



Ameren Illinois Company  
d/b/a Ameren Illinois

**MODERNIZATION ACTION PLAN**  
**Multi-Year Performance Metrics**

**2015 Annual Report**

Filed pursuant to 220 ILCS 5/16-108.5(f)

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# Introduction

On January 3, 2012, Ameren Illinois Company d/b/a Ameren Illinois (AIC) filed with the Commission, pursuant to 220 ILCS 5/16-108.5(c), a petition and supporting testimony and schedules declaring its election to become a "participating utility" and requesting approval of its performance-based formula rate (PBR) tariff, otherwise known as the Rate Modernization Action Plan-Pricing (Rate MAP-P) tariff, for recovery of its electric delivery service costs. Within 30 days after filing of a PBR tariff pursuant to Section 16-108.5(c) of the Energy Infrastructure Maintenance Act (Act), a participating utility must "develop and file with the Illinois Commerce Commission (Commission) multi-year metrics designed to achieve, ratably (i.e. in equal segments) over a 10-year period, improvement over performance baseline values." 220 ILCS 5/16-108.5(f).<sup>1</sup> As a participating utility, AIC filed and subsequently received Commission approval for its Modernization Action Plan - Metrics tariff (Rider MAP-M). Rider MAP-M sets forth the calculation for each category of penalty (PEN) per Sections 16-108.5(f)(1-2), (4-6) and (8-9) of the Act. The sum of such PEN values is input as the Performance Metrics Penalty and is used to determine the return on common equity, used to develop AIC's annual net revenue requirement for the annual reconciliation in accordance with the formula rate structure and Rate MAP-P. Subsequently, on June 1 of each year beginning in 2014, the participating utility shall file a report with the Commission that includes, among other things, a description of how the participating utility performed under each metric, and an identification of any extraordinary events that adversely impacted the utility's performance. This document describes how AIC performed on the applicable metrics in 2014.

## Metric Summary

Table 1 below summarizes the applicable metrics, baseline performance values, 10-year performance goals, and incremental performance goals:

AIC MAP Metric Summary Table															
Metric	Year 10 Improvement	Baseline Years	Baseline	Year 10 Goal	Incremental Goal by Year										
					2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
System Average Interruption Frequency Index (SAIFI)	20% reduction	2001 - 2010	1.13	0.90	1.11	1.08	1.06	1.04	1.02	0.99	0.97	0.95	0.93	0.90	N/A
Customer Average Interruption Duration Index (CAIDI)	15% reduction	2001 - 2010	156	133	154	151	149	147	144	142	140	137	135	133	N/A
Customers Exceeding Service Reliability Targets	75% reduction	2010	984	246	910	836	763	689	615	541	467	394	320	246	N/A
Estimated Electric Bills	56% reduction	2008 - 2010	590,905	259,998	N/A	557,814	524,724	491,633	458,542	425,452	392,361	359,270	326,180	293,089	259,998
Consumption on Inactive Electric Meters	56% reduction	2009-2010	12,100,806	5,324,355	N/A	11,423,161	10,745,516	10,067,871	9,390,225	8,712,580	8,034,935	7,357,290	6,679,645	6,002,000	5,324,355
Electric Uncollectible Expense	\$3.5 M reduction	2008-2010	\$17,773,333	\$14,273,333	N/A	\$17,423,333	\$17,073,333	\$16,723,333	\$16,373,333	\$16,023,333	\$15,673,333	\$15,323,333	\$14,973,333	\$14,623,333	\$14,273,333
Minority / Female Owned Business Spend	15% increase	2010	\$14,730,922	\$16,940,560	\$14,951,886	\$15,172,850	\$15,393,813	\$15,614,777	\$15,835,741	\$16,056,705	\$16,277,669	\$16,498,632	\$16,719,596	\$16,940,560	N/A

Table 1 – MAP Metric Summary

<sup>1</sup> The performance categories applicable to AIC are set forth in Sections 16-108.5(f)(1-2), (4-6) and (8-9) of the Act. The performance categories addressed in Sections 16-108.5(f)(3), (3.5) and (7) of the Act apply to "a participating utility other than a combination utility" and are therefore inapplicable to AIC.

