



STRATEGIC PLAN DEVELOPMENT

Seattle City Light Review Panel

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Planning Officer

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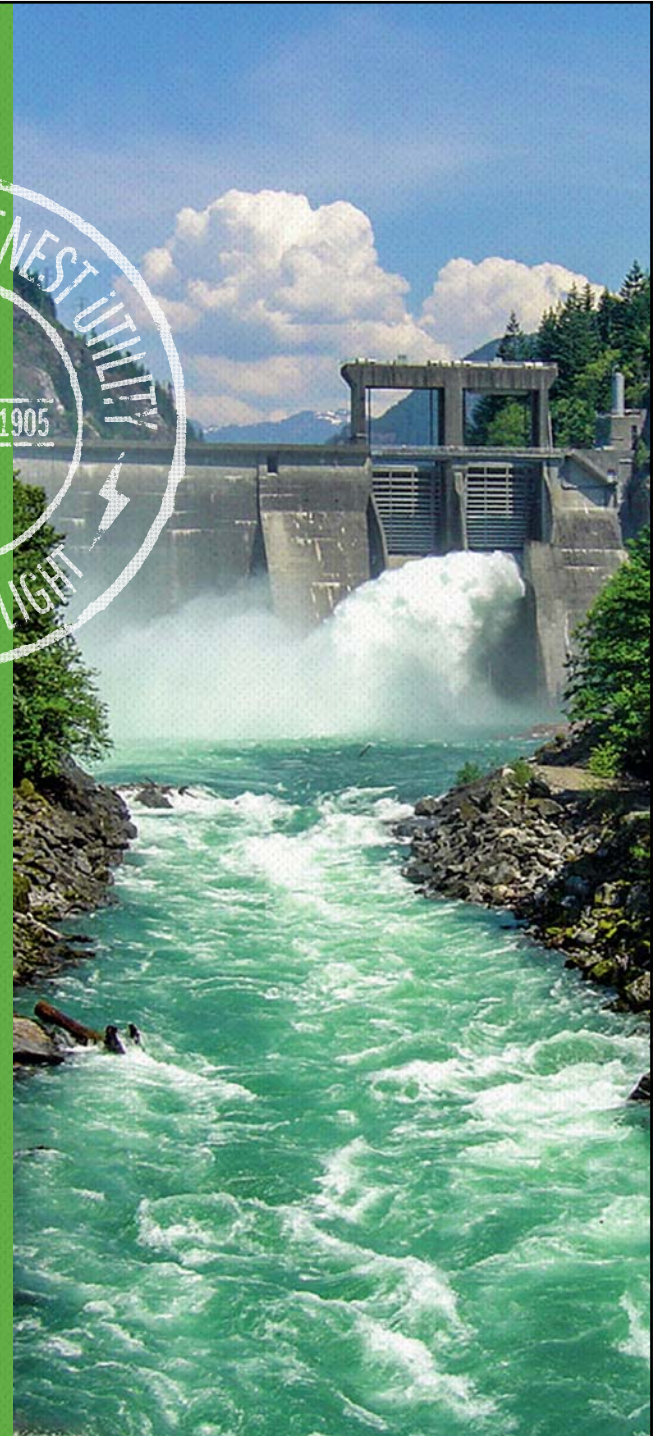


TODAY'S PRESENTATION

- Strategic Plan Overview
 - Pillars of the Current Plan
 - Initiatives per Objective
- Measuring Progress
 - Strategic Plan Metrics Summary
- Looking Forward
 - Process
 - Timeline
 - Where We Go From Here



STRATEGIC PLAN OVERVIEW



PILLARS OF THE CURRENT PLAN

Improve Customer
Experience and Rate
Predictability

Increase Workforce
Performance and Safety
Practices

Enhance Organizational
Performance

Continue Conservation
and Environmental
Stewardship Leadership

IMPROVE CUSTOMER EXPERIENCE AND RATE PREDICTABILITY

- Improve and ensure continued system reliability
- Improve customer interface and information exchange capacity
- Improve the efficiency of our legacy generation assets
- Provide greater rate predictability and transparency



