

SERVICE QUALITY & RELIABILITY PERFORMANCE, MONITORING & REPORTING PLAN Village of Jacksonville Electric Company

Section I: General Provisions

- 1) The purpose of this Plan is to establish performance standards, and performance monitoring and reporting for electric service provided by the Village of Jacksonville Electric Company ("Jacksonville"). The Plan shall be referred to throughout this document as the "Plan."
- 2) The parties to this Plan are Jacksonville and the Vermont Department of Public Service ("DPS").
- 3) Section II of the Plan establishes the measurement and reporting protocols for the performance standards, as well as definitions. Section III of the Plan establishes minimum performance standards in each performance area. Section IV of the Plan describes service guarantees and Section V describes service quality compensation.
- 4) The Plan shall remain in effect from the beginning of the first quarter following approval by the Vermont Public Service Board ("PSB") until modified by subsequent Board order. The parties agree that they will review the Plan after it has been in effect for one year and every two years thereafter to determine the need for any modifications of measurements or performance levels. Either party may petition the Board for modifications of measurements or performance levels at any time during the life of the Plan.
- 5) Nothing in this Plan shall preclude the use of any other remedies available under law for addressing substandard performance to the degree that such performance has not already been addressed under the provisions of this Plan.
- 6) In the event that Jacksonville opens its territory to retail choice during the life of this Plan, the parties acknowledge additional and/or different standards may be necessary to monitor service delivery changes attendant to restructured service delivery. Jacksonville shall negotiate with the DPS additional standards should the need arise. Modifications to the Plan under this paragraph shall be submitted to the PSB for approval.
- 7) In addition to the performance standards and measurements set forth in this document, Jacksonville agrees to the following time frames for response to consumer and regulatory complaints:
 - a) Jacksonville shall provide a substantive response to consumer complaints expressed directly to the company within 14 calendar days of receipt by any method of contact.
 - b) Jacksonville shall provide a substantive response to consumer complaints from DPS within 14 calendar days.
 - c) If Jacksonville needs additional time to respond fully to a complaint from a consumer or from DPS, Jacksonville shall, within the initial 14-day period, request a specific

additional time for response and shall provide a full resolution within the requested additional time.

Section II: Measurement, Reporting Protocol, and Definitions

- 1) This is the successor plan submitted by Jacksonville .
- 2) Reporting periods shall be calendar quarters, with quarterly reports submitted to the DPS and the Board by the last day of the month following the end of each quarter, except for the standards in Paragraph III.6, and III.7, which shall be reported annually on a calendar year basis by January 31 of the following year.
- 3) Except as provided in Paragraph II.2, performance results shall be aggregated monthly and quarterly, and shall be reported quarterly to the DPS and the PSB. The parties shall jointly develop an electronic reporting format.
- 4) Quarterly reports shall include both monthly and quarterly averages. Quarterly averages shall be derived from raw data, not by averaging monthly averages.
- 5) Achievement of minimum standards shall be determined on the basis of a 12-month calendar year average. A minimum performance standard shall be considered met if the 12-month calendar year average upon the anniversary of the effective date of the Plan met or was below the standard.
- 6) Notwithstanding Paragraph 5, where quarterly performance falls more than ten percent worse than any standard, or where performance does not meet any standard for two consecutive quarters, Jacksonville shall, within 30 days of the end of the quarter in which this provision is triggered, submit a corrective action Plan indicating how it will remedy the failed standard.
- 7) Performance shall be evaluated and reported to one decimal place for all performance areas unless otherwise specified. Actual performance shall be rounded up when the second decimal place is 5 or more. Jacksonville will retain all of its reports that support the results for each of the performance areas for a period of not less than 24 months after the results are reported. Jacksonville will provide these reports upon request to DPS.
- 8) Jacksonville will review with the DPS any change to Jacksonville's measurement protocol or to the internal reporting methods that are used to obtain the data measured prior to Jacksonville 's implementation of such changes. If the DPS and Jacksonville are unable to agree on the changes requested, nothing in this Plan shall preclude DPS or Jacksonville from seeking appropriate relief from the PSB. Jacksonville shall have an affirmative duty to report missing data or other events that could reasonably affect the quality of the data at the time Jacksonville becomes aware of such events. Any data related to the Plan reported to DPS that reflects significantly altered measurement procedures or internal data acquisition methods that have not been agreed to between Jacksonville and DPS shall be subject to challenge and potential exclusion from results.

