Municipal Light & Power Department

Anchorage: Performance. Value. Results.

Mission

Provide service with competitive, safe, reliable energy.

Core Services

- Energy distribution
- Energy generation
- Customer service

Direct Services

Direct services provided by divisions

- See: Customer Service, Finance, Regulatory and Systems & Communications
- See: Energy Production
- See: Engineering & Operations

Accomplishment Goals

- Affordable and competitive rates
- Safe work environment
- Safe service
- Reliable service

Performance Measures

Progress in achieving goals will be measured by:

Measure #1: Maintain competitive residential service rates as measured in cents per kilowatt hour

-	2010	2011	2012	2013	2Q-2014
Municipal Light & Power	12.57	12.60	11.22	15.20	15.51
Chugach Elec. Assoc.	13.10	14.02	14.50	14.55	15.80
Matanuska Elec. Assoc.	13.95	15.28	15.48	15.73	17.05
Homer Elec. Assoc.	17.08	20.61	18.99	20.91	22.97
Golden Valley Electric Assoc.	20.30	21.16	24.24	22.69	21.89

Note: Customer charge is $6.56/month and energy usage is 750 kWh/month. Energy Charge effective 10/24/13 is 10.734 cents/kWh. The Cost of Power Adjustment (COPA) effective 4/1/14 is 3.842 cents/kWh. The Regulatory Charge is adjusted annually by RCA, and is currently .0578 cents/kWh.

Measure #2: Maintain Total Recordable Incident Rates (TRIR) below industry average

2010	2011	2012	2013	2Q-2014
5.29	4.41	2.17	3.29	1.02

Measure #3: Maintain Days Away Restricted Transferred (DART) rate below industry standard

2010	2011	2012	2013	2Q-2014
3.11	2.2	.87	1.41	0

Note: Industry Average TRIR 2010 - 2012 5.2, 6.6, and 6.8, respectively.
Industry Average DART 2010 – 2012 2.7, 3.1 and 3.3 respectively

Customer Service, Administration, Systems and Communications
Municipal Light & Power Department

Anchorage: Performance. Value. Results.

Mission

Ensure Municipal Light and Power's (ML&P) business process requirements are efficiently and effectively conducted, while also meeting ML&P's stewardship obligations to the citizens of Anchorage.

Core Services

- Energy distribution
- Energy generation
- Customer service

Direct Services

- Financial services that maintain and protect the financial integrity of the utility
- Service all residential and commercial customer account needs
- Support utility wide communications and technical/business application needs of the utility

Accomplishment Goals

- Accurate and timely reporting of financial data
- Maintain sound key financial ratios
- Maintain optional business systems uptime
- Accurate and timely meter reading and customer billing

Performance Measures

Progress in achieving goals will be measured by:

Measure #4: Achieve 80 percent of bills that go out within 1 day of meter read date

2010	2011	2012	2013	2Q-2014
85%	86%	88%	84%	86%

Measure #5: Maintain positive net income

2010	2011	2012	2013	2Q-2014
$9,470,584	$12,396,768	$15,261,907	$5,823,591	$9,146,206

Note: Cumulative net income

Measure #6: At a minimum, maintain an A bond rating

Standard & Poor's Rating Services				
2010	2011	2012	2013	2014
A+	A+	A+	A+	A+

Fitch Ratings				
2010	2011	2012	2013	2014
A+	A+	A+	A+	A+

Note: Rates the level of risk involved in investing in ML&P bonds; "A+" indicates the least amount of risk and is in the highest rating category.

Energy Production Division
Municipal Light & Power Department

Anchorage: Performance. Value. Results.

Mission

Provide a competitive, reliable energy source

Core Services

- Energy generation
- Energy distribution

Direct Services

- Produce energy to meet consumer demand
- Manage energy production to efficiently dispatch electric power

Accomplishment Goals

- Generation equipment availability
- Economical management of generation resources

Performance Measures

Progress in achieving goals will be measured by:

Measure #7: Maintain competitive residential and commercial rates as measured in revenue per kWh (kilowatt-hour) sold

Year 2013
Comparisons reported annually (mid-Nov.) by American Public Power Association and Energy Information Agency, U.S. Dept. of Energy

Year 2012	ML&P	CEA	MEA	HEA	GVEA
Residential	11.73	13.84	15.23	20.26	24.22
Commercial	8.78	11.73	12.76	17.59	22.59

Year 2011	ML&P	CEA	MEA	HEA	GVEA
Residential	13.02	14.23	15.11	19.73	22.42
Commercial	10.11	11.99	12.72	17.72	20.77

Year 2010	ML&P	CEA	MEA	HEA	GVEA
Residential	12.95	13.27	13.81	16.78	20.22
Commercial	10.17	10.91	11.36	14.74	18.75

Year 2009	ML&P	CEA	MEA	HEA	GVEA
Residential	12.17	14.93	16.11	19.59	17.96
Commercial	9.51	12.67	14.02	17.58	16.51

Note: Year 2009 - 2012 data reported in cents.
CEA=Chugach Electric Association; MEA=Matanuska Electric Association; HEA= Homer Electric Association; GVEA = Golden Valley Electric Association.