CUSTOMER EXPERIENCE AND RATE PREDICTABILITY

Active Initiatives

- Compliance Tracking System (A4)
- Denny Substation Program (A6)
- Transmission System Improvements (A7)
- Underground Cable Replacement (A8)
- Improved Streetlight Infrastructure (A9)
- Hydro Performance and Generator Availability (A11)

CUSTOMER EXPERIENCE AND RATE PREDICTABILITY

Active Initiatives, continued

- Advanced Metering Infrastructure (A13)
- Customer Portal Development (CR5)
- Utility Discount Program (CR10)

CUSTOMER EXPERIENCE AND RATE PREDICTABILITY

Completed Initiatives

- Align Budgets and Rates (CR1) –2013
- Net Wholesale Revenue Practices (CR2) –2015
- Strengthen Ratepayer Advocacy (CR3) –2013
- Cost of Service and Rate Design Policies (CR4) – 2014
- Customer Contact Center Performance (CR5) – 2014

CUSTOMER EXPERIENCE AND RATE PREDICTABILITY

Initiatives Not Started

- Distribution Automation System (A2) – Begins 2019
- Master Service Center (A20) – Begins 2021



INCREASE WORKFORCE PERFORMANCE AND SAFETY PRACTICES

- Improve workforce safety
- Attract and retain workers
- Invest more in employee training
- Increase workforce flexibility and efficiency



WORKFORCE PERFORMANCE AND SAFETY

Active Initiatives

- Skilled Workforce Attraction and Retention (W2)

Completed Initiatives

- Safe Work Environment (W1) - 2015

ENHANCE ORGANIZATIONAL PERFORMANCE

- Improve effectiveness and efficiency through benchmarking and process improvements
- Replace outdated technology systems and fill major technology gaps
- Monitor and revise fiscal policies as appropriate to ensure continued financial strength



ENHANCE ORGANIZATIONAL PERFORMANCE

Active Initiatives

- Benchmarking City Light Performance (M2)
- Information Technology Roadmap (M3 – EDM)
- Performance-based Reporting (M4)
- Project Management Quality Improvement (M6)
- Service Level Agreements (M7)
- Efficiency Initiatives (M9)

ENHANCE ORGANIZATIONAL PERFORMANCE

Active Initiatives, continued

- IT Security Upgrades (A3)
- Enterprise GIS (A5)
- Mobile Workforce Implementation (A10)
- Regional Power and Transmission Leadership (A12)

ENHANCE ORGANIZATIONAL PERFORMANCE

Completed Initiatives

- Effective Communication and Engagement (M1) –2013
- Internal Audit (M5) –2013
- Procurement Process Improvements (M8) –2014
- Financial Policies/Insuring Generation Assets (M10) –2013
- Standards and Compatible Units (A15) –2015



CONTINUE CONSERVATION AND ENVIRONMENTAL LEADERSHIP

- Improve effectiveness in deploying conservation dollars
- Address resource risks associated with climate change
- Implement rate policy and infrastructure necessary to support customer adoption of electric vehicles
- Create systems to better track, respond to and reduce environmental liability