- 9) Jacksonville may seek a waiver of any applicable performance standard from the PSB. A waiver may only be granted where the circumstances causing the failure were beyond Jacksonville's direct control, and Jacksonville can demonstrate that its level of preparedness and response was reasonable in light of the cause of the failure.

10) Definitions:

- a) Disconnect/Reconnect: Electric power in a location must temporarily be disconnected and reconnected at the customer's request. The physical disconnection of the electric service cable is usually to ensure safety during work being completed at the location.
- b) Escalation: An escalation is a complaint to Jacksonville or to DPS in which, following investigation, it is determined there is something Jacksonville reasonably could or should have done to satisfy the consumer and thereby prevent the complaint from arising and is not contrary to any filed tariff. Each party's discretion shall determine whether or not a complaint to it is classified as an escalation.
- c) New Line Extensions: Any installation for the purposes of servicing new customer(s) that triggers Jacksonville's line extension tariff and there is a payment by the customer for "Contributions in Aid of Construction."
- d) New Service: A primary circuit exists and only a transformer and/or a secondary cable are needed to be installed and the installation does not trigger Jacksonville's line extension tariff.
- e) Normal Business Hours: "Normal business hours" are 9:00 a.m. to 4:00 p.m. Monday through Thursday excluding days on which legal holidays are observed and Jacksonville is closed to routine business operations.
- f) Street Light Maintenance: Jacksonville makes repairs to Jacksonville-owned street and security lights.
- g) Street Light New Installation: Jacksonville installs Jacksonville-owned street and security lighting at the request of a customer and the approval of the Jacksonville Board of Trustees.
- h) Temporary Service: A secondary service is installed for a customer-specified period of time. Primary conductors exist to the site.
- i) Weather-related delays: These are the delays that are included in the "not ready" exclusions described in the work completion performance measure (Section III, Paragraph 4). Weather-related delays shall also include: periods when roads are impassable to company vehicles following heavy rain, snow or spring thaw conditions; and unavailability of company personnel as a result of service restoration efforts due to inclement weather.

Section III: Performance Standards

1) Call answer performance:

Since Jacksonville does not have an automated call administration system (ACD) and/or computerized call answering record keeping system, customer service call answering performance will be measured based on consumer complaints. Consumer complaints to DPS, determined after investigation to be "escalations", in which the consumer complains that he or she could not reach Jacksonville shall not exceed one per year. Should Jacksonville obtain an ACD or computerized call answering system, or should its customer base exceed 10,000 during the duration of this SQRP, Jacksonville shall notify the DPS of its change in status within 30 days of such change and shall adhere to a performance level of at least 75 percent of calls during business hours answered within 20 seconds. Such complaints will exclude escalations caused by storms or other wide-spread outages

2) Billing performance measures:

- a) **Percentage of bills not rendered monthly:** Percentage of bills not rendered within seven days of the scheduled billing date. Performance shall be calculated as follows:

$$\frac{\text{Number of bills not rendered within seven days of the scheduled billing date}}{\text{Total number of bills scheduled to be rendered}}$$

Exclusions: The measurement will exclude accounts that were activated within 10 days prior to the normal billing cycle; accounts that are scheduled to receive a final bill within 10 days after the normal billing cycle; company use accounts.

Performance measure: $\leq 1.0\%$

Source of data: Data compiled from Jacksonville's Customer file. Results shall be reported to the second place.

- b) **Bills found inaccurate:** Percentage of bills found inaccurate after being sent to customers, brought to Jacksonville's attention either as a result of customer complaints and/or by the company's own efforts. Performance shall be calculated as follows:

$$\frac{\text{Number of bills rendered inaccurately for the month}}{\text{Total number of bills rendered for the billing month}}$$

Exclusions: This standard does not include bills found to be inaccurate strictly as a result of estimation, bills where the inaccuracy does not effect the calculation of the bill, or where the fault does not lie with the company (i.e. mixed meters due to erroneous customer third-party install). Multiple bills for a customer that are caused by the same error shall be counted as one incident.

Performance measure: $\leq 1.0\%$

Source of data: Data compiled from Jacksonville's Customer file.

