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Operating Company / District Lean Performance Metrics
Kentucky Power Company

December 2015

2015 LEAN Key Metric Performance (vs. Target)
DISTRICTS WITH LEAN IMPLEMENTATION IN PROGRESS

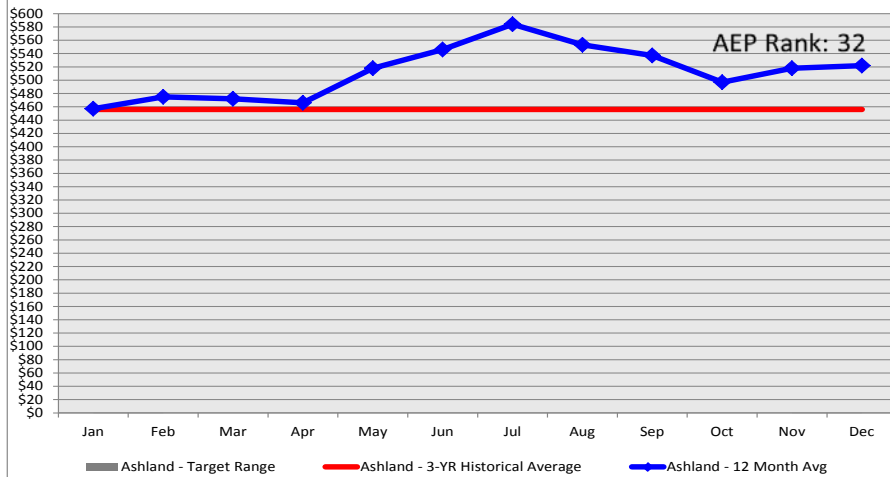
District Lean Macro Metrics - 12-Month Rolling Average - December 2015

Focus Area	Metric	Ashland			Hazard			Pikeville		
		3-Year	Target	Actual	3-Year	Target	Actual	3-Year	Target	Actual
Key Metrics	Total District Cost per As Built Hour	\$456	\$0	\$522	\$523	\$0	\$423	\$388	\$0	\$455
	MRO Cost per Order Completed	\$23.23	\$0.00	\$25.38	\$17.74	\$0.00	\$19.25	\$19.39	\$0.00	\$17.13
	As Built Hours per FTE	27.00	0.00	23.00	35	0	31	32	0	23
	Engineering Productivity Est Average Engineering Hours per FTE	178	0	165	198	0	185	191	0	177

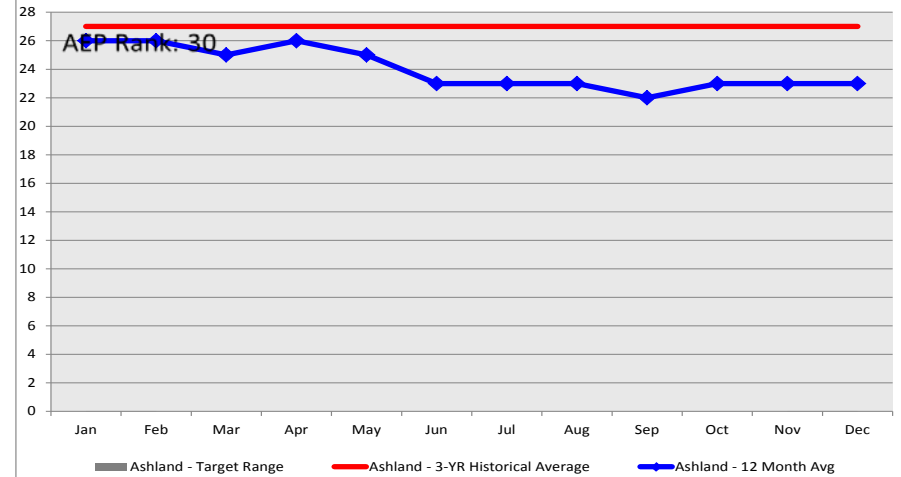
Color Coding reflects favorable/unfavorable performance relative to LEAN Target

LEAN Key Metrics Performance

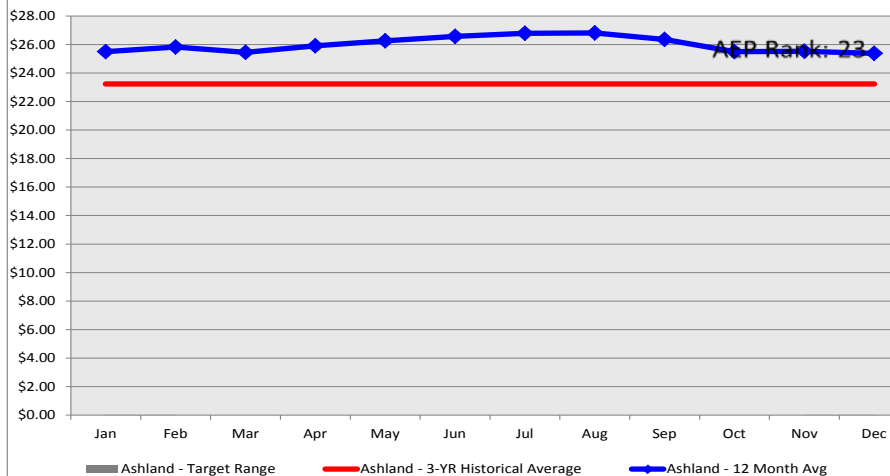
Monetization: Total District Cost Per As-Built Hour



