding when their power will be restored.
T&D-33	Real Estate Strategy	\$100,000	Requires PSEG Long Island to execute the long-term strategy for LIPA's real estate and facility assets in accordance with the LIPA Board recommendations related to Real Estate Management.
T&D-34	Construction – Quality and Timely Completion of Project Justification Descriptions (PJDs)	\$200,000	Requires PSEG Long Island to provide timely and complete project justifications for each capital project and program for LIPA review and approval.
T&D-35	Construction – Project Milestones Achieved	\$200,000	Requires PSEG Long Island to complete a minimum of 85% of capital projects on time in accordance with the project milestone schedule, which is an improvement over the 3-year average performance.
T&D-36	Construction – Cost Estimating Accuracy	\$200,000	Requires PSEG Long Island to complete a minimum of 85% of capital projects at the estimated cost, which is an improvement over the 3-year average performance.
T&D-37	Completion of Program Planned Units Per Workplan	\$400,000	Requires PSEG Long Island to complete all units budgeted in the construction program.

T&D-38	Program Unit Cost Variance	\$200,000	Requires PSEG Long Island to complete all units budgeted in the construction programs within budget.
T&D-39	Project Completion Consistent with Project Design	\$100,000	Requires PSEG Long Island to manage capital projects completions such that they meet the approved design.
T&D-40	Double Wood Pole Reduction	\$50,000	Requires PSEG Long Island to maintain the backlog of double wood poles identified in the National Joint Utilities Notification System (NJUNS) at no higher than the 2021 year-end result.
	Compensation at Risk Based on Performance	\$8,000,000	

FIGURE 16: INFORMATION TECHNOLOGY METRICS

ID	METRIC	AT RISK COMPENSATION	METRIC OBJECTIVE & DELIVERABLES
INFORMATION TECHNOLOGY – ORGANIZATIONAL PERFORMANCE			
IT-1	Organizational Maturity Level – Doing	\$250,000	Requires PSEG Long Island to improve its IT Organizational Maturity to Level 3 in the ‘Doing’ Category of the Capability Maturity Model Integration (CMMI) model within one year. This improves the capabilities of IT staff to implement IT projects.
IT-2	Organizational Maturity Level – Managing	\$500,000	Requires PSEG Long Island to improve its IT Organizational Maturity to Level 3 in the ‘Managing’ Category of the CMMI within one year. This improves the capabilities of IT staff to manage IT projects.
IT-3	System Resiliency	\$400,000	Requires PSEG Long Island to complete a well-designed and robust IT System Resiliency Plan that includes thoroughly exercised Disaster Recovery and Business Continuity Plans for all critical systems/processes.
IT-4	System and Software Lifecycle Management	\$300,000	Requires PSEG Long Island to maintain and upgrade all IT and operational technology assets managed on behalf of LIPA, including computers, communications equipment, networking equipment, hardware, software, and storage systems, to be within their active service life and under general support from the product vendor.

IT-5	System Implementation – 2022 Budget Projects	\$800,000	Requires PSEG Long Island to implement 21 major IT system projects within industry standards for cost and timeliness, including a GIS long-term roadmap, DER Visibility Project, ADMS long-term roadmap, Long Island Choice and other billing system changes, and an enterprise time and attendance system.
IT-6	System Implementation – Board PIPs	\$500,000	Requires PSEG Long Island to implement 9 major IT system projects related to recommendations adopted by the LIPA Board of Trustees within industry standards for cost and timeliness, including the Outage Management System projects, a strategic plan for outage reporting and communications, and developing a data access and analytics platform.
IT-7	System Segregation	\$250,000	Requires PSEG Long Island to plan for and separate LIPA IT systems from PSEG New Jersey systems.
	Compensation at Risk Based on Performance	\$3,000,000	