CONTINUE CONSERVATION AND ENVIRONMENTAL LEADERSHIP

Active Initiatives

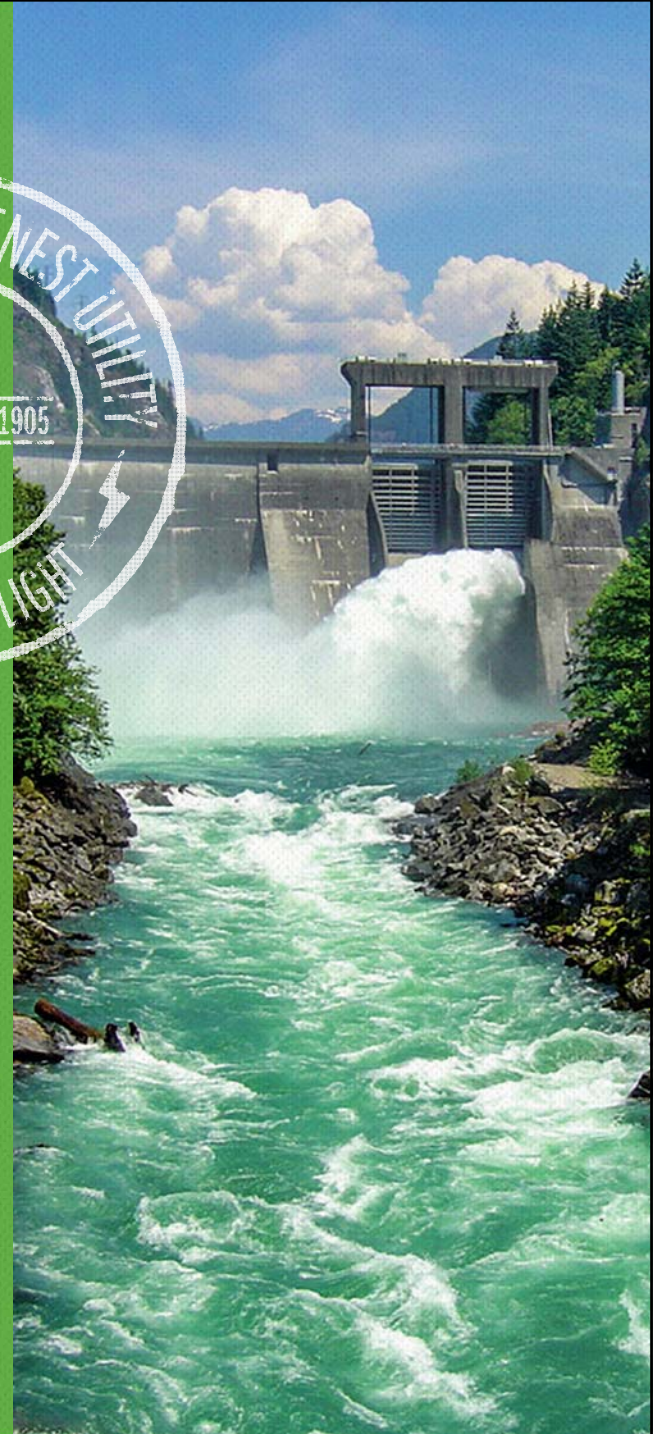
- Enhance Environmental Leadership (CR8)
- Reduce Environmental Liability (CR9)
- Transportation Electrification (A14)
- Climate Research and Adaptation (A17)

Completed Initiatives

- Conservation Program Enhancement (A18) –2015



MEASURING PROGRESS



STRATEGIC PLAN METRICS SUMMARY

Customer Service and Rate Predictability	2003	2008	2012	2013	2014	2015	Goal By 2022
Outage Duration: SAIDI (avg. cumulative minutes/customer)	77.8	88.4	69.0	68.7	69.7	62.3	Less than 60
Outage Frequency: SAIFI (avg. # of events/customer)	1.6	1.0	1.0	0.9	0.9	0.5	Less than 0.6
Residential Customer Service (JD Power Ranking, West Region)	#18	#11	#2	#3	#3	#3	#1
Business Customer Service (JD Power Ranking, West Region)	N/A	N/A	#4	#1	#1	#2	#1
Utility Discount Program (# of participants)	12,702	12,351	13,415	14,000	16,941	20,779	28,000 By 2018
Streetlight Repairs (% responded to in <14 days)	N/A	N/A	N/A	93.5%	95.4%	93.9%	90%
Service Connections (days for connection)	N/A	59.7	33.5	35.2	36.1	33.1	Less than 30
Rate Predictability (avg. annual increase 6 years)	N/A	N/A	N/A	4.7%	N/A	4.4%	4.3%
Workforce Performance and Safety	2003	2008	2012	2013	2014	2015	Goal By 2022
Hiring Cycle (days)	184	57	49	42	24	28	Less than 30
Vacancy Rate (% of FTE)	9.6%	6.3%	7.0%	7.0%	5.0%	5.4%	Less than 4.0%
Injury Rate (TRR)	13.1	6.9	7.0	6.3	5.3	6.0	Less than 2.2
Preventable Vehicle Collisions (#/year)	N/A	N/A	N/A	N/A	30	31	Less than 30
Avg. Training \$/Employee	\$593	\$798	\$622	\$799	\$1,223	\$1,689	\$2,000