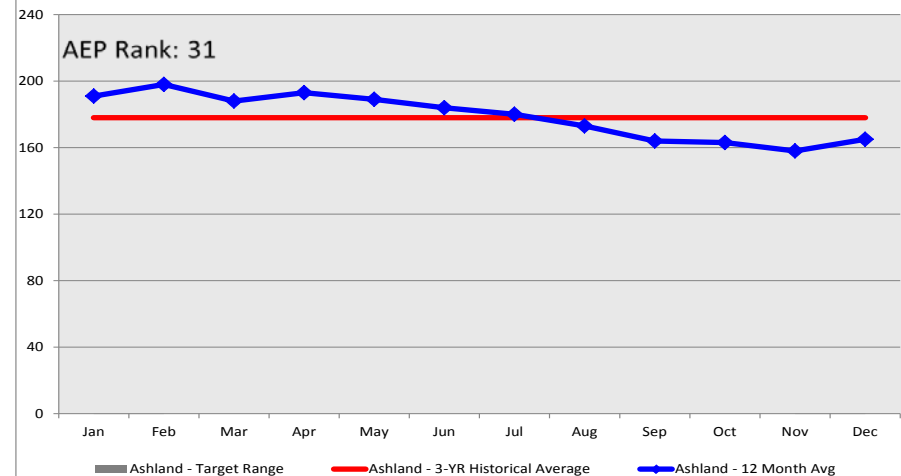
Crew: As Built Hours per FTE



MRO: Cost per Order Completed



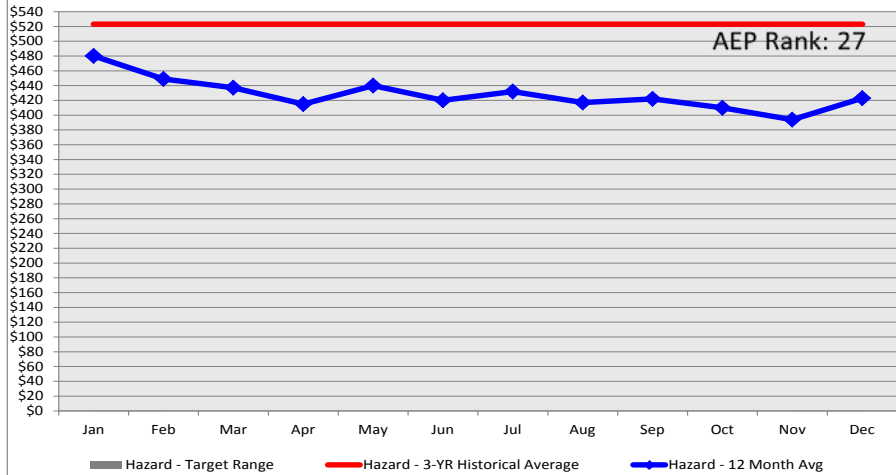
Design: Engineering Productivity - Engineering Hrs per FTE



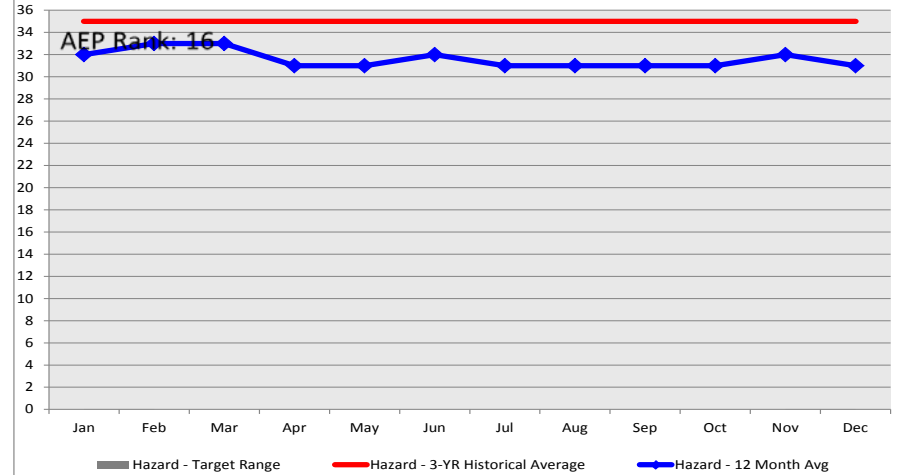
LEAN Key Metrics Performance

HAZARD

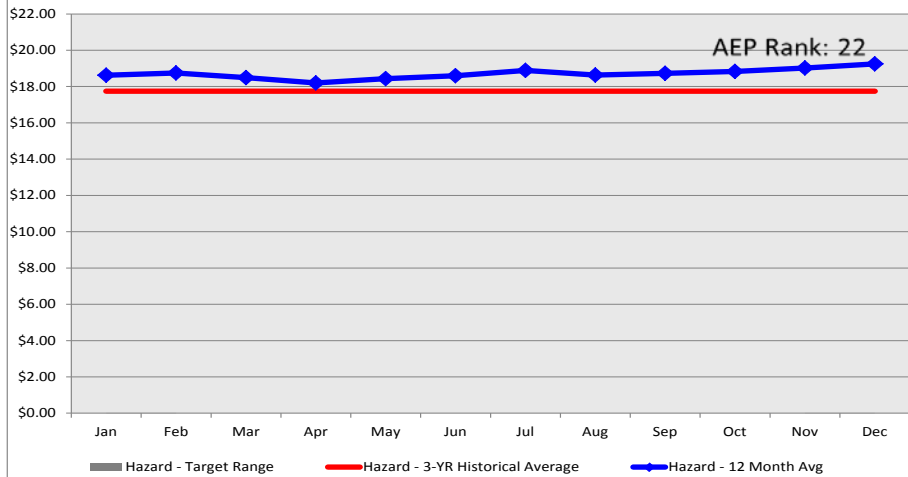
Monetization: Total District Cost Per As-Built Hour