- c) **Payment posting complaints:** Percentage of customers filing complaints ultimately classified as escalations to Jacksonville or to DPS concerning the posting of their payments to their accounts. Performance shall be calculated as follows:

$$\frac{\text{Number of customers complaining about payment posting}}{\text{Total number of customers}}$$

Performance measure: $\leq 0.05\%$

Source of data: Data compiled from Jacksonville's Customer file.

3) **Meter reading performance measures:**

- a) **Percent of actual meter readings per month:** Percentage of meters not read each month in relation to the number that were scheduled to be read. Performance shall be calculated as follows:

$$\frac{\text{Number of meter readings not read}}{\text{Number of meter readings scheduled}}$$

Performance measure: $\leq 10.0\%$

Source of data: Data compiled from Jacksonville's Customer file. Standard shall be measured and reported to the first decimal place.

4) **Work completion performance measures:**

- a) **Percentage of customer requested work not completed on or before promised delivery date:** The percentage of jobs resulting from customer requests for meter related or other customer requested work that are completed on or before the promised completion date. Performance shall be calculated as follows:

$$\frac{\text{Number of jobs not completed on or before promised delivery date}}{\text{Total number of jobs promised complete in reporting month}}$$

Exclusions: When an event outside of Jacksonville's control occurs resulting in the work not being completed as promised, Jacksonville will renegotiate the promised delivery date with the customer. These events include but are not limited to the following: meter socket not installed correctly; energizing permit not issued; customer site work or tree trimming not completed; customer underground conduit/trenching not completed; and weather-related delays. Renegotiated jobs will be reported as "completed on or before" based on the new renegotiated date, not the original date.

Inclusions: “Seal-outs” and “check readings” completed by the end of the promised day; new service; disconnect/reconnect; new street/security light installation; street/security light maintenance; and temporary service connections.

Performance measure: $\leq 5.0\%$

Source of data: Manual records retained at the Jacksonville’s Utility Office.

- b) **Average number of days after the missed delivery date:** Average number of days after the missed delivery date in which Jacksonville was to complete meter related or other customer-requested work. Performance shall be calculated as follows:

$$\frac{\text{Total days of delay}}{\text{Total number of delayed jobs in the reporting month}}$$

Exclusions: When an event outside of Jacksonville’s control occurs resulting in the work not being completed as promised, Jacksonville will renegotiate the promised delivery date with the customer. These events include but are not limited to the following: meter socket not installed correctly; energizing permit not issued; customer site work or tree trimming not completed; customer underground conduit/trenching not completed; and weather-related delays. Renegotiated jobs will be reported as “completed on or before” based on the new renegotiated date, not the original date.

Inclusions: “Seal-outs” and “check readings” completed by the end of the promised day; line extensions; new service; disconnect/reconnect; new street/security light installation; street/security light maintenance; and temporary service connections.

Performance measure: ≤ 5 days

Source of data: Manual records retained at the Jacksonville’s Utility Office

5) **Rate of complaints to DPS/Consumer Affairs:**

Percentage of customers who file complaints with DPS that are ultimately classified as escalations following investigation. Performance shall be calculated as follows:

$$\frac{\text{Number of escalations}}{\text{Total number of customers}}$$

Performance measure: $\leq 0.07\%$, minimum threshold of 2 customers

The DPS Consumer Affairs Division compiles this data, and when appropriate, the data is forwarded to Jacksonville.

6) **Reliability performance measures:**

- a) **System average interruption frequency (SAIFI):** This standard is defined in Public Service Board Rule 4.901 and shall be established for the system as a whole.

Performance measure: Jacksonville's baseline measure for SAIFI is 2.4.

- b) **Customer average interruption duration ("CAIDI"):** This standard is defined in Public Service Board Rule 4.901 and shall be established for the system as a whole.

Performance measure: Jacksonville's baseline measure for CAIDI is 3.0.

- c) **Worst-Performing Areas:** For each calendar year, Jacksonville shall identify the areas on its system where most outages occur, assess the underlying cause for each outage, and institute economically feasible action plans or activities to improve the reliability of these areas in accordance with Public Service Board Rule 4.903. All areas where action plans or activities have been instituted shall be monitored each year, over a five-year period, to determine the effectiveness of the improvement measures and to identify further measures that may be required.