# Methodology and Calculation

## Reliability Related Metrics

### SAIFI

#### (1) 2014 Incremental Performance goal

The 2014 performance year SAIFI goal was 1.08 interruptions / customer, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

#### (2) Methodology:

"System Average Interruption Frequency Index (SAIFI)" is the average number of interruptions per customer during the year. It is calculated by dividing the total annual number of customer interruptions by the total number of customers served during the year.

$$\text{SAIFI} = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

Consistent with the baseline calculation, the 2014 performance year calculation excluded three types of outages consistent with Part 411.20: (1) interruptions caused by the failure of a customer's equipment; (2) interruptions caused by loss of supply; and (3) scheduled interruptions for repair, maintenance or reinforcement. The 2014 performance calculations also excluded four extreme weather days, well below the allowed nine extreme weather days. An "extreme weather day" is defined as a 24 hour calendar day during which any weather event caused interruptions for 10,000 or more customers for three or more hours. These extreme weather days are summarized in Appendix 1.

#### (3) 2014 Performance

AIC's 2014 performance year SAIFI was 1.00 interruptions / customer. This performance satisfies the approved 2014 performance year goal of 1.08 interruptions / customer.

#### (4) Extraordinary Events That Adversely Impacted Performance

AIC is not aware of any extraordinary events, over and above the four extreme weather days already excluded, that adversely impacted performance of the SAIFI metric, other than those ordinary weather and other events that regularly impact this metric.

## CAIDI

### (1) 2014 Incremental Performance goal

The 2014 performance year CAIDI goal was 151 minutes / interruption, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

### (2) Methodology:

"Customer Average Interruption Duration Index (CAIDI)" is the average interruption duration for those customers who experience interruptions during the year. It is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions and is expressed in minutes.

$$\text{CAIDI} = \frac{\text{Sum of all Customer Interruption Durations}}{\text{Total Number of Customer Interruptions}}$$

Consistent with the baseline calculation, the 2014 performance year calculation excluded three types of outages consistent with Part 411.20: (1) interruptions caused by the failure of a customer's equipment; (2) interruptions caused by loss of supply; and (3) scheduled interruptions for repair, maintenance or reinforcement. The 2014 performance calculations also excluded four extreme weather days, well below the allowed nine extreme weather days. An "extreme weather day" is defined as a 24 hour calendar day during which any weather event caused interruptions for 10,000 or more customers for three or more hours. These extreme weather days are summarized in Appendix 1.

### (3) 2014 Performance

AIC's 2014 performance year CAIDI was 133 minutes / interruption. This performance satisfies the approved 2014 performance year goal of 151 minutes / interruptions.

### (4) Extraordinary Events That Adversely Impacted Performance

AIC is not aware of any extraordinary events, over and above the four extreme weather days already excluded, that adversely impacted performance of the CAIDI metric, other than those ordinary weather and other events that regularly impact this metric.

## Customers Exceeding Service Reliability Targets

### (1) 2014 Incremental Performance goal:

The 2014 performance year Customers Exceeding Service Reliability Targets goal was 836 customers, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

### (2) Methodology:

The service reliability targets are defined in Part 411.140 as follows:

- A) Customers whose immediate primary source of service operates at 69,000 volts or above should not have experienced:
  - i) More than three controllable interruptions in each of the last three consecutive years.
  - ii) More than nine hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
- B) Customers whose immediate primary source of service operates at more than 15,000 volts, but less than 69,000 volts, should not have experienced:
  - i) More than four controllable interruptions in each of the last three consecutive years.
  - ii) More than 12 hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
- C) Customers whose immediate primary source of service operates at 15,000 volts or below should not have experienced:
  - i) More than six controllable interruptions in each of the last three consecutive years.
  - ii) More than 18 hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
- D) Exceeding the service reliability targets is not, in and of itself, an indication of unreliable service, nor does it constitute a violation of the Act or any Commission order, rule, direction, or requirement. The Commission's assessment shall determine if the jurisdictional entity has a process in place to identify, analyze, and correct service reliability for customers who experience a number or duration of interruptions that exceeds the targets.

### (3) 2014 Performance

The number of AIC customers exceeding service reliability targets in the 2014 performance year was 610 customers. This performance satisfies the approved performance goal of 836 customers.

### (4) Extraordinary Events That Adversely Impacted Performance

AIC considers the four extreme weather days listed in Appendix 1 as extraordinary events that adversely impacted performance of the Customers Exceeding Service Reliability Targets metric, since these were not excluded from the analysis. AIC is not aware of any additional extraordinary events that adversely impacted performance of the Customers Exceeding Service Reliability Targets metric, other than those ordinary weather and other events that regularly impact this metric.

