



**PEOPLE'S  
COOPERATIVE  
SERVICES**



**Rochester, Minnesota**

# Balanced Scorecard

REMA

September 8, 2011

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Your Touchstone Energy® Cooperative





**PEOPLE'S  
COOPERATIVE  
SERVICES**

## Mission Statement

Our mission is to provide reliable electricity to our members and communities with superior customer service and innovative energy solutions at fair and reasonable prices.



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## Cooperative Information

- Cooperative has 15,000 members with over 3000 miles of distribution line and 120 miles of transmission line.
- Approximately 1% growth per year.
- 85% of our load is residential.
- 53 employees.





## New Job

- Started new job as CEO at People's Cooperative Services in June 2007.
- Reviewed the RUS Form 7 and CFC KRTA prior to taking the job. PCS compared very well!
  - Great tools to show performance against peer groups.
  - But, the KRTA is limited in scope...

Customer service?	Use of Technology?
Safety?	Involvement in community?



# Meetings with Employees

- Met with every employee individually.
  - Opportunity to get to know them.
  - Asked what was going well and what needed to be improved.
  - Asked if they needed additional resources and/or training.
- Received over 140 different suggestions from 48 employees.
  - Many suggestions were repeated by multiple employees.
  - Employees wanted to be proud of their work and their cooperative!

# Significant Challenge Identified – Our Safety Environment

- Safety Manual was limited in scope and not often used.
- Concern with testing programs for PPE and other equipment.
- Housekeeping was a problem.
- Safety data was not shared with employees, management or the Board.
- Within six months of being on the job, we were involved in a serious accident which caused the loss of a home.
  - Not following work procedures.



## Actions Taken (in 2008 and 2009)

- Adopted a new safety manual (MREA manual w/ modifications).
- Expanded the number of safety/training meetings.
- Set expectations for safety training.
  - Participation by supervisors and employees
- Participated in Rural Electric Safety Accreditation Program as a test site for the new program.
  - Took over 1 1/2 years to prepare.



# Federated Insurance

- At some point in 2009, Federated identified our cooperative as one in need of “additional assistance”.
- Dedicated more resources to our cooperative for training during 2010.
  - Training for both supervisors and employees.
  - Inspections
  - Suggestions/encouragement

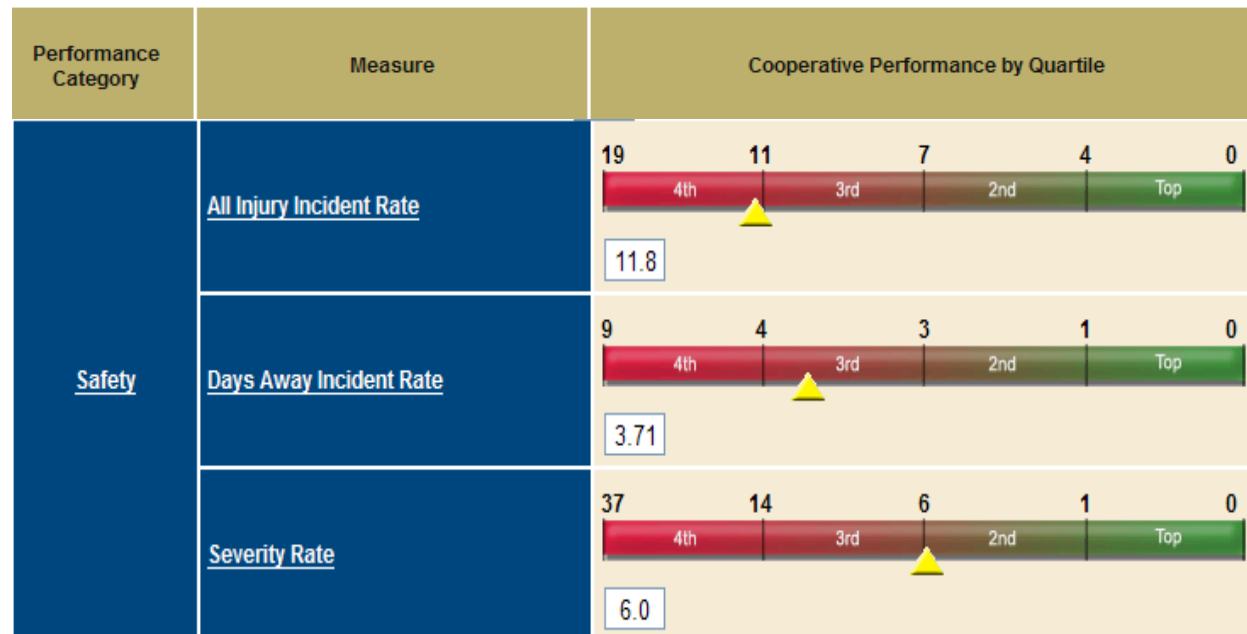


## Feedback from Employees

- Needed to find a way to reach our employees to help them understand the need for improvement
  - “We are doing fine.”
  - “That was just a one-time event.”
  - “That was our meter reader, not a line worker.”
- Needed something measureable and understandable.
- Need to know how we compared to others.