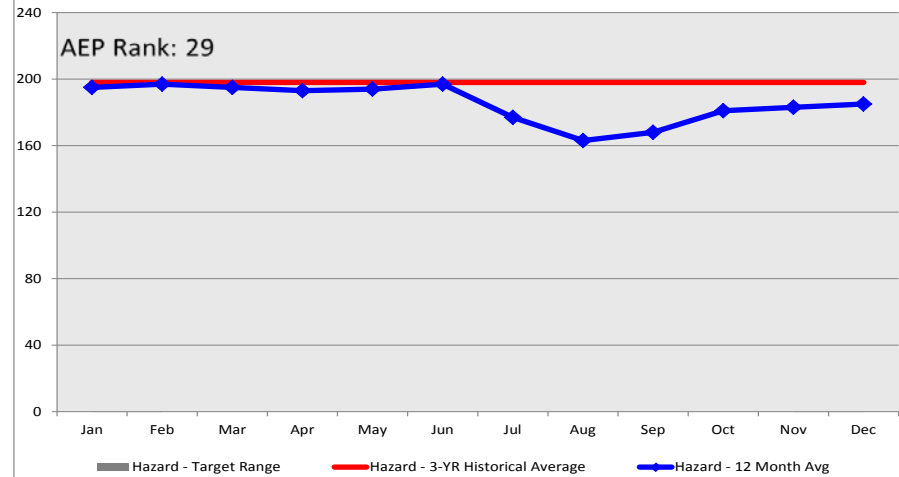
Crew: As Built Hours per FTE



MRO: Cost per Order Completed



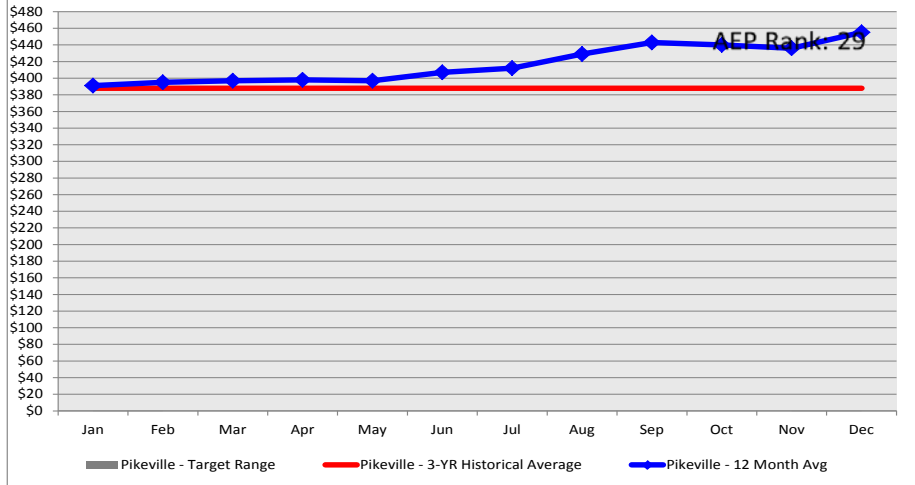
Design: Engineering Productivity - Engineering Hrs per FTE



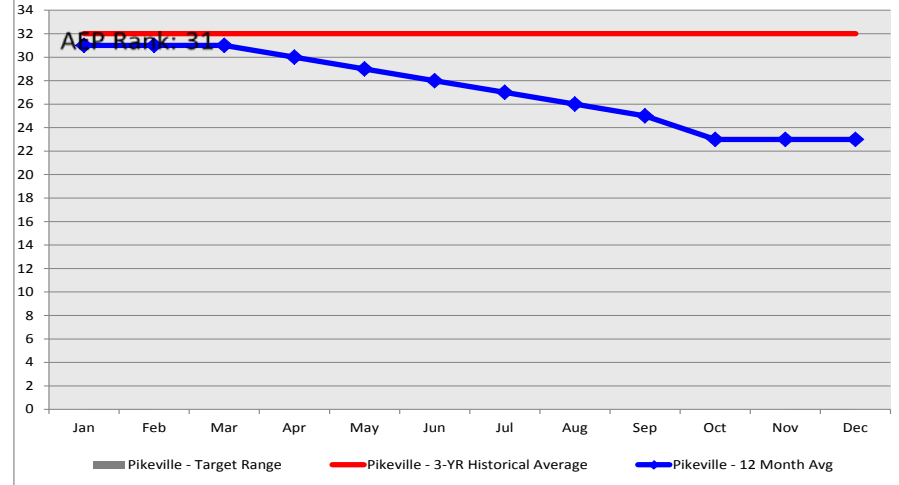
LEAN Key Metrics Performance

PIKEVILLE

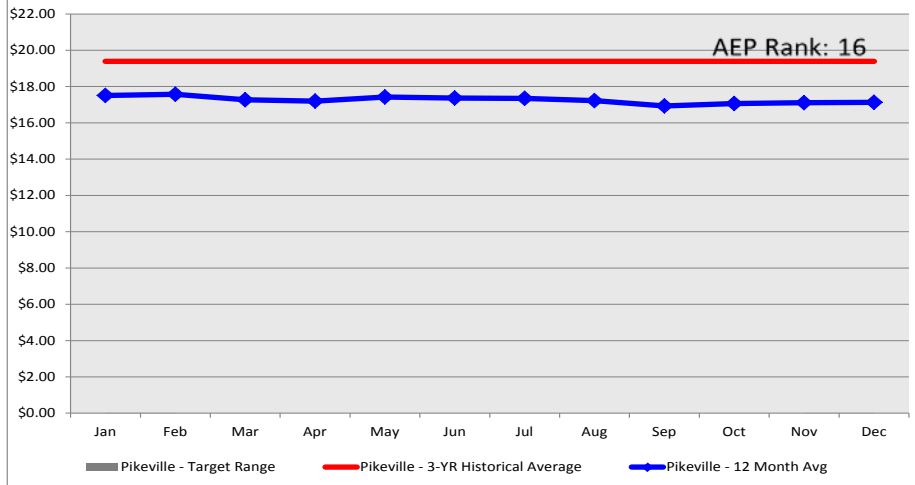
Monetization: Total District Cost Per As-Built Hour



