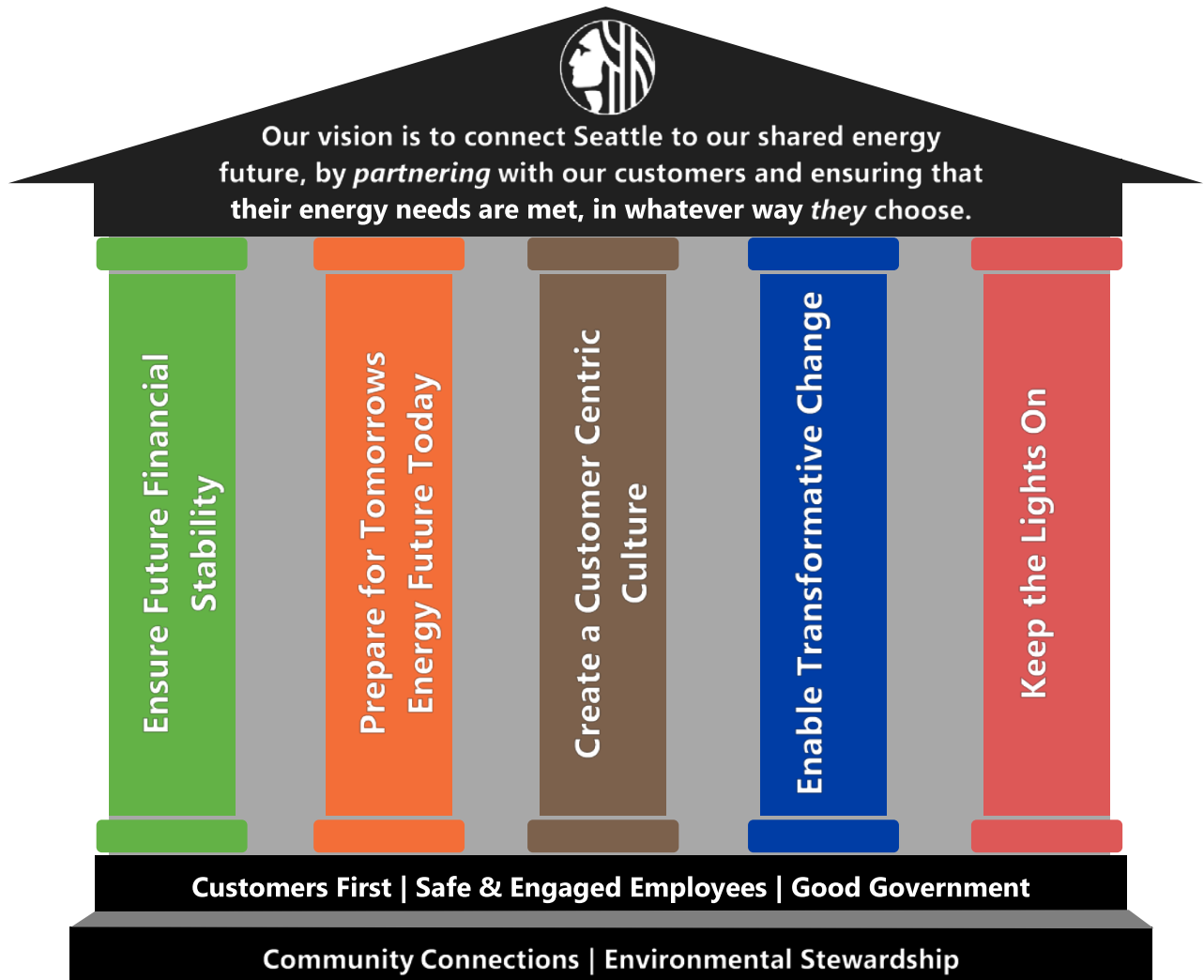


**City Light Review Panel  
Priorities and Objectives  
February 11, 2020**

## Mission:

Seattle City Light is committed to providing our customer-owners with affordable, reliable and environmentally responsible energy services.



**Ensure Future Financial Stability:** Increase financial flexibility and stabilize rates, positioning the utility to provide long-term value to our customer-owners, including vulnerable populations, though increased innovation.

**Prepare for Tomorrow's Energy Future Today:** Improve and modify our infrastructure assets to meet the evolving needs of transportation electrification, the environment, and security landscape as we move towards an undefined future.

**Create a Customer Centric Culture:** Build strong relationships with our customer-owners and individualize the customer experience in response to changing expectations and disruptions in the energy industry.