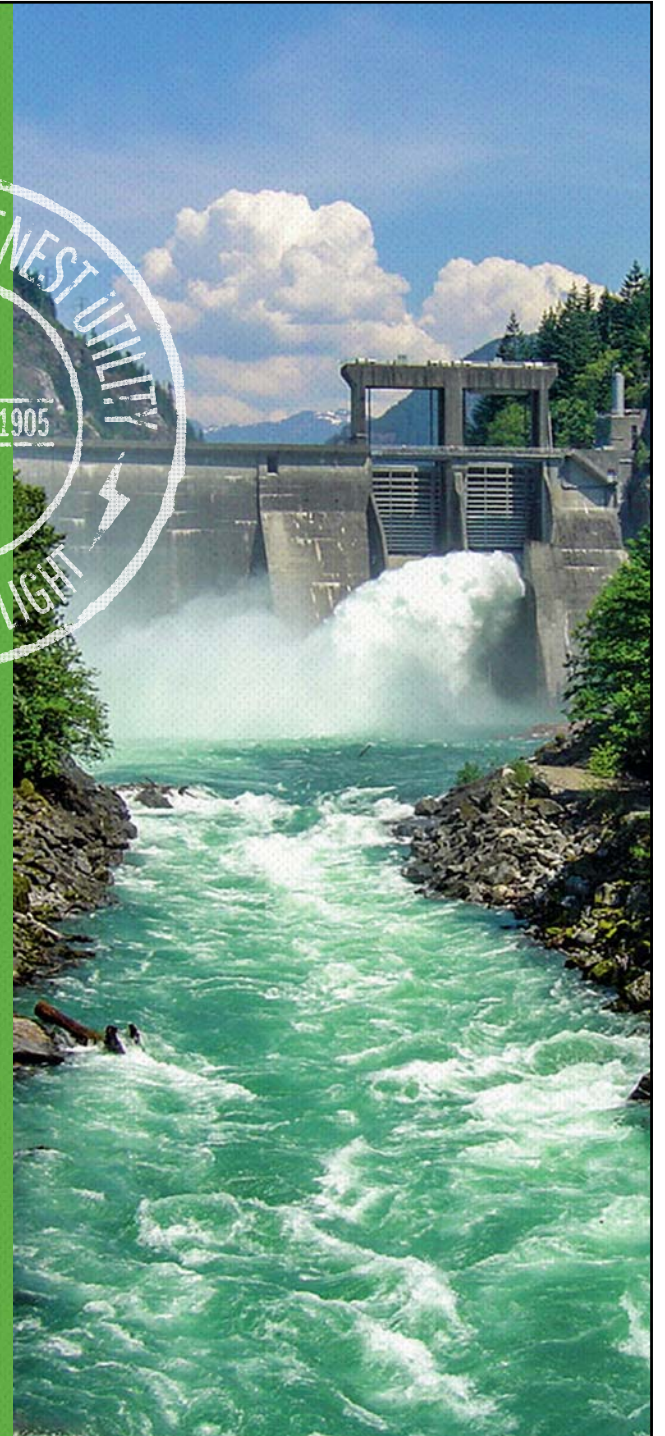
STRATEGIC PLAN METRICS SUMMARY, continued