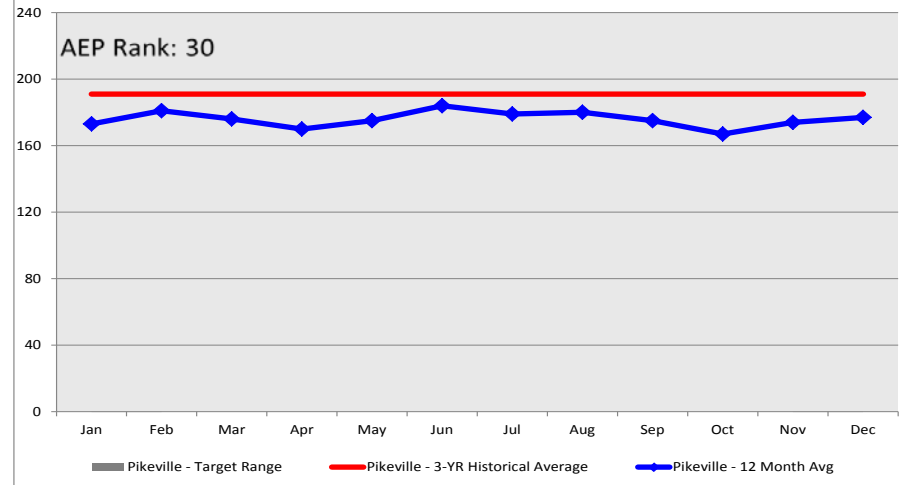
Crew: As Built Hours per FTE



MRO: Cost per Order Completed



Design: Engineering Productivity - Engineering Hrs per FTE



2015 LEAN Metric Performance (vs. Target and 3-Year Performance)

DISTRICTS WITH LEAN IMPLEMENTATION IN PROGRESS

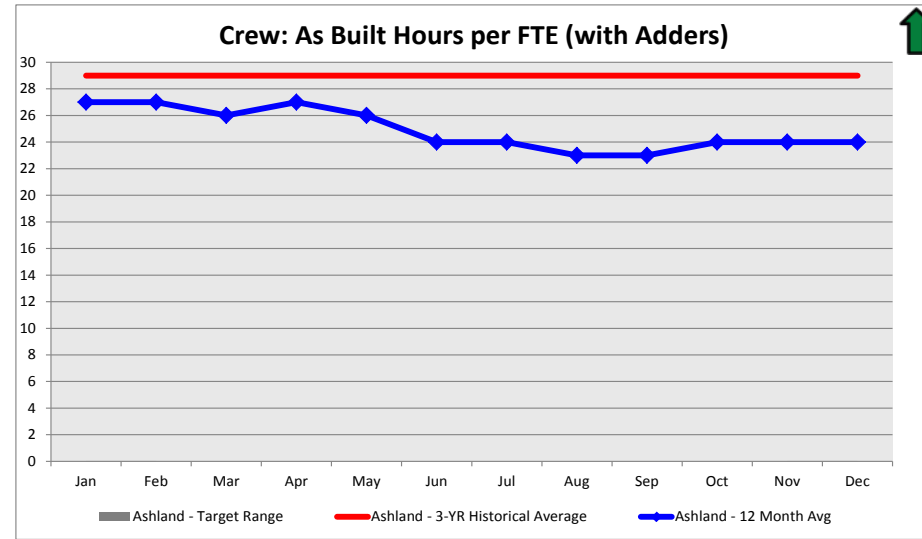
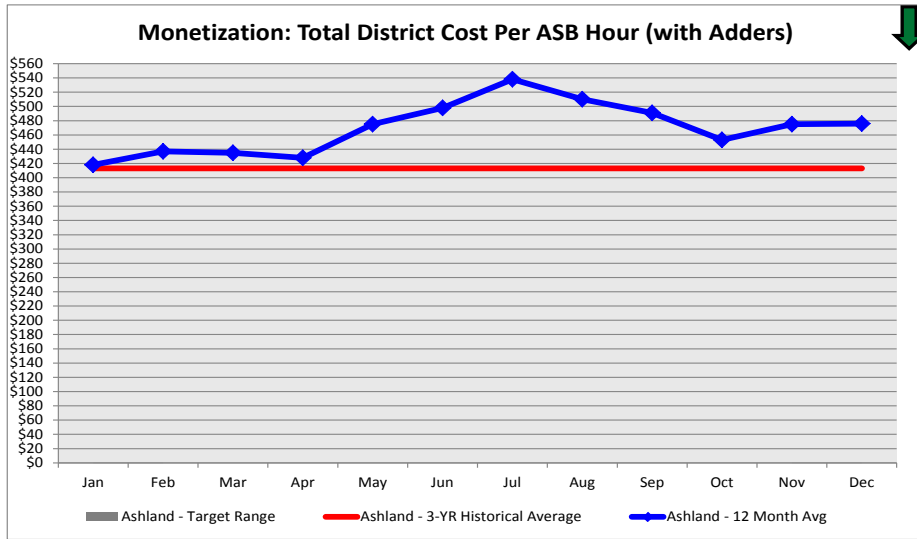
District Lean Macro Metrics - Rolling 12-Month December 2015

Focus Area	Metric	Ashland			Hazard			Pikeville		
		3-Year	Target	Actual	3-Year	Target	Actual	3-Year	Target	Actual
Safety	Incident Rate (YTD)	NA	NA	0.00	NA	NA	2.48	NA	NA	0.00
	Severity Rate (YTD)	NA	NA	0.00	NA	NA	248.45	NA	NA	0.00
Monetization	Total District Cost per As Built Hour	\$456	NA	\$522	\$523	NA	\$423	\$388	NA	\$455
	Total District Cost per As Built Hour (with Adders)	\$413	NA	\$476	\$456	NA	\$358	\$356	NA	\$418
	District Labor Cost per As Built Hour (Company Only)	\$354	NA	\$439	\$260	NA	\$313	\$275	NA	\$408
	Contractor Cost	\$10,888	NA	\$20,226	\$14,059	NA	\$17,129	\$26,677	NA	\$19,861
	Discretionary OT Hours - Distribution Front Line	104	NA	89	129	NA	145	113	NA	106
	Discretionary OT Hours - Engineering	44	NA	71	28	NA	35	97	NA	119
	Discretionary OT Hours - MRO	57	NA	61	35	NA	50	55	NA	54
MRO	MRO - Productivity - Average Total MRO Orders per MRO FTE	295	NA	269	195	NA	191	351	NA	285
	MRO Cost per Order Completed	\$23.23	NA	\$25.38	\$17.74	NA	\$19.25	\$19.39	NA	\$17.13
Crew	As Built Hours per FTE	27	NA	23	35	NA	31	32	NA	23
	As Built Hours per FTE (with Adders)	29	NA	24	40	NA	37	34	NA	25
	Crew Productivity - ASB Hours / Labor Hours	35%	NA	33%	44%	NA	41%	41%	NA	31%
	Jobsite Efficiency - ASB Hours / Jobsite Hours	77%	NA	62%	61%	NA	56%	59%	NA	51%
	Jobsite Availability - Jobsite Hours / Labor Hours	71%	NA	71%	63%	NA	61%	61%	NA	56%
Design	Design Accuracy - Estimate to ASB - All Crews	97.5%	NA	99.6%	91.5%	NA	88.8%	96.8%	NA	93.8%
	Engineering Productivity Est Average Engineering Hours per FTE	178	NA	165	198	NA	185	191	NA	177
Backlog	Status 50/60 Backlog (Est Hrs) Snapshot	NA	NA	2,941	NA	NA	3,801	NA	NA	4,584

Color Coding reflects favorable/unfavorable performance relative to Target or 3-Year, if Target is NA