## **Advanced Meter Infrastructure (AMI) Related Metrics**

### **Estimated Electric Bills**

#### (1) Performance goal:

The 2014 performance year Estimated Electric Bills goal was 557,814, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

#### (2) Methodology:

An electric bill is considered "estimated" any time a meter reading is estimated, an actual reading is adjusted, or an increment of an interval reading used to determine billing is not an actual read. The source of the estimated electric bill data is the AIC Customer Service System (CSS) data base. The CSS data base was queried for estimated electric bills based on the definition above for 2014. The query looked for estimated electric bills for all dial and interval meters.

### (3) 2014 Performance

The number of estimate electric bills in the 2014 performance year was 507,069. This performance satisfies the approved performance goal of 557,814.

### (4) Extraordinary Events That Adversely Impacted Performance

AIC is not aware of any extraordinary events that adversely impacted performance of the Estimated Electric Bills metric, other than the ordinary weather conditions and access issues that regularly impact this metric.

## **Consumption on Inactive Electric Meters**

### **(1) Performance goal:**

The 2014 performance year Consumption on Inactive Electric Meters goal was 11,423,161 KWh, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

### **(2) Methodology:**

Consumption on an inactive electric meter occurs when usage is registered on an electric meter for which there is no customer of record to bill. The source of the data is the AIC Customer Service System (CSS) data base. The CSS data base was queried for consumption on inactive meters based on the above definition for 2014. The query looked for consumption on an electric meter that occurred from the time one customer ended service and another customer began service, or the service was physically disconnected. The query looked at all dial and interval meters.

### **(3) 2014 Performance**

The KWh of consumption on inactive electric meters in the 2014 performance year was 10,214,059. This performance satisfies the approved performance goal of 11,423,161.

### **(4) Extraordinary Events That Adversely Impacted Performance**

AIC is not aware of any extraordinary events that adversely impacted performance of the Consumption on Inactive Electric Meter metric, other than the ordinary weather conditions and access issues that regularly impact this metric.

## **Electric Uncollectible Expense**

### **(1) Performance goal:**

The 2014 performance year Electric Uncollectible Expense goal was \$17,423,333, as provided for in the approved Ameren Illinois Multi-Year Performance Metrics Plan.

### **(2) Methodology:**

The electric uncollectible expense represents those debts owed AIC that are not capable of being collected after reasonable collection efforts have been undertaken, less any recoveries, as reported by AIC on FERC Form 1, Account 904, adjusted to exclude gas uncollectible expense.

### (3) 2014 Performance

The electric uncollectible expense in the 2014 performance year was \$9,729,978. This performance satisfies the approved performance goal of \$17,423,333.

### (4) Extraordinary Events That Adversely Impacted Performance

AIC is not aware of any extraordinary events that adversely impacted performance of the Electric Uncollectible Expense metric, other than the ordinary economic issues that regularly impact this metric.

## **Opportunities for Minority-owned and Female-owned Business Enterprises**

### (1) 2014 Incremental Performance goal:

The 2014 performance year Opportunities for Minority-owned and Female-owned Business Enterprises goal set was \$15,172,850 of electric capital dollar expenditures paid to minority-owned and female-owned business enterprises, as provided for in the approved in Ameren Illinois Multi-Year Performance Metrics Plan.

### (2) Methodology:

Consistent with criteria established by state and federal law, AIC defines a MWBE as a minority-owned or women-owned business that is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members or women. "Minority group members" refers to those individuals who are Asian, Black, Hispanic, or Native American. Ownership by minority individuals or women means the business is at least 51% owned by such individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily operations are controlled by those minority group members or women.

There are multiple MWBE certifying agencies that AIC accepts certifications from, including federal government entities, state government entities, City government entities, and the affiliates of the National Minority Supplier Development Council and the Women's Business Enterprise National Council.

AIC's accounts payable system contains data fields that are populated to identify suppliers that are MWBE. To maintain data base accuracy, on an annual basis AIC uses a third party data enrichment company to analyze the supplier master data and identify which companies are MWBE.