- d) **Major Storms:** Calculation of all SAIFI and CAIDI indices shall be net of outages caused by major storms. A major storm is defined as a severe weather event that satisfies the following criteria:

1. More than 10% of the customers in a service territory are out of service due to the storm or the storm's effects; and
2. At least 1% of the customers in the service territory are out for at least 24 hours.

Section IV: Service Guarantees

- 1) Jacksonville shall offer the following service guarantees subject to Board approval of necessary tariff amendments:
- a) **Line Crew Appointments:** In the case where an appointment for a line crew is made to do work at a customer premise, Jacksonville shall provide a credit of \$5.00 if the crew does not show up within a 2-hour window of the time the work was scheduled, or by the end of the agreed day if no appointment time was scheduled.
 - b) **Meter work:** Jacksonville shall provide a credit of \$5.00 to any customer whose meter work order is not completed within 2 business days of the promised delivery date on the service order.
 - c) **Delay days:** Jacksonville shall provide a credit of \$5.00 to any customer whose line work is not completed within 5 business days of the promised delivery date assuming the customer has met his or her requirements and is ready. This includes: line extensions; new service; disconnect/reconnects; new street/security light installations; street/security

light maintenance; and temporary service connections. Any work that is compensated under paragraph c or d above shall not be eligible for this credit.

2. All credits owed to members as a result of Jacksonville's failure to meet the time lines described above in paragraph 1 will automatically be credited without the customer having to notify Jacksonville. In the event a customer who is due a credit no longer has an account with Jacksonville at the time Jacksonville determines a credit is due, Jacksonville shall mail a check for the credit amount to the customer's last known address. All unclaimed funds will follow legal requirements regarding abandoned property.
3. Service guarantees that are not met as a result of weather-related delays, defined in Section II.10.i., will not be eligible for this program.

In addition to the above Service Guarantees, Jacksonville offers to implement its proposed amendment regarding the provision of service quality performance information to its customers and governing body as provided in item 4), 5) and 6) below.

- 4) Upon approval of the Plan by the Board, Jacksonville will notify, in writing, all ratepayers in its service territory, that the municipal has a Service Quality and Reliability Plan. The notice will describe the purpose and general detail of the Plan.
- 5) During the first meeting of the Jacksonville's governing body that follows the quarterly filing of the SQRP report to the Department and the Board, the utility will present that report for review and discussion.
- 6) Jacksonville's Annual Report will contain a section about Service Quality and Reliability where the annual SQRP report to the Department and the Board will be published.

Section V: Service Quality Compensation

- 1) Failure to meet the standards in performance areas III.3, III.5, and III.6.a&b shall result in the calculation of service quality points.
- 2) Attachment A sets forth which performance measures are subject to calculation of service quality compensation points. Points are assigned for areas subject to service quality compensation based on actual performance during the 12-month reporting period. Actual performance shall be compared to the performance measure. The deviation of the actual performance compared to the performance measure is expressed as a percent deviation from the performance measure. This percent deviation shall be expressed as points by multiplying the percent (as expressed as a decimal) by 100 so that each point equals one percent deviation from the baseline. No points are assigned if Jacksonville achieves results equal to or better than the performance measure. When Jacksonville performs worse than the performance measure, the applicable points are calculated for each performance measure and totaled. The total of these points is referred to as "service quality compensation points."