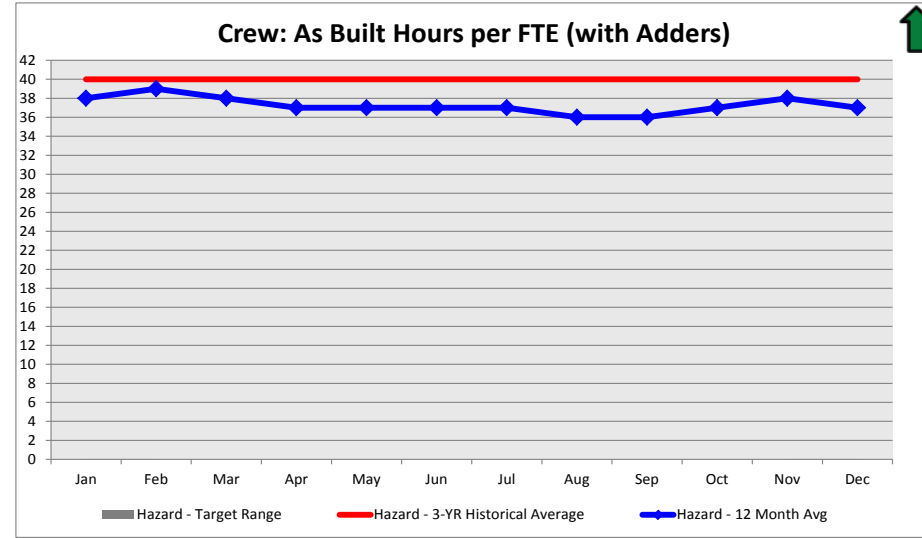
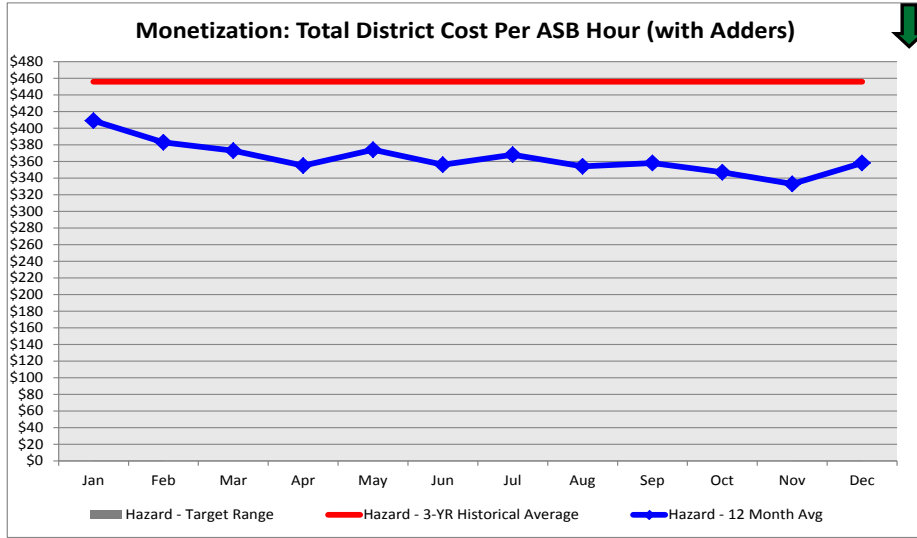
LEAN Key Metrics Performance – Supplemental Graphs (with Adders)

ASHLAND

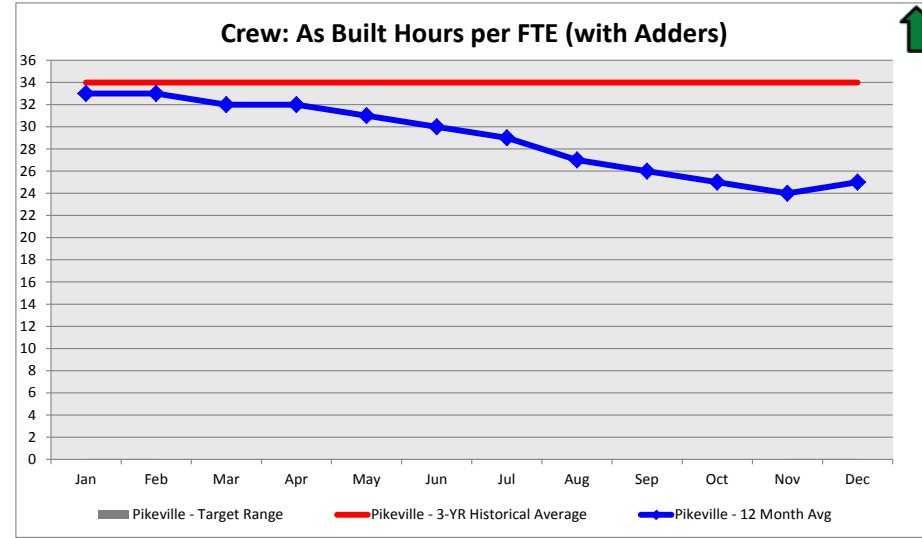
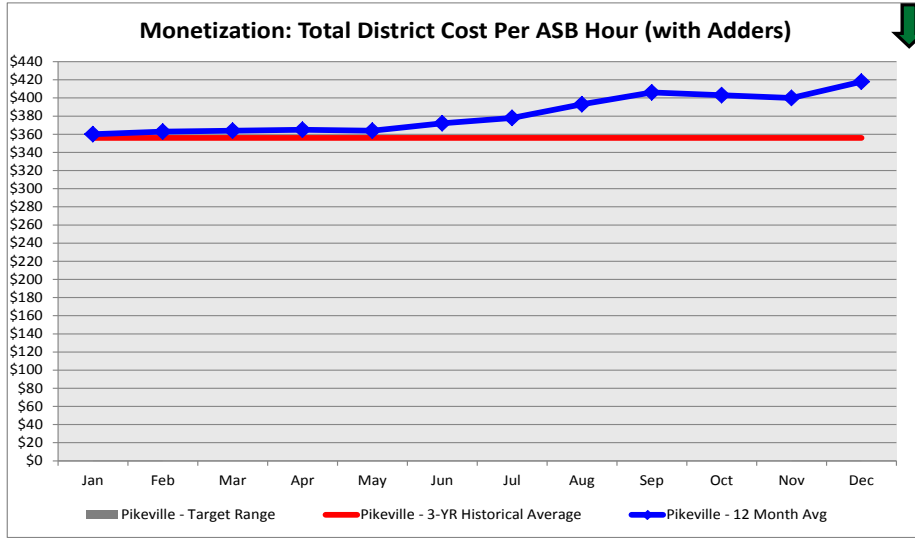