FIGURE 17: POWER SUPPLY & CLEAN ENERGY PROGRAMS METRICS

ID	METRIC	AT RISK COMPENSATION	METRIC OBJECTIVE & DELIVERABLES
POWER SUPPLY PROGRAMS			
PS-1	Long Range Planning Studies – Integrated Resource Plan (IRP)	\$375,000	Requires PSEG Long Island to complete, per an agreed upon scope and schedule, deliverables associated with the development and issuance of the IRP.
PS-2	Long Range Planning Studies	\$500,000	Requires PSEG Long Island to improve its IT Organizational Maturity to Level 3 in the 'Managing' Category of the CMMI within one year. This improves the capabilities of IT staff to manage IT projects.
CLEAN ENERGY PROGRAMS			
CE-1	Energy Efficiency Plan Savings	\$200,000	Requires PSEG Long Island achieve the Energy Efficiency Plan targets in the Utility 2.0 filing.
CE-2	Utility 2.0 – Distributed Energy Resources (DER) Hosting	\$150,000	Requires PSEG Long Island to complete the hosting capacity study proposed in the Utility 2.0 filing.
CE-3	Beneficial Electrification – Building Electrification	\$200,000	Requires PSEG Long Island to achieve Beneficial Electrification targets in the Utility 2.0 filing, including: Energy Efficient Products, Home Comfort, REAP (Low-Income), and Home Performance.
CE-4	Electric Vehicle (EV) Make-Ready	\$100,000	Requires PSEG Long Island to achieve the EV Make-Ready targets in the Utility 2.0 filing to accelerate development of EV charging stations.
CE-5	Distributed Energy Resources (DER) Interconnection Process	\$200,000	Requires PSEG Long Island to improve the DER interconnection process pursuant to LIPA Board-adopted recommendations.
CE-6	Time-of-Use (TOU) Pricing Pilots – Heating and Large Commercial	\$200,000	Requires PSEG Long Island to complete development of TOU Pricing Options for space heating and large commercial customers.
CE-7	TOU Pricing Pilot – Year 1 Marketing	\$200,000	Requires PSEG Long Island to engage and enroll 12,000 new customers in new TOU optional pricing plans.
	Compensation at Risk Based on Performance	\$2,000,000	

FIGURE 18: CUSTOMER SERVICE METRICS

ID	METRIC	AT RISK COMPENSATION	METRIC OBJECTIVE & DELIVERABLES
CUSTOMER SERVICE			
CS-1	Delivery of Strategic Customer Projects	\$500,000	Requires PSEG Long Island to implement seven strategic customer projects to improve the customer contact and billing experience and drive top 25% utility performance, including implementing smart meter features, upgrading credit card vendors, enhancing the mobile app, and enhancing text messages of outage information.
CS-2	J.D. Power Residential Customer Survey	\$200,000	Requires PSEG Long Island to improve customer satisfaction for residential customers, as measured by the J.D. Power Residential Customer Survey, to 3rd quartile by 2022 year-end.
CS-3	J.D. Power Business Customer Survey	\$200,000	Requires PSEG Long Island to improve customer satisfaction for business customers, as measured by the J.D. Power Business Customer Survey, to 3rd quartile by 2022 year-end.
CS-4	Customer Information System (CIS) Modernization – Phase 1	\$600,000	Requires PSEG Long Island to plan for and deploy a new, flexible, modern CIS capable of effective and efficient customer transactions, billing, and customer services.
CS-5	Customer Transactional Performance	\$400,000	Requires PSEG Long Island to develop new customer transaction surveys to improve the satisfaction and cost of five (5) common customer transactions.
CS-6	Billing – Eliminate Long Term Estimates (LTEs) – Inactive Accounts	\$100,000	Requires PSEG Long Island to reduce the number of inactive accounts receiving estimated bills for more than 5 months by 90% and maintain accurate billing records.
CS-7	Billing – Eliminate LTEs – Active Accounts	\$100,000	Requires PSEG Long Island to reduce the number of active customers receiving estimated bills for more than 3 months by 80%.
CS-8	Unauthorized Use / Advanced Consumption Resolution	\$100,000	Requires PSEG Long Island to reduce by 75% the number of unauthorized use of service cases in a timely manner and in compliance with the rules.
CS-9	Billing Exception Cycle Time	\$200,000	Requires PSEG Long Island to render 95% of customer bills within 3 days of the scheduled date, representing an improvement over the 3-year average of 88%.

