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VERMONT PUBLIC
SERVICE BOARD

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February 12, 2016

Ms. Judith Whitney
Acting Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: EEU 2013-01 DPS Status Update on BED Program Implementation Efficiency QPI

Dear Ms. Whitney:

The Public Service Board ("Board") Order of October 10, 2014 in EEU-2013-01 (Appendix C) determined electric Quantitative Performance Indicators ("QPI's") for the Energy Efficiency Utility of Burlington Electric Department ("BED") for the 2015-2017 performance period, one of which was a Program Implementation Efficiency ("PIE") QPI with associated milestones and reporting requirements. Pursuant to that Order, the Department of Public Service ("Department") and BED are responsible for filing status updates within two weeks of the respective milestone completion dates. The status updates are to indicate if milestones were achieved on time and report relevant results. This letter is intended to fulfill that obligation.

Background

BED's PIE QPI requires that BED identify and map additional key business and program implementation processes for assessment.¹ The intent of these assessments is to fully understand BED's business and implementation processes in order to improve the operational efficiency of the organization, as well as its effectiveness to deliver energy efficiency services. Where appropriate, the QPI requires BED to also establish during the three-year performance period, internal monitoring mechanisms to measure the performance of key business processes that have already been assessed in order to prevent any deterioration in operational performance.

¹ In the 2012-2014 performance period, BED and the Department (with assistance from Navigant Consulting), conducted an initial assessment of five key BED KBPs.



Status Update

Milestone 2 of the QPI, which pertains to Key Business Processes (KBPs) requires that BED:

Report baseline performance and target levels for improvement to the Department (no later than) December 31st of each year in the 2015-2017 performance period.

On January 13, 2016, BED filed a request to extend its December 31st reporting deadline to February 1, 2016. Accordingly, the Department confirms BED submitted its 2015 KBP Report to the Department on January 23, 2016. Upon review of the report, improvement activities described and information provided, the Department's assessment is that BED has met the requirements for Milestone 2.

BED evaluated two "new" KBPs (i.e. KBPs that have not been previously assessed) related to the operation of its energy services. First, BED reviewed available energy consumption software tools designed to facilitate better understanding of energy consumption patterns, as well as more efficient identification of energy efficiency opportunities. Second, BED assessed how customer high-bill concerns are managed by BED call center representatives and the associated impact on BED's energy efficiency services delivery. For both processes, BED selected metrics by which it measured baseline performance and established targets levels of improvement.

In 2015, BED also utilized internal monitoring mechanisms to measure the performance of key business processes that have already been assessed.

See table on following page for relevant results.

BED 2015 Key Business Processes Assessment Results				
Key Business Process	Metric	Baseline	Target level of improvement	Monitoring & Maintenance
"New" KBPs (i.e. KBPs not assessed previously)				
Energy Consumption Data Analysis	labor hours spent on data analysis per project	4 to 6 hours per project (using spreadsheet tool)	1 to 2 hours per project (using software tool)	
Processing High Bill Concerns	Energy Services staff hours on high bill calls per month	12 hours/month	6 hours/month	
KBPs in monitoring and maintenance mode (i.e. KBPs assessed previously)				
Customer Incentive Check Production Process	Rebate check process time from Energy Services Administrator to Accounts Payable clerk	2 to 9 days	1.5 to 6.75 days	BED had been achieving the target improvement level up until early December of 2015. However, the production process has temporarily slowed back to the baseline range due to staff changes. BED's long-time Energy Services Administrator moved out of Vermont and they are in the process of training a replacement. The incentive check process is temporarily being handled by other staff members and they project they will be back to the target range during February.
Project Savings Data Entry in DSM Tracking Database for Complex Projects	PM entry time of complex projects (or like measures) in different location ID's	1 to 5 Hours Per Project	0.5 to 3.75 hours	BED continues to examine and refine this process as they have not been able to achieve the target levels for all large projects. They have seen improvement but not for all the larger multi-family new construction projects. They will continue to monitor and report on this process.

Next Steps

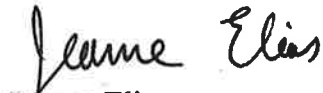
The Department and BED continue to work together to develop a standardized reporting structure for the milestone deliverables. The next milestone for BED's PIE QPI is Milestone 1 which requires that BED:

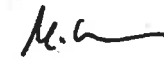
Identify and submit to the Department business processes for assessment (no later than) January 31st in each year of the 2015-2017 performance period.

The deadline for this milestone was January 31, 2016 for which BED requests an extension until February 19, 2016, as well as a corresponding two-week extension for the associated status update. BED has indicated to the Department that they have already begun work on new KBPs for 2016 and necessary elements are in place to identify and submit to the Department business processes for assessment in 2016. BED is working with the Department to clarify milestone reporting components, as well as identify desired elements of the reporting deliverables which is intended to support the timeliness and efficacy of BED's continuous improvement efforts, as well as assist the Department's oversight and review of the QPI.

Please let us know if you have any questions.

For the Vermont Department of Public Service


Jeanne Elias
Special Counsel


Matthew Walker
Energy Program Specialist