LEAN Key Metrics Performance – Supplemental Graphs (with Adders)

HAZARD

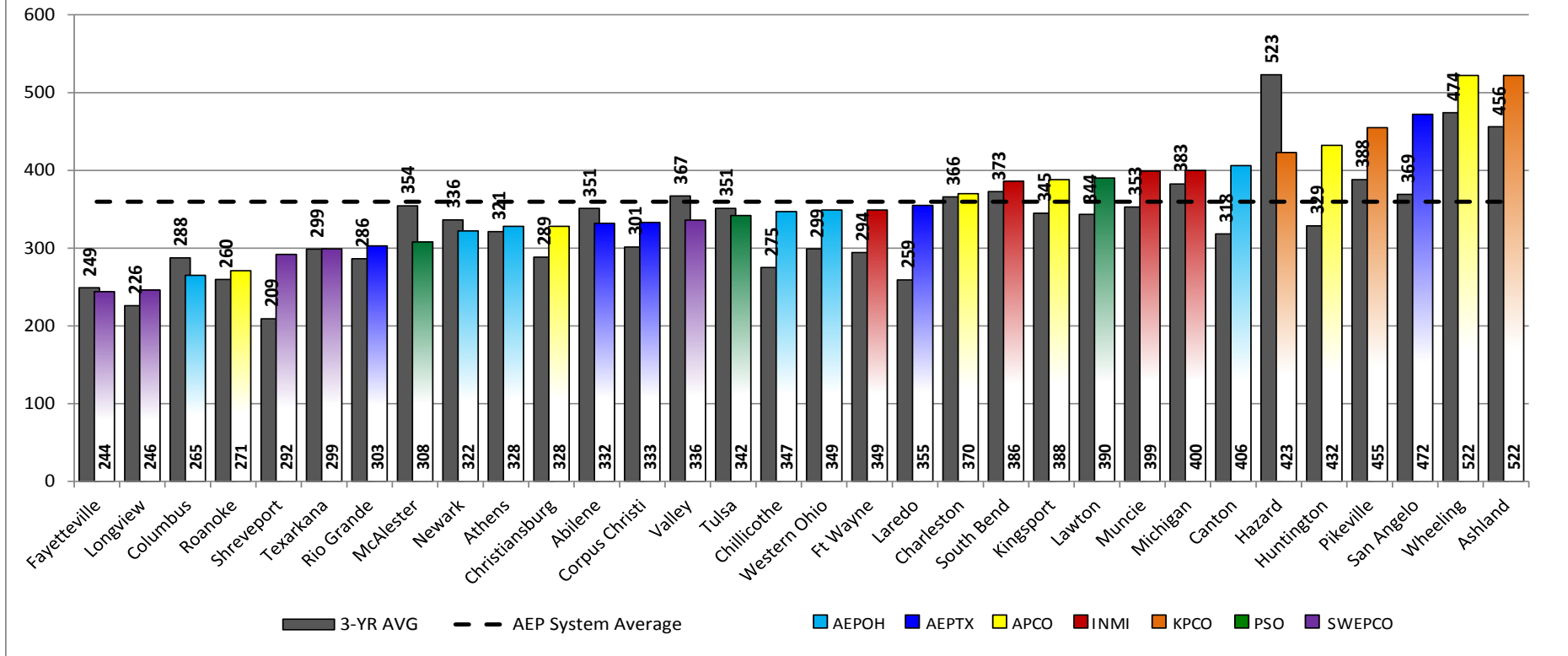


LEAN Key Metrics Performance – Supplemental Graphs (with Adders)