Engineering and Operations Division
Municipal Light & Power Department

Anchorage: Performance. Value. Results.

Mission

Design, construct, operate and maintain generation, transmission and distribution facilities to serve anticipated electric power needs within ML&P's service area at the lowest reasonable cost.

Core Services

- Energy generation
- Energy distribution
- Customer service

Direct Services

- Design reliable and cost effective electrical systems
- Construct reliable and cost effective electrical systems in accordance with design standards
- Provide electrical system maintenance that insures continuity of a vital utility
- Maintain the Continuing Property Records (CPR) system to record equipment type and location

Accomplishment Goals

- Maintain voltages under normal conditions within plus or minus 5 percent (%) of nominal voltage
- Adhere to safety and construction standards
- Proactive preventative maintenance service
- Maintain an outage reporting database system in accordance with industry standards
- Restore power outage conditions in an expeditious and economical manner

Performance Measures

Progress in achieving goals will be measured by:

Measure #8: Maintain Customer Average Interruption Duration Index (CAIDI) below industry average

2010	2011	2012	2013	2Q-2014
1.5	.939	1.02	1.38	2.10

Note: APPA's 2011 Distribution Reliability Survey provides a benchmark for CAIDI of 73.86 minutes (1.23 hours).

Measure #9: Maintain System Average Interruption Duration Index (SAIDI) below industry average

2010	2011	2012	2013	2Q-2014
.762	.467	.615	.803	.638

Note: APPA 2011 Distribution Reliability Survey provides a benchmark for SAIDI of 46.36 minutes (.773 hours).

Measure #10: Maintain System Average Interruption Frequency Index (SAIFI) below industry average

2010	2011	2012	2013	2Q-2014
.508	.497	.603	.581	.304

Note: APPA 2011 Distribution Reliability Survey provides a benchmark for SAIFI of .81 interruptions per customer.

Performance Measure Methodology Sheet

Municipal Light and Power Department

Measure #1: Maintain competitive residential service rates as measured in cents per kilowatt hour

Type

Efficiency

Accomplishment Goal Supported

Affordable and competitive rates

Definition

The "rates" compared in this measure are generic rates, not tariff rates. The rate for each utility is the total bill for one month for a standard customer divided by the kWh consumed by that standard customer (750 kWh) in one month.

Data Collection Method

Effective rates at the time of comparison for each utility are taken from the utility's website, or, where necessary, from the RCA website. The rates are used to construct a total bill for the standard customer.

Frequency

Quarterly

Measured By

A standard customer monthly bill is divided by the number of kWh consumed on that bill. This data will be compiled by the Rates & Tariffs Section, and stored in Excel workbooks in the Rates & Tariffs folder of the Regulatory Affairs network drive.

Reporting

Reports will be created by the Rates & Tariffs Section and made available to requestors within the Municipality of Anchorage.

Used By

The reports are used for statistical comparison by various internal departments.

Performance Measure Methodology Sheet

Municipal Light and Power Department

Measure #2: Maintain Total Recordable Incident Rates (TRIR) below industry average

Type

Effectiveness

Accomplishment Goal Supported

Reduce injuries to employees by measuring past incidents and creating corrective actions to prevent future injuries.

Definition

Review past employee injuries and use the information obtained in the investigation to prevent similar types of injuries in the future.

Data Collection Method

Data is collected by reviewing all previous injury reports and investigations.

Frequency

The measurement will be performed after any accident or injury.

Measured By

The safety officer will review all data with the supervisor of the injured employee.

Reporting

The safety officer will share all investigation reports with the General Manager and all division superintendants at the weekly managers meeting.

Used By

The safety officer will use the reports to create hazard assessments. Hazard assessments will be used to either engineer hazards out of the working environment or determine safe work practices when engineering controls are not feasible.

Performance Measure Methodology Sheet

Municipal Light and Power Department

Measure #3: Maintain Days Away Restricted Transferred (DART) rate below industry standard

Type

Effectiveness

Accomplishment Goal Supported

Reduce number of lost work days due to employee injuries by measuring past incidents and creating corrective actions to prevent future injuries.