Organizational Performance	2003	2008	2012	2013	2014	2015	Goal By 2022
Average Rate (¢/kWh)	6.2	5.6	6.8	7.2	7.6	8.1	11
Rate Ranking (among 25 Major US Cities)	#5	#1	#1	#1	#1	N/A	#1
Debt Service Coverage	1.56	2.05	1.81	1.85	1.86	1.62	1.80
S&P Credit Rating	A-	AA-	AA-	AA	AA	AA	AA
Efficiencies (\$M)	N/A	N/A	N/A	\$9.9	\$22.4	\$18.5	\$28.0 By 2018
Major Generator Rewinds (# Completed)	1	3	2	1	1	1	7 per year
Generator Transformer (# replacements completed)	1	4	4	1	1	6	9 per year
Conservation and Environmental Leadership	2003	2008	2012	2013	2014	2015	Goal By 2022
Conservation (aMW added/year)	7.0	10.1	13.0	14.7	16.0	15.8	14.0
Residential Incentives (\$M/year)	\$5.7	\$4.7	\$7.4	\$14.6	\$11.4	\$10.5	\$7.2
Commercial & Industrial Incentives (\$M/year)	\$10.5	\$6.8	\$7.7	\$11.4	\$12.7	\$14.2	\$16.1
Solar Installations (cumulative # installed)	-	159	674	1,126	1,610	2,244	4,300
Solar Installations (cumulative MW)	-	0.5	4	6	8	13	26
I-937 Compliant (note: 9% by 2016)	N/A	N/A	3%	6%	6%	6%	15%
GHG Emissions (metric tons)	296,219	0	0	0	0	0	0



LOOKING FORWARD

2019 – 2024 STRATEGIC PLAN



PROCESS

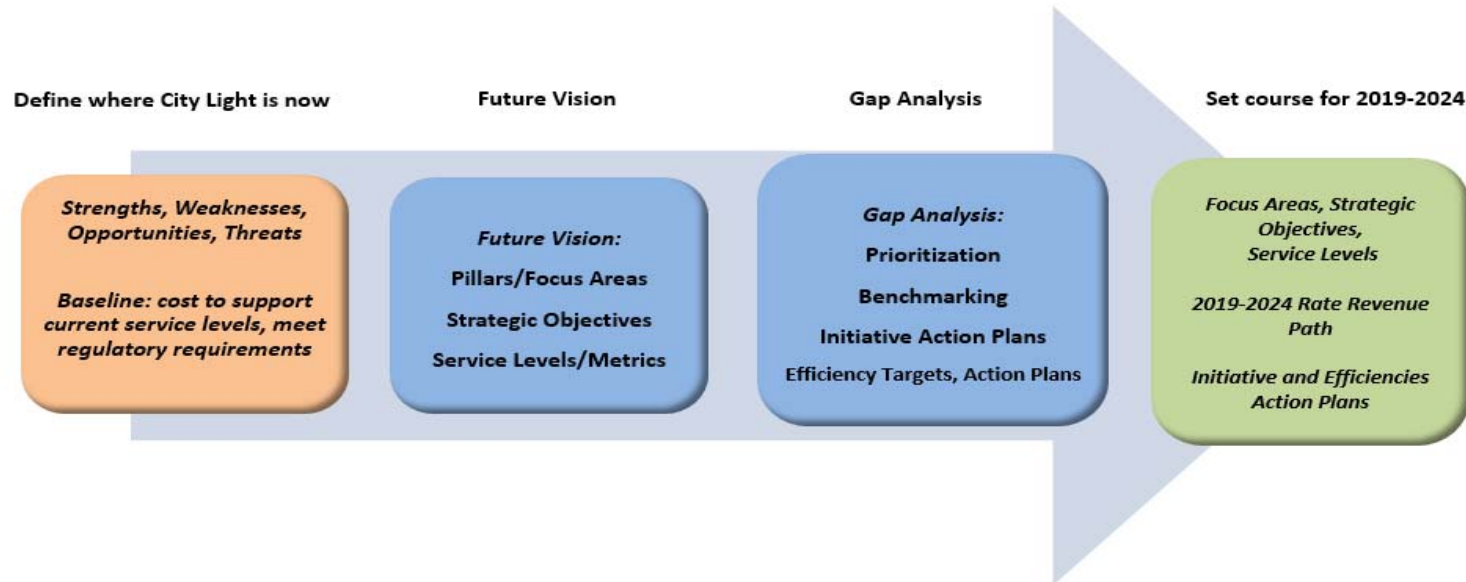
Seattle City Light Strategic Plan 2019-2024: Setting the Course

