

Public Staff Revised Recommended Performance-Based Metrics (PBMs)

\*Grey shading indicates the parties are not in agreement

Description	Measure	Penalty	Incentive
Timely Completion of CIP Projects	Percentage of projects \$200,000 or over in the approved WSIP incomplete during the planned rate year on a Company basis  Approved WSIP means a list of projects with estimated in service dates and costs upon completion allowed for prospective cost recovery  Incomplete means not placed in service.	10 BP reduction to the high-end of the Commission-authorized band if measure exceeds:  15% in RY1 25% in RY2 35% in RY3	None
Completion of CIP Projects on Budget	Percentage of projects \$200,000 or over that cost in excess of 110% of the estimate in the approved WSIP on a Company basis  Approved WSIP means a list of projects with estimated in service dates and costs upon completion allowed for prospective cost recovery	10 BP reduction to the high-end of the Commission-authorized band if measure exceeds:  15% in Rate Year 1 25% in Rate Year 2 35% in Rate Year 3	None
Expense Efficiency	Operation & Maintenance expense, per Equivalent Residential Connection (ERC) on a rate division and Company basis, excluding Purchased Water / Sewer Treatment and Purchased Power	None	If, on a Company basis, the actual O&M expense level is reduced by at least \$100K in comparison to the authorized level, then a two and one-half Basis Points (BP) increase to the high-end of the band is awarded. For each additional \$20K in savings, an additional one-half BP increase is awarded, up to a cumulative maximum of 10 BPs.

Description	Measure	Penalty	Incentive
Utilization of the SRF Program	Whether the Company applied for SRF funds for four eligible projects estimated at a total of \$2 million or more approved in the WSIP during each Rate Year of the WSIP	10 BP ROE reduction to high-end of the Commission-approved band for failure to submit the applications required by the measure.	One-quarter BP increase to the high-end of the Commission-approved band for every \$500K in funding the Company is awarded.
Safe Drinking Water Compliance (Quality)	<p>% days in compliance with health based MCLs and TTs – (sum of all days – sum of all days out of compliance) / sum of all days (excludes monitoring / reporting violations)</p> <p>Sum of all days = No. of systems x 365 days</p>	<p>10 BP ROE reduction to the high-end of the band if less than the three-year average (2020-2022) compliance on Company basis.</p> <p>Resets annually</p>	None
Clean Water Act Compliance (Quality)	<p>% days in compliance with effluent standards – (sum of all days – sum of all days out of compliance) / sum of all days (excludes monitoring / reporting violations)</p> <p>Sum of all days = No. of systems x 365 days</p>	<p>10 BP ROE reduction to the high-end of the band if less than the three-year average (2020-2022) compliance on Company basis</p> <p>Resets annually</p>	None
Water Service Disruptions	Unplanned water service disruptions – recorded water main breaks / 1,000 accounts	Tracking metric	Tracking metric
Sewer Overflows	<p>Number of sanitary sewer overflows (SSOs)</p> <p>Wastewater SSOs / (100 miles of gravity line)</p>	Tracking metric	Tracking metric
Water Loss	(Water purchased – water sold) / water purchased	Tracking metric	Tracking metric

Description	Measure	Penalty	Incentive
Routine Flushing	Percent of systems flushed within the WSIP Rate Year  Percent of systems means number of systems flushed / total number of systems during the WSIP rate year.	Tracking metric	Tracking metric
Water Service Quality Customer Complaints	Technical service complaints (Lab D) / (active accounts / 1,000)  Underlying data should incorporate subdivision and system name	Tracking metric	Tracking metric
Timely Answering of Customer Calls	Telephone service factor – calls answered within 30 seconds / total calls answered (tracked by quarter; based on calls received during business hours)	Tracking metric	Tracking metric
Customer Call Abandonment Rate	Percentage of calls abandoned by customers during the WSIP rate year	Tracking metric	Tracking metric
Employee Safety	OSHA incident rate – (number of injuries and illnesses*200,000) / employee hours worked	Tracking metric	Tracking metric
Injury Severity	OSHA DART Rate – (number of OSHA Recordable Injuries and Illnesses that resulted in Days Away, Restricted Duty, or a Transfer of Duties)	Tracking metric	Tracking metric
Field Employee Safety Training	Field Employee safety training – hours of employee safety training /employee	Tracking metric	Tracking metric

Description	Measure	Penalty	Incentive
	Field Employee means staff member who works outside the office at least one-half of the year  Safety training means structured and organized training (not peer to peer training)		
Employee Turnover	Number of employees that leave / total number of employees for same time period	Tracking metric	Tracking metric