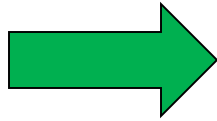
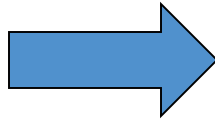


# 2021 KPIs



- System Average Interruption Duration Index (SAIDI)
- Radio SAIDI
- Telecommunication Transport SAIDI
- Increase Revenues
- Reduce Revenue Requirement
- Capital Budget Performance



- Sustained Forced Outages
- Compliance
- At Fault Vehicle Accident Rate
- OSHA Lost Time Incident Rate
- Operating Costs to Budget
- Reduce Operating Budget

**Pending Corporate Performance Rating – 1.27**

# Proposed 2022 KPIs

## Safety

- At Fault Vehicle Accident Rate
- Safety Leading Indicators**

## Reliability

- System Average Interruption Duration Index (SAIDI)
- Sustained Forced Outages**

## Compliance

- Compliance

## Financial

- Capital Budget Performance
- Operating Costs to Budget
- Reduce Operating Budget** (strategic KPI)
- Increase Revenues** (strategic KPI)
- Reduce Revenue Requirement** (strategic KPI)

## Innovation & DEI

- Innovation**
- DEI**

- **Blue** indicates new KPI for 2022
- **Red** indicates update to the KPI

# Safety

Title	Measured Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
<b>Safety Leading Indicators</b>	1. Safety related items identified annually and entered into the Learning Opportunity Process, and correction of any safety deficiencies found.	Value	25	30	40
	2. Completion of safety training assigned in VELCO Learns by due date*	Percent (%)	90	95	100
	3. Development of company-wide safety management strategy by the VELCO Safety Advisory Committee <ul style="list-style-type: none"> <li>a. Incorporation of safety related lessons learned and corrective actions from the Learning Opportunity program into the Company safety manual, written programs or policies</li> <li>b. Expand the existing safety audit &amp; observation program to other departments within the company.</li> </ul> <p>*employees are assigned annual safety training assignments in VELCO Learns based on role &amp; responsibility, due dates are indicated upon assignment. All safety trainings assigned must be completed even if past due date. Exemption for employees on FMLA or extended leave (2 weeks or more)..</p>	&  Percent (%)  &  Percent (%)			a. 100 & b. 100

# Safety

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
At Fault Vehicle Accident Rate	<p>Number of recordable at fault accidents (accident must be on a public thoroughfare and written police report) for all VELCO vehicles driven at anytime and all personal vehicles driven for work-related business. (Two year rolling)</p> <p>Exemption: total damage is less than \$3000 (including all vehicles involved and physical property damage) AND no injuries to anyone involved. These will not count toward KPI</p> <p>Target is 1 with condition met Condition: if an At Fault Vehicle Accident has occurred - annually 100% employee participation in driver safety training course, presentation or on-line training.</p> <p>To determine the status enter 0.9 if the condition is met for target</p>	Value	1	0.9	0

# Reliability

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
SAIDI	System Average Interruption Duration Index describes transmission's contribution to outage duration for the average distribution customer. This measurement considers sustained outages which are those lasting longer than five (5) minutes.	Value	5	3	1
Sustained Forced Outages	Forced loss of use of VELCO Transmission Lines regardless of loss of customers and are equal to or greater than 5 minutes in duration per 100 VELCO CKT Miles.  <b>(revision to definition of SFO to note that an event can interrupt one or more VELCO owned and operated transmission lines.)</b>	Value	1.3	0.9	0.5

# Compliance & Capital Budget

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
Compliance	Number of Material non-compliance violations (# of internally reported and remediated possible non-compliance violations) - (# of material non-compliance violations)	Value	-2	0	1
Capital Budget Performance	<p>Overall Capital budget performance for <b>2022</b> compared to the budget established in <b>2021</b>, adjusted with scope change, approved by management.</p> <p>The values entered should be the variances, ie Threshold is +/- 15%, Target is +/- 10% and Distinguished is +/- 5%.</p>	Percent (%)	15	10	5

# Financial

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
Operating Costs to Budget	Actual O&M and A&G performance for <b>2022</b> compared to budget established in <b>2021</b> .	Percent (%)	105	100	95
Reduce Operating Budget	<p>Maintain a level operating budget (net of administrative and payroll overhead) for <b>2023</b>, compared to <b>2022</b> budget of <b>\$38.08m</b></p> <p>Threshold is at the <b>\$38.08m</b> + CPI-U, Target being 1% below Threshold, Distinguished being 2% below Threshold</p>	Percent (%)	0	-1	-2

# Financial

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
Increase Revenues	<b>2022</b> revenues from non-utility operations (FERC account 417)	Values in \$K	<b>1,710</b>	<b>1,956</b>	<b>2,445</b>
Reduce Revenue Requirement	<b>2022</b> reduction in revenue requirement from utility operations  NOTE: Defined as 451 and 454 revenue excluding SPA and ShPA	Values in \$K	<b>885</b>	<b>913</b>	<b>940</b>



# Innovation & DEI

Title	Measure Definition	Unit of Measure	Threshold Value	Target Value	Distinguished Value
<b>Innovation</b>	The Company's innovation KPI will measure the number of innovations that are implemented or earn inclusion in the Company's capital investment and/or operations plans, or results in a demonstrably valuable, replicable tool or insight.	Value	2	3	4
<b>DEI</b>	<ol style="list-style-type: none"> <li data-bbox="355 751 935 831">1. Number of employee trainings on DEI</li> <li data-bbox="355 888 935 1011">2. Adoption of corporate and board governance statements on DEI (target)</li> <li data-bbox="355 1068 935 1190">3. Development of longer term plan on DEI (Transform Team work) (distinguished)</li> </ol>	Value & Percent (%) & Percent (%)	2	3  100	4  100  100