



2011 Strategic Plan

Core Competencies

SAFETY FIRST

Keeping our employees, members and the public safe through our commitment to safety and health awareness.

FINANCIAL BALANCE

We will build a strong Cooperative through fiscal responsibility by balancing service, reliability and rates.

KEEP THE LIGHTS ON

It is our goal to provide consistent, dependable member service reliability by designing, constructing, maintaining and operating a safe, properly engineered, cost effective system.

MEMBER FOCUS

Delivering value to members by providing responsive, relevant, innovative, and knowledgeable support that meets and exceeds member expectations.

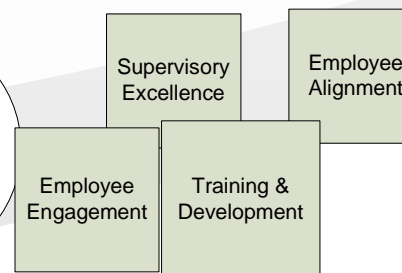
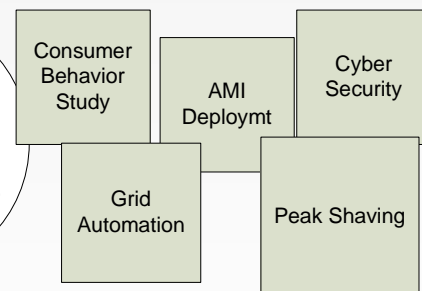
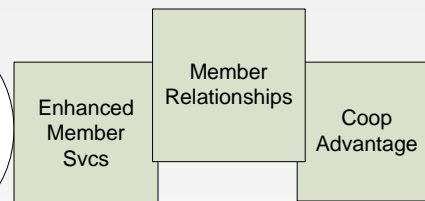
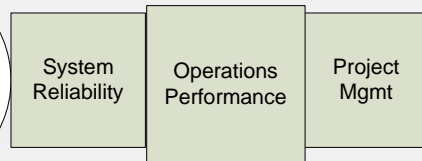
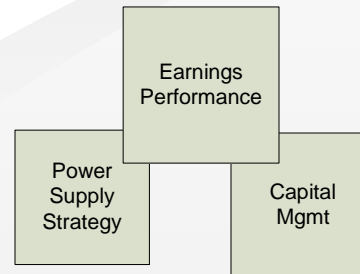
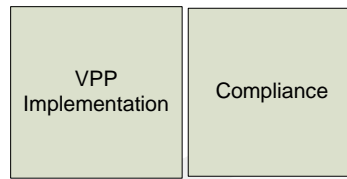
SMART GRID

We will maintain our leadership position in selecting, deploying, and utilizing appropriate technologies and services, always ensuring they are affordable and in our members' interest. We will effectively manage Smart Grid programs and external funding sources so as not to over-burden VEC resources.

CONNECTING EMPLOYEES

We will become a workforce that connects each other through support and collaboration. We will share best practices, celebrate and recognize achievements and strive to improve communication.

Key Focus Areas



KPIs Threshold – Target - Distinguished

Total Incident Rate
7.0 – 5.0 – 4.0

VVPP Mentor Sign Off
Yes - No

Lost Time Severity Rate
46 – 23 - 0

DART (Days Away Restricted or Transferred)
4.5 – 3.0 – 1.5

Capital Budget Management
5% - 0% - -5%

Operating Budget Management
5% - 0% - -5%

Annual Cost per KWH
2% - \$78.31 - -2%

SAIFI
2.5 – 2.3 – 2.1

CAIDI
2.6 – 2.3 – 2.1

Budget Scope Variance
15% - 10% - 5%

Field Productivity Hours
6.2 – 6.5 – 6.8

of monthly efficiency calls to EVT
20 – 40 - 60

% of total positive comments during storm
0.8% - 1.2% - 1.6%

Phase II: Target date of completion
10/1/11 – 9/1/11 – 8/1/11

SQRP Member Satisfaction Results
80% - 85% - 90%

NRECA Annual Survey Member Satisfaction Results
80% - 85% - 90%

Consumer Behavior Study task completion
80% - 90% - 100%

AMI Meter Installations
80% - 90% - 100% on Schedule

2011 Commissioned Substations
80% - 90% - 100% on Schedule

kW/kWh saved or shaved

Performance Actions On Time
80% - 90% - 100% Completion

All Employee Communication Meetings
80% - 90% - 100% Completion

Total Training Hours

Supervisory Communication Meetings
80% - 90% - 100% Completion

Strategies

Review & complete Stage I actions

Complete Stage II actions by end of 2011

Develop a VVPP Team that will guide VEC through the VPP Challenge process with Employee Involvement, Worksite Analysis, Hazard Prevention & Control, and Safety & Health Training

Improve Project Management. Negotiate payment terms with vendors to include timely billing. To utilize PO #'s for contractors and all other project costs. Report on incurred and committed project costs.

Improve Capital Budget reporting; understandable format. Timely reporting available. Accountability for results. Project status report. Financial update at weekly capital projects meeting.

Improve forecasting and obtain commitment from managers. Identify peak periods. Work with Smart Grid & Member Focus groups to smooth peaks and reduce costs. Improve forecasting of future results.

Evaluate & execute power contracts within 5%. Update quarterly.

Develop MAIFI tracking system (SCADA & AMI). Develop project management manual.

Implement quarterly reliability reports & review system

Develop unplanned capital projects/cost/scope process. Develop & formalize contingency model. Refine schedule reporting.

Operations supervisor. Bird Dog Training & qualifications and define the roll of the Bird Dog during a storm.

Provide first stop efficiency support to members through MSR's, website, community outreach; followed by referrals for enhanced support through EVT collaboration when appropriate

Outage communications – provide timely, relevant information that includes two-way communication. Develop 12-18 month outage communication plan incorporating new methods such as text messaging.

Phase I: Focus groups with BOD, members, employees to identify what the Coop Advantage is and what it should be. Phase II: Develop 12-18 month Action Plan to support the Coop Advantage

Contact tracking implementation. Provide member service training for all field personnel.

Design, obtain approval and implement Variable Peak Pricing. Integrate VPP with I-Vue.

Long-term implementation of customer system based on Consumer Behavior Study results.

Manage vendors. Maximize personnel and contractor installs.

Integrate and coordinate installs with capital plan.

Fund and implement Prices to Devices with OATI. Include small commercial in Demand Response. Become active ISO-NE DR participant

Employ Sandia cyber security methodology.

Require supervisors to complete their performance management actions within a specific timeframe by utilizing new Halogen performance management software tool.

Continue to hold quarterly all employee meetings, monthly supervisory meetings, monthly "Get Connected" meetings.

Support cross-training opportunities, offer group training opportunities (i.e. Electricity 101, Smart Grid, Power Supply). Development plans for individual and group training efforts.

The goal for staff communications will require each manager to meet at least once every month with their staff. One-on-One meetings between a manager and employee should be held once every two weeks and the meeting should last approximately one hour.

Mission Statement:

The Vermont Electric Cooperative is a member owned, not for profit utility whose mission is to provide energy and other appropriate services to its members.

Vision Statement:

We are committed to understanding and meeting the needs of our members by practicing the cooperative principles in a transparent and accountable manner. We are striving to be recognized for our reasonable rates, reliable service and technological advancements and will achieve success through the continuous development of a highly skilled and engaged workforce. VEC is committed to operating in a manner that is socially and environmentally responsible.

Operating Norms

Fiscally Responsible
Member Focus
Safe
Productive
Knowledgeable
Teamwork
Integrity