CS-10	Billing – Cancelled Rebill	\$200,000	Requires PSEG Long Island to provide an accurate bill to the customer the first time, not requiring a subsequent adjustment, by reducing cancelled rebills by approximately 23%.
CS-11	Contact Center Service Level with Live Agent Calls	\$175,000	Requires PSEG Long Island to answer 80% of calls with a live agent within 30 seconds during blue sky days and within 90 seconds during storms. This is 2% better than the 3-year average performance.
CS-12	Customer Email Closure Rate	\$75,000	Requires PSEG Long Island to answer 70% of emails within 24 hours, an increase from historical average performance of 42%.
CS-13	First Call Resolution (FCR)	\$100,000	Requires PSEG Long Island to resolve at least 80% of calls on the first call, despite higher expected call volume in 2022.
CS-14	Net Write-Offs (Per \$100 Billed Revenue)	\$250,000	Requires PSEG Long Island to maintain the bad debt written off for the year below 0.77%. This metric was impacted by the COVID-19 moratorium in 2020 and 2021.
CS-15	Accounts Receivable Aging > 90 Days Past Due (AR>90)	\$300,000	Requires PSEG to reduce the % of total receivables that are past due more than 90 days below 30.25%. This metric was impacted by the COVID-19 moratorium in 2020 and 2021.
CS-16	Days Sales Outstanding (DSO)	\$200,000	Requires PSEG Long Island to reduce the days of revenue billed but not yet collected to 39.9 days. This metric was impacted by the COVID-19 moratorium in 2020 and 2021.
CS-17	Low to Moderate Income (LMI) Program Participation	\$100,000	Requires PSEG Long Island to increase participation in the low-income rate discount program by 34% over the 3-year average to improve affordability for vulnerable customers.
CS-18	LMI Program Participation – Automation	\$100,000	Requires PSEG Long Island to improve the ease of enrollment in the low-income rate discount program by automatically enrolling categorically eligible customers.
CS-19	DPS Customer Complaint Rate	\$100,000	Requires PSEG Long Island to perform within the top quartile of its peer group for initial complaints made to the DPS to measure whether customer concerns are effectively handled.
	Compensation at Risk Based on Performance	\$4,000,000	

FIGURE 19: BUSINESS SERVICES METRICS

ID	METRIC	AT RISK COMPENSATION	METRIC OBJECTIVE & DELIVERABLES
BUSINESS SERVICES – RISK MANAGEMENT			
ERM-1	Enterprise Risk Management (ERM) Report	\$150,000	Requires PSEG Long Island to develop a comprehensive ERM report that documents the identification and management of the most high-priority risks across the organization that could impede the achievement of business goals and objectives.
ERM-2	ERM Key Risk Indicators (KRIs)	\$150,000	Requires PSEG Long Island to develop a proof-of-value pilot on KRIs for select high-priority risks. This pilot will enable more proactive monitoring of risks and provide early indicators when management action is warranted.
BUSINESS SERVICES – HUMAN RESOURCES			
HR-1	Employee Engagement — Participation Rate	\$100,000	Requires PSEG Long Island to achieve an employee participant rate increase above the 2021 rate by $\geq 15\%$ for Union employees and, maintain a participation rate of 78% or better for MAST employees.
HR-2	Employee Engagement — Score	\$200,000	Requires PSEG Long Island to improve the employee rating scores in six key areas by 4% year-over-year on the annual Employee Engagement Survey. The Engagement Survey results drive initiatives to attract and retain a motivated workforce.
HR-3	Full Time Vacancy Rate	\$200,000	Requires PSEG Long Island to maintain an annual vacancy rate of no greater than 5% overall and no greater than 7% in IT. This metric requires delivering an approximate decrease in vacancy of 3% in Business Services, 34% in Customer Service, and 35% in IT from June 2021 levels.
BUSINESS SERVICES – PERFORMANCE MEASUREMENT & ADMINISTRATION			
PMA-1	Contract Administration Manual (CAM) Completion	\$50,000	Requires PSEG Long Island to complete drafts and expedite reviews of the CAM. Completed CAMs will improve day-to-day coordination and communication between LIPA and PSEG Long Island on operational processes.

