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## Municipal Light & Power

Anchorage: Performance. Value. Results.

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### 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:

<b>Measure #1: Maintain competitive residential service rates as measured in cents per kilowatt hour</b>
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	2013	2014	2015	2016	3Q-2017
Municipal Light & Power	12.92	15.69	16.55	16.93	18.82
Chugach Elec. Assoc.	14.30	15.94	17.47	17.95	19.73
Matanuska Elec. Assoc.	15.29	16.90	19.88	19.68	21.93
Homer Elec. Assoc.	19.84	23.26	24.84	23.89	26.36
Golden Valley Electric Assoc.	22.54	22.60	21.77	21.76	24.02

Note: Customer charge is \$6.56/month and energy usage is 750 kWh/month. Energy Charge effective 2/15/17 is 14.738 cents/kWh. The Cost of Power Adjustment (COPA) effective 10/1/17 is 2.800 cents/kWh. The Regulatory Charge is adjusted annually by RCA, and is currently .0899 cents/kWh.

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

2013	2014	2015	2016	3Q-2017
3.29	1.41	6.32	3.94	3.55

2015 6.8, 4.5, 2.4 and 6.2 respectively.

Note: Industry Average TRIR 2012 -

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

2013	2014	2015	2016	3Q-2017
1.41	.47	2.26	3.07	1.18

Note: Industry Average DART 2012 – 2015 3.3, 3.8, 1.3 and 3.6 respectively

# Municipal Light & Power

## Customer Service, Administration, Systems & Communications

*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**

2013	2014	2015	2016	3Q-2017
84%	84%	83%	86%	87%

#### **Measure #5: Maintain positive Net Income**

2013	2014	2015	2016	3Q-2017
\$5,820,381	\$13,450,177	\$9,608,914	\$5,793,592	\$12,137,874

Note: Cumulative Net Income

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

Standard & Poor's Rating Services					Fitch Ratings				
2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
A+	A+	A+	A+	A+	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.

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# Municipal Light & Power Engineering & Operations Division

*Anchorage: Performance. Value. Results.*

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## 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 #7: Maintain Customer Average Interruption Duration Index (CAIDI) below industry average**

2013	2014	2015	2016	3Q-2017
1.35	1.98	1.502	.603	.418

Note: Data compiled from 2015 data collected by EIA indicates an average CAIDI of 2.31 hours.

**Measure #8: Maintain System Average Interruption Duration Index (SAIDI) below industry average**

2013	2014	2015	2016	3Q-2017
1.28	1.377	1.563	.605	.338

Note: Data compiled from 2015 data collected by EIA indicates an average SAIDI of 3.0 hours.

**Measure #9: Maintain System Average Interruption Frequency Index (SAIFI) below industry average**

2013	2014	2015	2016	3Q-2017
.953	.695	1.04	1.004	.809

Note: Data compiled from 2015 data collected by EIA indicates an average SAIFI of 1.17 interruptions per customer.

*EIA is the U.S. Energy Information Administration*

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**Performance Measure Methodology Sheet**  
**Municipal Light & Power Department**

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**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.

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**Performance Measure Methodology Sheet**  
**Municipal Light & Power Department**

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**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.

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**Performance Measure Methodology Sheet**  
**Municipal Light & Power Department**

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**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.



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**Performance Measure Methodology Sheet  
Customer Service, Administration &  
Systems and Communications Division  
Municipal Light & Power Department**

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**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%.

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**Performance Measure Methodology Sheet  
Customer Service, Administration &  
Systems and Communications Division  
Municipal Light & Power Department**

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**Measure #5: Maintain positive income before dividend**

**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.

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**Performance Measure Methodology Sheet  
Customer Service, Administration &  
Systems and Communications Division  
Municipal Light & Power Department**

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**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.

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**Performance Measure Methodology Sheet  
Engineering & Operations Division  
Municipal Light & Power Department**

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**Measure #7: 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:

$$\text{CAIDI} = \text{Average Customer Minutes of Interruption} / \text{Total Number of Customers Interrupted}$$

**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.

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**Performance Measure Methodology Sheet  
Engineering & Operations Division  
Municipal Light & Power Department**

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**Measure #8: 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:

$$\text{SAIDI} = \text{Average Customer Minutes of Interruption} / \text{Total Number of Customers Served}$$

**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.

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**Performance Measure Methodology Sheet  
Engineering & Operations Division  
Municipal Light & Power Department**

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**Measure #9: 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:

$$\text{SAIFI} = \frac{\text{Average Total Number of Customers Interrupted}}{\text{Total Number of Customers Served}}$$

**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.

**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.