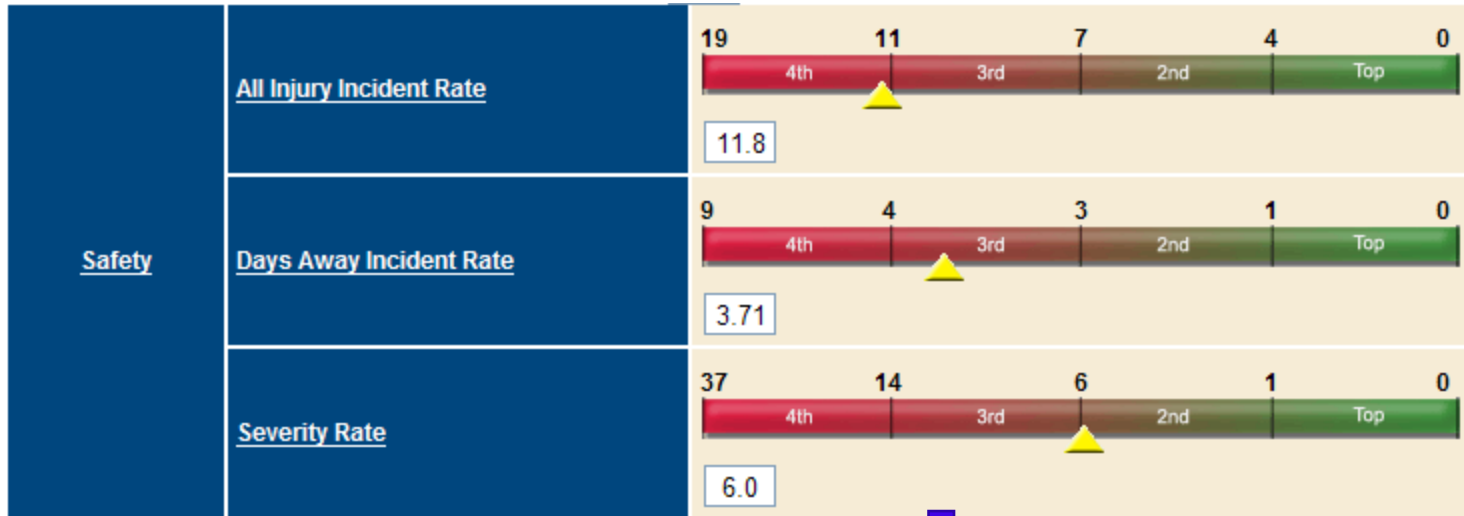
# Balanced Scorecard

- Found on Touchstone Energy web site.
- Explained to our employees how the data is calculated.
- Provided them with historical data on the measures.
- Showed how we compared to other cooperatives.