BUSINESS SERVICES – BUDGETS

BGT-1	Affiliate Cost Benefit Justification	\$250,000	Requires PSEG Long Island to justify the use and cost of work done on Long Island by NJ-based PSE&G affiliates. This initiative provides a framework to more closely examine the use of affiliates compared to alternative methods of providing the same service. If an alternative method is determined to be more cost-effective or to provide higher quality, this metric requires the development of an implementation plan resulting in savings or greater value to Long Island customers.
BGT-2	Capital Project Impact Analysis	\$100,000	Requires PSEG Long Island to provide an analysis of the full range of costs and benefits for significant capital projects. LIPA invests over \$700 million on capital projects per year. Many of these projects are large, in excess of \$25 million, and can result in ongoing operating costs and benefits. The objective of this metric is ensure that the promised financial and operational benefits are identified upfront and realized.

BUSINESS SERVICES – ACCOUNTING

ACC-1	Substation Property Tax Report	\$150,000	Requires PSEG Long Island to develop the first Substation Valuation Report on 120 substations, comparing assessed values to actual values for tax purposes.
ACC-2	Substation Property Tax Module Plan	\$50,000	Requires PSEG Long Island to research and map an additional 45 substations for future annual Substation Valuation Reports.

BUSINESS SERVICES – RATES & TARIFFS

RT-1	Long Island Choice Reform	\$150,000	Requires PSEG Long Island to implement the reforms of the Long Island Choice program that were recommended by DPS and adopted by the LIPA Board.
RT-2	Advanced Metering Infrastructure (AMI) Fees	\$100,000	Requires PSEG Long Island to implement accurate and timely billing of AMI fees associated with the substantial completion of AMI deployment.

BUSINESS SERVICES – LEGAL SERVICES

LEG-1	Information Request (IR) Responses	\$150,000	Requires PSEG Long Island to respond to at least 90% of IRs from LIPA and DPS within 10 days.
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LEG-2	Legal Staffing	\$150,000	Requires PSEG Long Island to implement the results of a LIPA study of the staffing of its legal department, to ensure adequate staffing of attorneys and paralegals to effectively carry out PSEG Long Island's obligations on behalf of LIPA.
LEG-3	Contractor Performance Evaluation System	\$250,000	Requires PSEG Long Island to implement a contractor evaluation system to ensure LIPA is benefitting from suppliers who have demonstrated experience in cost controls, performance, quality, risk management, and collaborative efforts to promote innovation and transformation.
BUSINESS SERVICES – EXTERNAL AFFAIRS & COMMUNICATIONS			
E&C-1	Government & Legislative Affairs	\$100,000	Requires PSEG Long Island to develop a system to ensure the impact of proposed legislation on customers is effectively monitored.
E&C-2	Capital Project Outreach	\$200,000	Requires PSEG Long Island to deploy a survey to evaluate capital project outreach and implement process improvements.
E&C-3	Customer Segmentation and Consumer Priorities	\$100,000	Requires PSEG Long Island to develop targeted marketing and communications to drive measurable increases in program awareness of the household assistance rate, digital payments, and pay station payments and use customer segmentation to improve future marketing.
E&C-4	Reputation Management – Positive Media Sentiment	\$100,000	Requires PSEG Long Island to achieve at least 28% positive sentiment in media stories as measured by an independent third-party evaluation.
E&C-5	Reputation Management – Share of Voice	\$100,000	Requires PSEG Long Island to achieve at least 50% "share of voice" in media during storms and emergency events.
E&C-6	Social Media Engagement and Response Rate	\$200,000	Requires PSEG Long Island to respond to 90% of social media inquiries related to personal health and safety with a live agent within 2 hours on blue sky days and 80% within 3 hours during major storms. Requires 90% of all other inquiries to be responded to with a live agent within 4 hours on blue sky days and 80% within 5 hours during major storms.
	Compensation at Risk Based on Performance	\$4,000,000	



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