Definition

Review past employee injuries and use the information obtained in the investigation to prevent similar types of injuries in the future.

Data Collection Method

Data is collected by reviewing all previous injury reports and investigations. Previous years OSHA 300 logs will also be used to gather incident information.

Frequency

The measurement will be performed when it is determined that an employee will lose working days due to an injury.

Measured By

The safety officer will review all data with the supervisor of the injured employee.

Reporting

The safety officer will share all investigation reports with the General Manager and all division superintendants at the weekly managers meeting.

Used By

The safety officer will use the reports to create hazard assessments. Hazard assessments will be used to either engineer hazards out of the working environment or determine safe work practices when engineering controls are not feasible.

Performance Measure Methodology Sheet

Customer Service, Administration and Systems and Communications Division Municipal Light and Power Department

Measure #4: Achieve 80 percent of bills that go out within 1 day of meter read date

Type

Effectiveness

Accomplishment Goal Supported

Read meters, review for accuracy, produce and deliver a proper bill to all customers as close to the meter read date as possible.

Definition

Measures the effectiveness of the read to bill process and ensures that the majority of our customers receive a bill with an average of 30 days.

Data Collection Method

The calculation is performed by dividing the number of bills produced within one day of meter read by the total number of bills produced in a quarter.

Frequency

The measurement will be performed at the beginning of each quarter.

Measured By

The system analyst assigned to the billing system will produce a report for the customer service staff to enter into an excel spreadsheet at the beginning of each quarter for the previous quarter.

Reporting

The division manager will create and maintain a quarterly report with the information received from the system analyst.

Used By

The division manager and division foreman will use the information to ensure that the percentage of bills produced within one day of meter reading equals at least 80%.

Performance Measure Methodology Sheet

Customer Service, Administration and Systems and Communications Division Municipal Light and Power Department

Measure #5: Maintain positive net Income

Type

Effectiveness

Accomplishment Goal Supported

Maintain a positive "bottom line" for the electric utility by operating the utility efficiently.

Definition

Measure the efficiency of the utility by matching costs and expenses associated with earning revenues.

Data Collection Method

Data collection is through the Enterprise Resource Planning (ERP) system. The ERP integrates internal and external management information across the entire organization, embracing finance and accounting, administration, regulatory, systems, customer service, engineering, operations, generation and power management.

Frequency

This information is gathered monthly.

Measured By

This information is gathered monthly by the electric utility finance division.

Reporting

The electric utility finance division prepares a monthly statement of operation that provides information on revenues, expense, and net income.

Used By

The division managers and department director will use the information to monitor the utilities expenditure in directing the activities to better serve its customers. This report is presented to the Municipal Manager and is also located on the utilities internal website.

Performance Measure Methodology Sheet

Customer Service, Administration and Systems and Communications Division Municipal Light and Power Department

Measure #6: At a minimum, maintain an A bond rating

Type

Effectiveness

Accomplishment Goal Supported

Obtain the highest rating possible for the electric utility, typically, AAA is highest (best)

Definition

The bond rating is an evaluation from a rating service indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. The rating measures the quality and safety of a bond based on the electric utilities financial condition.

Data Collection Method

Data collection is through the Enterprise Resource Planning (ERP) system. This system integrates internal and external management information across an entire organization, embracing finance and accounting, administration, regulatory, systems, customer service, engineering, operations, generation and power management.

Frequency

This information is gathered monthly.

Measured By

This information is gathered monthly by the electric utility finance division.

Reporting

The electric utility finance division prepares monthly financial statements that provide the utility information on performance.

Used By

The division managers and department director will use the information to monitor the utilities expenditure in directing the activities to better serve its customers. This report is presented to the Municipal Manager and is also located on the utilities internal website.

Performance Measure Methodology Sheet

Energy Production Division
Municipal Light and Power Department

Measure #7: Maintain competitive residential and commercial rates as measured in revenue per kWh (kilowatt-hour) sold

Type

Efficiency

Accomplishment Goal Supported

Affordable and competitive rates

Definition

Total residential and total commercial electric revenue divided by residential and commercial kWh, as reported by the Energy Information Agency, USDOE (EIA).

Data Collection Method

Data is collected from the EIA website (WWW.eia.gov/cheaf/electricity/page/eia861.html. for the most recent time period for which it is available.

Frequency

Annual

Measured By

Total residential and commercial electric revenue divided by total residential and commercial kWh. This data will be compiled by the Rates & Tariffs Section, and stored in Excel workbooks in the Rates & Tariffs folder of the Regulatory Affairs network drive.