**Enable Transformative Change:** Develop a nimble and innovative culture prepared for changing industry needs by empowering employees, refining our processes, and always seeking operational excellence.

**Keep the Lights On:** Improve and align business operations in support of Seattle City Light's core mission and vision.

## Priority #1:

# Ensure Future Financial Stability

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### Objective:

Increase financial flexibility and stabilize rates, positioning the utility to provide long-term value to our customer-owners, including vulnerable populations, through increased innovation.

### Preliminary Goals:

1. Stable rates
2. Financial flexibility
3. Innovative programs

### Preliminary Measures:

- A projected rate path that looks like inflation
- Rate increases at or below projections
- A debt service coverage
- Contribution margin  
(*retail revenue – power cost ≥ fixed costs*)
- Leverage ratio
- Percent of eligible population enrolled in UDP
- Average customer energy burden

## Priority #2:

# Prepare for Tomorrow's Energy Future Today

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### Objective:

Improve and modernize our grid infrastructure, customer programs and operational approach to accelerate integration of clean energy technologies and enable customer choice for a carbon-free future.

### Preliminary Goals:

1. Build a reliable, resilient, and flexible grid
2. Operational ability to enable customers to make energy choices
3. Be good at customer program innovation
4. Be good at technology
5. Secure our cyber and physical assets

### Preliminary Measures:

#### Grid of the Future: Resilient, reliable, flexible

- Completion of chartered Grid Mod projects – within scope schedule & budget
- Completion of biennial Grid Mod Road map updates
- Smart grid technology penetration
- New Grid Architecture: Develop framework for City Light's grid of the future including

structure, design/performance criteria, component standards, etc.

- Technology projects in compliance with Project Management framework requirements

### Customer Program innovation

- Customer programs developed in compliance with Program Development framework
- DER Penetration Rate
- *Physical security prevention: Compliance with NERC-CIP cyber security requirements*
- *Cyber security prevention: Compliance with NERC-CIP cyber security requirements*
- 6. *Physical security recovery: Completed recovery plans*
- *Compliance with NERC-CIP cyber security requirements*
- *Cyber security recovery*
- *Updated response plans for Cyber*
- *Customer adoption of new rates promoting electrification*
- *Strategic customer projects completed (ferries, metro, etc)*
- *Electric transportation adoption rates (personal, commercial, public transit...)*

## Priority #3:

# Create a Customer Centric Culture

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### Objective:

Build strong relationships with our customer-owners and individualize the customer experience in response to changing expectations and disruptions in the energy industry.

### Preliminary Goals:

1. Create a strong customer culture
2. Build customer relationships
3. Individualize the customer experience

### Preliminary Measures:

- Response time to customer requests (ex: streetlights, new connections)
- % first call resolution or % reduction in issue resolution time
- Customer surveys (Call center/other transaction surveys, JD Power)
- Portal utilization rate
- Customer adoption of new rates
- CEMI3

## Priority #4:

# Enable Transformative Change

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### Objective:

Develop a nimble and innovative culture prepared for changing industry needs by empowering employees, refining our processes, and always seeking operational excellence.

### Preliminary Goals:

1. Increase workforce optimization
2. Position our assets for an undefined future

### Preliminary Measures: *still in development*

- Number of FTE positions strategically and equitably redeployed
- *Climate adaptation plan*
  - *needs to be specified*
- Processes refined
- Employee survey (morale)

## Priority #5:

# Keep the Lights On

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### Objective:

Improve and align business operations in support of Seattle City Light's core mission and vision.

### Preliminary Goals:

1. Attract and retain a core workforce
2. Always be safe
  - Public Safety
  - Employee Safety
  - Environmental Safety

### Preliminary Measures: *still in development*

- Total recordable rate
- Incident response time
- Motor vehicle collisions
- Equipment malfunctions
- Stray voltage
- Tree trimming
- Streetlight green ticket response time
- SAIDI, SAIFI, CAIDI

# Next Step: Initiative Development and Review

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Feb. 7 – Executive Team submission deadline

Feb. 13 – Executive Team prioritizes and selects initiatives based on the following criteria:

- Will the initiative make a significant impact in achieving a priority and objective?
- Is the initiative the most effective and efficient option?
- Does the initiative align with one or more City Light value(s)?
- Does CL have the capacity (staff, funding, time) to implement and manage the initiative?

Feb. 25 and March 10 – Initiative presentations to the Review Panel