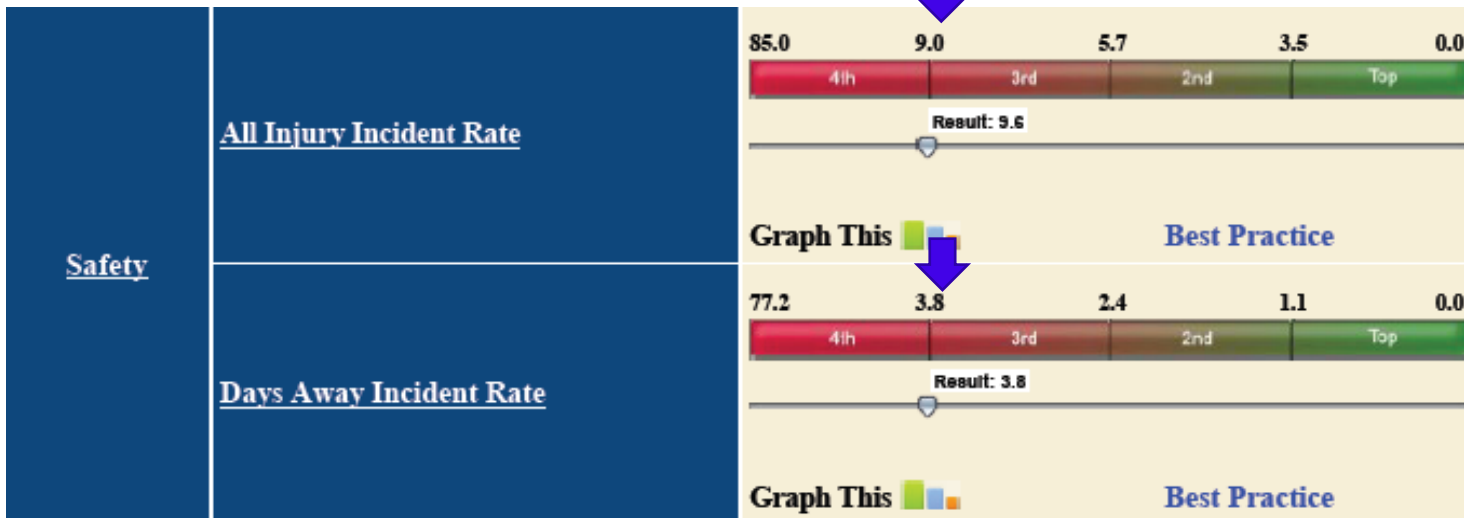


# Balanced Scorecard Safety Data

2009



2010





## How we are using the Balanced Scorecard Now...

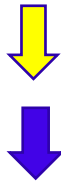
- Report how we compare to our Board of Directors and to our employees.
- Incorporate the Balanced Scorecard into our annual Work Plan and Budget.



# Strategic Goals for 2011

- Safety (Balanced Scorecard – Safety)
- Customer Service (Balanced Scorecard - Member Satisfaction)
- Electric Service Reliability (Balanced Scorecard – Reliability)
- Use of Technology (Balanced Scorecard – Cost)
- Load Factor (Balanced Scorecard – Cost)
- Rate Design (Balanced Scorecard – Cost)

# Measure progress each year: 2009 Data 2010 Data



Performance Category	Measure	Cooperative Performance by Quartile (2009 data; 3-year average: 2007-2009)
Member Satisfaction	ACSI (American Customer Satisfaction Index)	<p>53 79 82 85 94</p> <p>4th 3rd 2nd Top</p> <p>Result: 81</p> <p>Graph This Best Practice</p>
	All Injury Incident Rate	<p>85.0 9.0 5.7 3.5 0.0</p> <p>4th 3rd 2nd Top</p> <p>Result: 8.6</p> <p>Graph This Best Practice</p>
Safety	Days Away Incident Rate	<p>77.2 3.8 2.4 1.1 0.0</p> <p>4th 3rd 2nd Top</p> <p>Result: 3.8</p> <p>Graph This Best Practice</p>
	Yearly SAIDI (minutes)	<p>569.1 213.9 137.0 89.0 16.7</p> <p>4th 3rd 2nd Top</p> <p>Result: 67.9</p> <p>Graph This Best Practice</p>
Reliability	Yearly SAIFI (frequency)	<p>3.6 2.0 1.3 0.9 0.1</p> <p>4th 3rd 2nd Top</p> <p>Result: 0.6</p> <p>Graph This Best Practice</p>
	Yearly CAIDI (minutes)	<p>222.8 111.0 90.9 79.4 38.0</p> <p>4th 3rd 2nd Top</p> <p>Result: 144.1</p> <p>Graph This Best Practice</p>
	Total cost per kWh sold (cents)	<p>17.6¢ 11.1¢ 9.8¢ 8.7¢ 3.9¢</p> <p>4th 3rd 2nd Top</p> <p>Result: 12.3¢</p> <p>Graph This Best Practice</p>
Cost	Ave. Annual % Change In Controllable Cost Per Average Number of Consumers	<p>13.0% 6.2% 4.1% 2.2% -4.1%</p> <p>4th 3rd 2nd Top</p> <p>Result: 4.3%</p> <p>Graph This Best Practice</p>
	Ave Annual % Change in Total Utility Plant Investment Per Mile of Line	<p>11.2% 5.5% 4.1% 3.1% -1.0%</p> <p>4th 3rd 2nd Top</p> <p>Result: 7.5%</p> <p>Graph This Best Practice</p>

Questions?

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