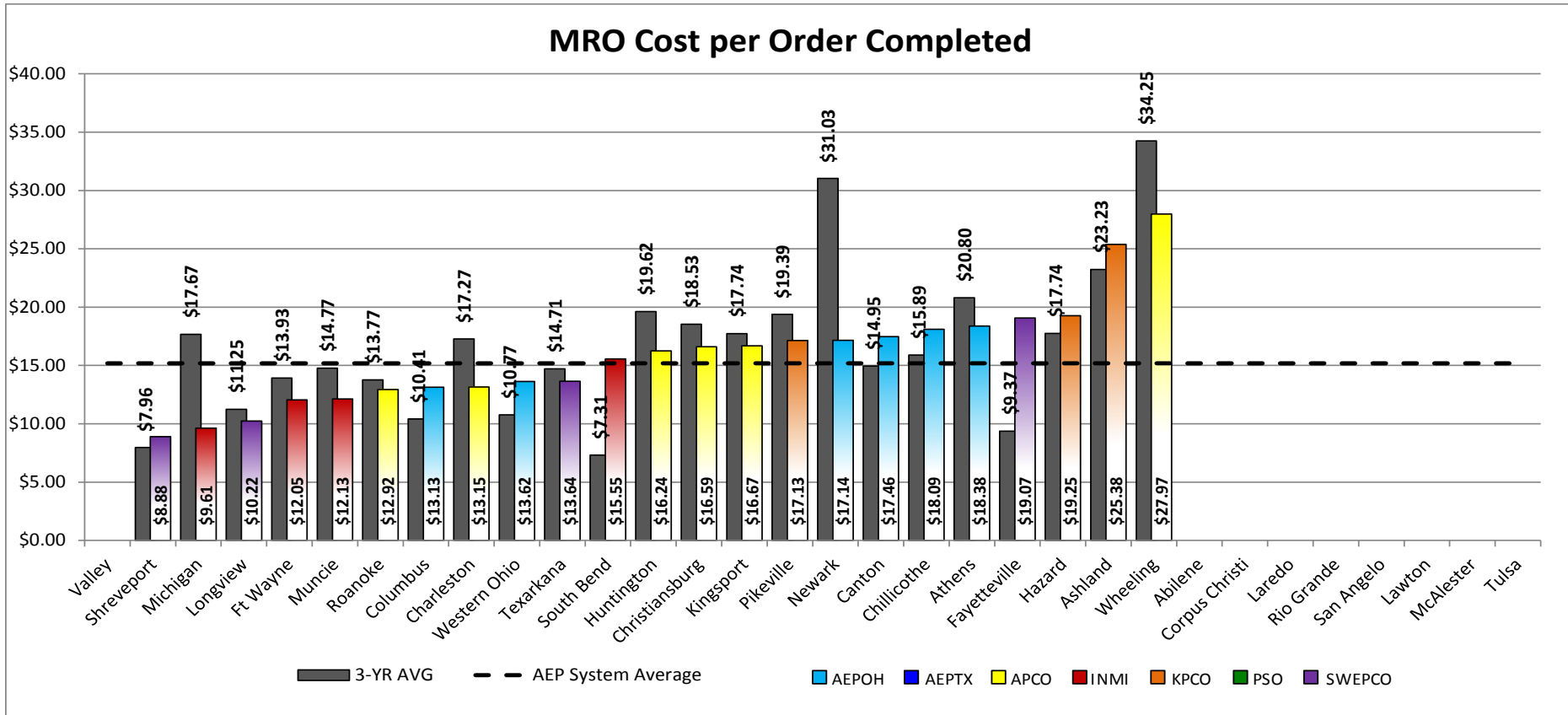


2015 LEAN Metric Performance – Ranking Across Districts

Total District Cost per As Built Hour

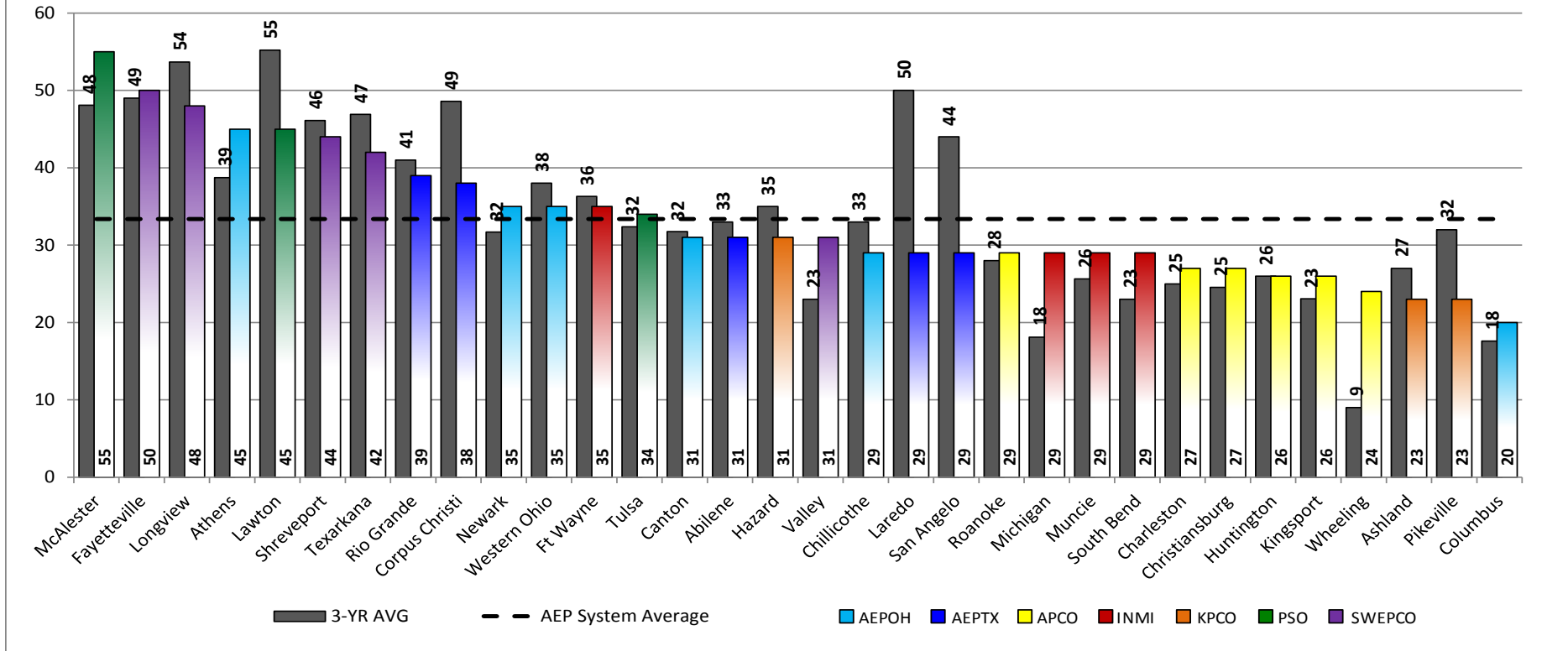


2015 LEAN Metric Performance – Ranking Across Districts



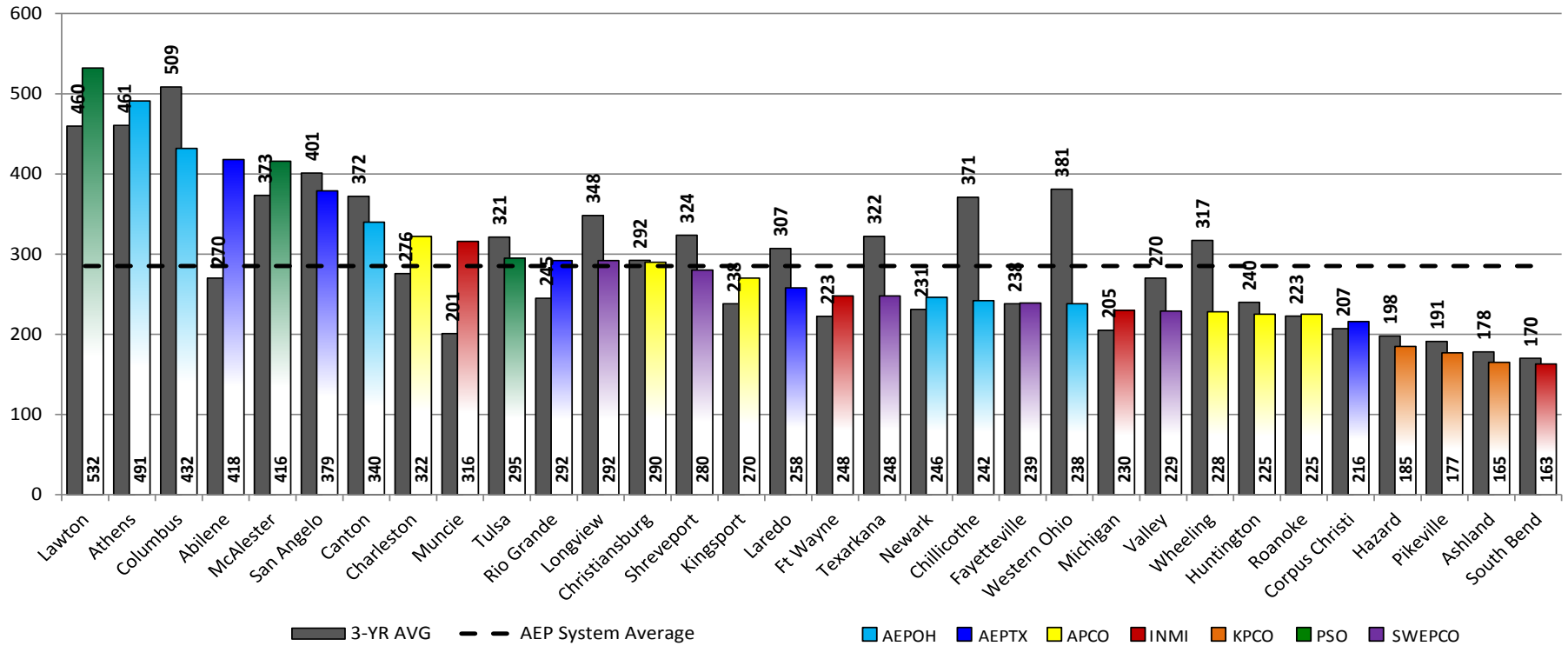
2015 LEAN Metric Performance – Ranking Across Districts

As Built Hours per FTE



2015 LEAN Metric Performance – Ranking Across Districts

Engineering Productivity Est Average Engineering Hours per FTE



Definitions

	<u>Revised Metric List</u>	<u>Definitions</u>
Safety	Incident Rate	Number of OSHA recordable incidents per 200,000 hours worked
	Severity Rate	Number of OSHA lost time or restricted days per 200,000 hours worked
Monetization	Total district cost per ASB Hour	Total district cost including labor, materials, outside services, other and fleet (in org view without corporate overheads but including distribution overhead project). Cost does not include service restoration. ASB hours do not include service restoration, network department, or labor adders.
	Labor district cost per ASB Hour	Total district labor cost (in org view without corporate overheads but including distribution overhead project). Cost does not include service restoration. ASB hours do not include service restoration, network department, or labor adders.
	Contractor Labor \$\$	Actual O&M and Capital Labor Dollars for Jobs Designated as Contractor Jobs. Only Direct Costs included. Includes only standalone "D" work orders. Does not include major storm projects. Excludes network department IDs. There is potential for pending actual charges to accrue to current dollars.
	OT Hours - D Line	Discretionary Overtime hours excluding: major events, minor trouble, and mutual assistance. Discretionary Overtime Hours for specific job titles within front line groups. Distribution Front Line – All Line, Service, and Network Mechanic titles including NE Supervisors.
	OT Hours - Engineering	Discretionary Overtime hours excluding: major events, minor trouble, and mutual assistance. Engineering – All Technician and Engineer Job Titles identified in the district.
	OT Hours - MRO	Discretionary Overtime hours excluding: major events, minor trouble, and mutual assistance. All MRO Servicers and Specialists including NE Supervisors. Does not include Meter Readers or Meter Electricians.
MRO	Average Total MRO Orders per MRO FTE	All Order Types Worked and Completed by MRO/Meter Servicer/Specialist roles; excludes MRO orders worked by Distribution or other roles. Full list of order types available upon request (includes successful resolutions)