- 3) A dollar amount will be assigned to service quality compensation points as shown in Attachment B. Service quality compensation dollars are assessed on a sliding scale up to a maximum one year total of 0.1% of Jacksonville's annual revenues for the 12-month reporting period. For 2005, the estimated amount at risk would be \$716 for a maximum of 150 service quality compensation points. The actual amount at risk shall be calculated each year and reported as a part of reporting described in paragraph V.6 below.
- 4) Service quality compensation points are divided into two categories. Sixty percent, or 90 points, are allocated to the reliability measures (III.6.a&b) (30% to SAIFI and 30% to CAIDI). The remaining 60 points are allocated to the remaining measures for which points are assessed (III.3, and III.5) (20% to meter reading performance measures and 20% to rate of complaints to the DPS).
- 5) A dollar amount is assigned to each service quality compensation point within a range in its category. The service quality compensation dollars are calculated incrementally, that is, service quality compensation dollars are calculated first at the bottom tier for the applicable service quality compensation points. The next range of points is multiplied by the next highest dollar amount. The first 20 points in the reliability category are worth nothing per point.
- 6) Service quality compensation dollars shall be paid to community service activities. Jacksonville shall propose at the time of its quarterly filing in the month following the anniversary date of the Plan a calculation for the amount of service quality compensation points to be paid. Jacksonville shall also propose at the time of its annual service quality filing the manner of communication to its customers concerning its service performance for the prior twelve (12) month period. The manner of communication shall include a report of results and an explanation of service quality compensation to be paid, if any. In the event service quality compensation is due, communication shall include a stand-alone letter or notice that may be stuffed in bills or mailed separately.
- 7) The service quality compensation dollars paid shall be offset by any dollars paid to customers through the service guarantees in Section IV.
- 8) The DPS shall file any objection to the service quality compensation calculation and manner of customer communication within 30 days after Jacksonville files its proposal. If the Department files no objection within 30 days, and the Board takes no action within 60 days, the filing will be deemed accepted and approved. If the DPS files a timely written objection, the Board will proceed to resolve the dispute.
- 9) If in any year the Company meets all baselines and produces results 10 percent better than each of performance measures III.3., III.5., III.6.a&b requires, Jacksonville may carry over a balance of -25 service quality compensation points that may be deducted from any points earned in the following year.

**Attachment A: Performance Areas and Associated Baseline Standards
for Calculation of Service Quality Compensation Points
Village of Jacksonville Electric Company Successor Service Quality & Reliability Plan**

	<u>Call Answer Performance</u>	<u>Performance Measure</u>	<u>Service Quality Compensation Points</u>	<u>Service Guarantees</u>
1a	No more than 1 complaint per year of difficulty reaching a rep	<= 1	No	No
	<u>Billing performance</u>			
2a	Bills not rendered monthly	<= 1.00%	No	No
2b	Bills found inaccurate	<= 1.00%	No	No
2c	Payment posting complaints	<= 0.05%	No	No
	<u>Meter Reading Performance</u>			
3	Meters not read	<= 10.0%	Yes	No
	<u>Work Completion Performance</u>			
4a	Work not completed by promised date	<= 5.0%	No	Yes
4b	Average delay days	<= 5.0	No	Yes
	<u>Customer Satisfaction Measures</u>			
5	Percent of ratepayers complaining to DPS	<= 0.07%	Yes	No
	<u>System Reliability</u>			
7a	System average interruption frequency (SAIFI)	<= 2.4	Yes	No
7b	Customer average interruption duration (CAIDI)	<= 3.0	Yes	No

**Attachment B: Village of Jacksonville Electric Company
Service Quality Compensation Cap and Points**

Maximum annual service quality compensation

<u>Dollars at risk*</u>	<u>Example: 2005 compensation</u>	<u>Avg cost/point (150 pt cap)</u>
.1% of total revenue	\$ 716	\$ 5

Allocation of points between plan components

Reliability	60%	90
All other points based measures	40%	60

Sliding point scale based on cap of \$238 and \$2 avg cost/point

Max at risk for reliability	\$ 430
Max at risk for all other points based measures	\$ 287

RELIABILITY CALCULATION

<u>Point ranges</u>	<u>Pts in range</u>	<u>Weighting</u>	<u>Per point</u>	<u>Max/level</u>	<u>Cumulative</u>
71 to 90	20	2.188	\$ 10	\$ 209	\$ 430
46 to 70	25	1.000	\$ 5	\$ 119	\$ 221
21 to 45	25	0.850	\$ 4	\$ 101	\$ 101
0 to 20	<u>20</u>	0.000	\$ -	\$ -	\$ -
Total	90			\$ 430	

OTHER MEASURES CALCULATION

<u>Point ranges</u>	<u>Pts in range</u>	<u>Weighting</u>	<u>Per point</u>	<u>Max/level</u>	<u>Cumulative</u>
45 to 60	15	1.350	\$ 6	\$ 97	\$ 287
31 to 45	15	1.000	\$ 5	\$ 72	\$ 190
16 to 30	15	0.900	\$ 4	\$ 64	\$ 118
0 to 15	<u>15</u>	0.750	\$ 4	\$ 54	\$ 54
Total	60			\$ 287	

* Maximum dollars at risk shall be calculated each year. Dollar amounts in this chart are an example based upon 2005 projected total revenue.