Reporting

Reports will be created by the Rates & Tariffs Section and made available to requestors within the Municipality of Anchorage.

Used By

These reports are used for statistical comparisons by various internal departments.

Performance Measure Methodology Sheet

Engineering and Operations Division
Municipal Light and Power Department

Measure #8: Maintain Customer Average Interruption Duration Index (CAIDI) below industry average.

Type

Effectiveness

Accomplishment Goal Supported

Maintain Results not to exceed 10% of APPA Survey Benchmark of 1.45 hours

Definition

Customer Average Interruption Duration Index: Represents the average time required to restore electrical service for the effected customers. The measurement is in minutes or hours and the benchmark is derived from the APPA 2009 Distribution System Reliability & Operations Survey.

Data Collection Method

Data collection is performed by documenting system and customer outages in accordance with state and federal electrical utility standards and best practices (IEEE 1366-2012) on a 24/7 basis.

Frequency

Frequency is determined by outages that occur in the system. All sustained outages are documented.

Measured By

Analysis and input of data is performed by utility light and power superintendents and qualified lineman supervisors and foreman. Data is reviewed and approved by the power management supervisor and then input into a compiled database application. The formula for this measurement is:

CAIDI = Average Customer Minutes of Interruption / Total Number of Customers Interrupted

Reporting

The performance reports are generated annually by the power management section and the reports utilize both text based and graphic displays in accordance with electric utility best practices and the IEEE standard 1366-2012.

Used By

The annual text based report is required annually by the Regulatory Commission of Alaska, ML&P General Manager, ML&P Operations Manager and ML&P Engineer of Record.

Performance Measure Methodology Sheet

Engineering and Operations Division
Municipal Light and Power Department

Measure #9: Maintain System Average Interruption Duration Index (SAIDI) below industry average.

Type

Effectiveness

Accomplishment Goal Supported

Maintain Results not to exceed 10% of APPA Survey Benchmark of 1.15 hours

Definition

System Average Interruption Duration Index: Indicates the total duration of interruption for the average customer during a predefined period of time. The measurement is in minutes or hours and the benchmark is derived from the APPA 2009 Distribution System Reliability & Operations Survey.

Data Collection Method

Data collection is performed by documenting system and customer outages in accordance with state and federal electrical utility standards and best practices (IEEE 1366-2012) on a 24/7 basis.

Frequency

Frequency is determined by outages that occur in the system. All sustained outages are documented.

Measured By

Analysis and input of data is performed by utility light and power superintendents and qualified lineman supervisors and foreman. Data is reviewed and approved by the power management supervisor and then input into a compiled database application. The formula for this measurement is:

SAIDI = Average Customer Minutes of Interruption / Total Number of Customers Served

Reporting

The performance reports are generated annually by the power management section and the reports utilize both text based and graphic displays in accordance with electric utility best practices and the IEEE standard 1366-2012.

Used By

The annual text based report is required annually by the Regulatory Commission of Alaska, ML&P General Manager, ML&P Operations Manager and ML&P Engineer of Record.

Performance Measure Methodology Sheet

Engineering and Operations Division
Municipal Light and Power Department

Measure #10: Maintain System Average Interruption Frequency Index (SAIFI) below industry average.

Type

Effectiveness

Accomplishment Goal Supported

Maintain Results not to exceed 10% of APPA Survey Benchmark of .88 interruptions per customer.

Definition

System Average Interruption Frequency Index: Indicates how often the average customer experiences a sustained interruption over a predefined period of time. The measurement is in minutes or hours and the benchmark is derived from the APPA 2009 Distribution System Reliability & Operations Survey.

Data Collection Method

Data collection is performed by documenting system and customer outages in accordance with state and federal electrical utility standards and best practices (IEEE 1366-2012) on a 24/7 basis.

Frequency

Frequency is determined by outages that occur in the system. All sustained outages are documented.

Measured By

Analysis and input of data is performed by utility light and power superintendents and qualified lineman supervisors and foreman. Data is reviewed and approved by the power management supervisor and then input into a compiled database application. The formula for this measurement is:

SAIFI = Average Total Number of Customers Interrupted / Total Number of Customers Served

Reporting

The performance reports are generated annually by the power management section and the reports utilize both text based and graphic displays in accordance with electric utility best practices and the IEEE standard 1366-2012.

Used By

The annual text based report is required annually by the Regulatory Commission of Alaska, ML&P General Manager, ML&P Operations Manager and ML&P Engineer of Record.