To determine MWBE spend, AIC queries its accounts payable system to determine the sum of all sourceable AIC electric related, direct, non-labor, non-inventory, non-clearing, capital expenditures made for goods and services paid to all businesses. Sourceable spend excludes several categories of items such as internal payments, finance related expenditures, civic, government, and utilities.

### (3) 2014 Performance

For the 2014 performance year, AIC paid \$62,771,299 of electric capital expenditures to minority-owned and female-owned business enterprises. This performance satisfies the approved performance goal of \$15,172,850.

### (4) Extraordinary Events That Adversely Impacted Performance

AIC is not aware of any extraordinary events that adversely impacted performance of the Opportunities for Minority-Owned and Female-Owned Business Enterprises metric, other than those ordinary economic and business events that regularly impact this metric.

## **Determination of Applicable Rider MAP-M Penalties**

Based on the 2014 performance as explained above, below are the calculations for the individual Rider MAP-M penalties.

### **PEN1 - SAIFI**

AIC's 2014 performance year SAIFI was 1.00 interruptions / customer. This performance satisfies the approved 2014 performance year goal of 1.08 interruptions / customer, so, therefore, the applicable SAIFI penalty (PEN1) is zero.

### **PEN2 - CAIDI**

AIC's 2014 performance year CAIDI was 133 minutes / interruption. This performance satisfies the approved 2014 performance year goal of 151 minutes / interruptions so, therefore, the applicable CAIDI penalty (PEN2) is zero.

### **PEN3 – Customers Exceeding Reliability Targets**

The number of AIC customers exceeding service reliability targets in the 2014 performance year was 610 customers. This performance satisfies the approved performance goal of 836 customers so, therefore, the applicable Customers Exceeding Service Reliability Targets penalty (PEN3) is zero.

#### **PEN4 – Estimated Electric Bills**

This penalty is calculated to the nearest whole percentage as follows: % Estimated Electric Bills =  $(1 + (\text{Goal} - \text{Actual}) / \text{Goal}) \times 100$ . AIC needs to achieve at least ninety-five percent (95%) of the performance year goal to avoid a penalty.

The number of estimate electric bills in the 2014 performance year was 507,069, compared to the performance goal of 557,814. Using the formula above, the % Estimated Electric bills = 109%, which satisfies the 95% target. Therefore, the applicable Estimated Electric Bills penalty (PEN4) is zero.

#### **PEN5 – Combined Consumption on Inactive Electric Meters & Electric Uncollectible Expense**

This penalty is calculated to the nearest whole percentage as follows: % Average Performance =  $(\% \text{Consumption on Inactive Electric Meters} + \% \text{Electric Uncollectible Expense}) / 2$ , where % Consumption on Inactive Electric Meters =  $(1 + (\text{Goal} - \text{Actual}) / \text{Goal}) \times 100$  and % Electric Uncollectible Expense =  $(1 + (\text{Goal} - \text{Actual}) / \text{Goal}) \times 100$ . AIC needs to achieve at least ninety-five percent (95%) of the % Average Performance to avoid a penalty.

The KWh of Consumption on Inactive Electric Meters in the 2014 performance year was 10,214,059. This performance satisfies the approved performance goal of 11,423,161, with a percent achievement of 111%.

The Electric Uncollectible Expense in the 2014 performance year was \$9,729,978. This performance satisfies the approved performance goal of \$17,423,333, with a percent achievement of 144%.

Using the formula above, the combined % Average Performance is 128%, which satisfies the 95% target, therefore, the applicable Consumption on Inactive Electric Meters & Electric Uncollectible Expense penalty (PEN5) is zero.

#### **Opportunities for Minority-owned and Female-owned Business Enterprises**

There is no applicable penalty for the Opportunities for Minority-owned and Female-owned Business Enterprises.

# Appendix 1

## Identification of Extreme Weather Day Events

### Extreme Weather Day Detail

AIC experienced four extreme weather days in the 2014 performance year. The following table shows the four extreme weather days excluded from the 2014 performance year, and the associated customer interruptions and customer minutes interrupted.

Date	Customer Interruptions	Customer Minutes Interrupted
01/06/2014	22,616	4,578,674
02/17/2014	39,969	9,841,368
02/20/2014	56,020	10,007,691
03/12/2014	35,820	6,413,425
<b>TOTAL</b>	<b>154,425</b>	<b>30,841,158</b>

2014 Extreme Weather Days