	Cost per order completed	All Order Types Worked and Completed by MRO/Meter Servicer/Specialist roles; excludes MRO orders worked by Distribution or other roles. Full list of order types available upon request (includes successful resolutions). Total cost is based on in org cost class.
Crew	Crew Productivity - ASB Hours / Labor Hours	Total Hours – Combination of jobsite and non-jobsite hours charged to WRs. ASB Hours Minus Adders – Engineering Design Hours plus material adders not including major labor adders (PLA-ROCK, PLA-DLOC, PLA-FLAG, CNA-TR, PLA-HDIG, CNA-CU, XRA-DL, PLA-BRACRBF). Excludes major events, service restoration, and network department jobs.
	ASB Hours per FTE	ASB Hours Minus Adders – Engineering Design Hours plus material adders not including major labor adders (PLA-ROCK, PLA-DLOC, PLA-FLAG, CNA-TR, PLA-HDIG, CNA-CU, XRA-DL, PLA-BRACRBF). Excludes major events, service restoration, and network department jobs. Divided by company FTEs as identified in Peoplesoft.
	Jobsite Efficiency - ASB Hours / Jobsite Hours	Jobsite Hours – Hours reported on the jobsite of WRs by crews/servicers through DWMS. ASB Hours Minus Labor Adders – Engineering Design Hours plus labor/material adders not including major labor adders (PLA-ROCK, PLA-DLOC, PLA-FLAG, CNA-TR, PLA-HDIG, CNA-CU, XRA-DL, PLA-BRACRBF). Excludes major events, service restoration, and network department jobs.
	Jobsite Availability - Jobsite Hours / Labor Hours	Jobsite Hours – Hours reported on the jobsite of WRs by crews/servicers through DWMS. Total Hours – Combination of jobsite and non-jobsite hours charged to WRs. Excludes major events, service restoration, and network department jobs.
Crew/ Design	Estimate to ASB - All crews	Estimate Hours – Engineering Design Hours. ASB Hours – Engineering Design Hours plus labor/material adders minus major labor adders. Excludes major events, service restoration, and network department jobs.
	Estimated Engineering Hours per FTE	Estimated Hours – Hours estimated by engineering/design for work received (moved into status 50) during timeframe. District based on geographical work location. Includes only design work requests. Network department IDs are excluded. Includes only FTE employee counts - contractors must be added.
Blog	Status 50/60 Backlog Snapshot	Snapshot of designed work in Construction backlog as of given date. 50 is ready to schedule and 60 has been scheduled. Work in Network department IDs is excluded.