Guiding Principles

Vision: To deliver the best customer service experience of any utility in the nation

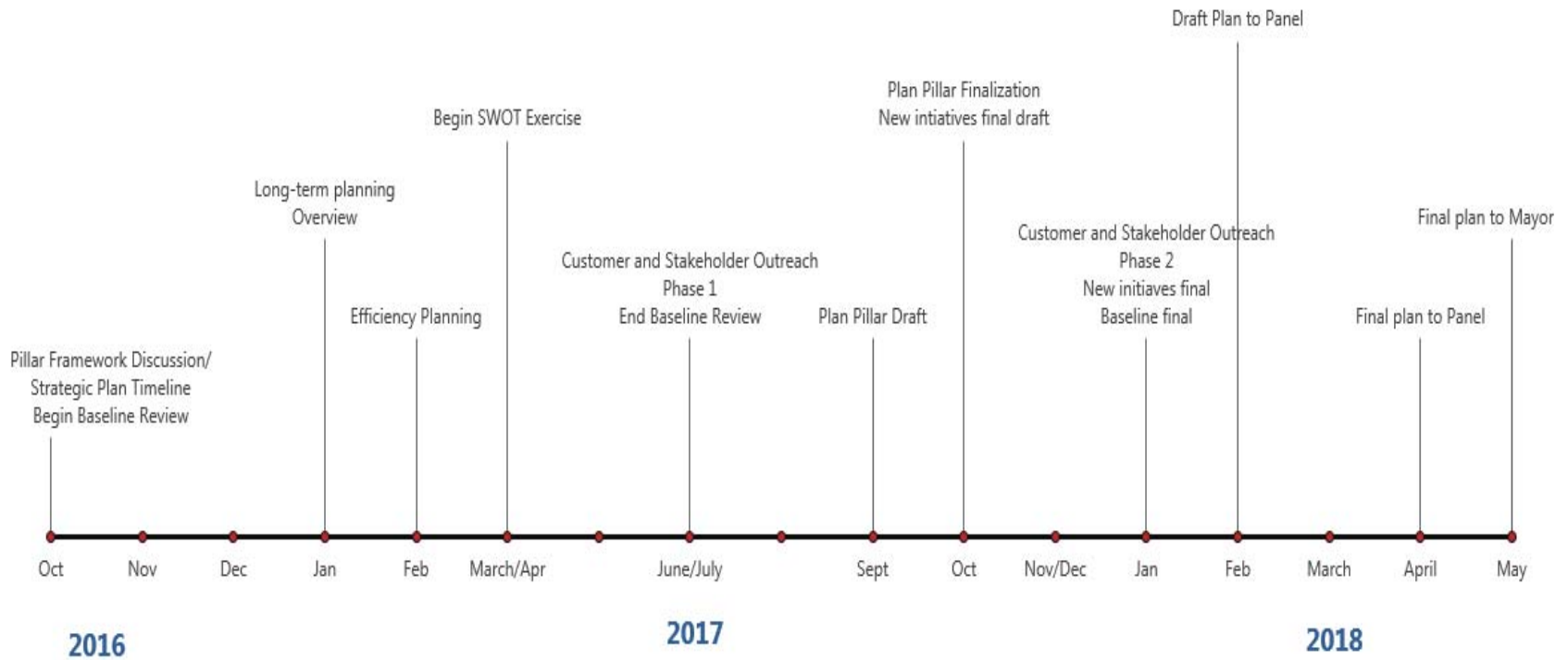
Mission: SCL is a public owned utility dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low cost and reliable power

Values: Excellence; Accountability; Trust; Stewardship



TIMELINE

2019 - 2024 Strategic Plan Update Draft Schedule



WHERE WE GO FROM HERE

- Next Steps
 - Building blocks of revenue and expense
 - SWOT analysis
 - Review and revise pillars



OUR VISION

To set the standard—to deliver the best customer service experience of any utility in the nation.

OUR MISSION

Seattle City Light is dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low-cost and reliable power.

OUR VALUES

Excellence, Accountability, Trust and Stewardship.

