



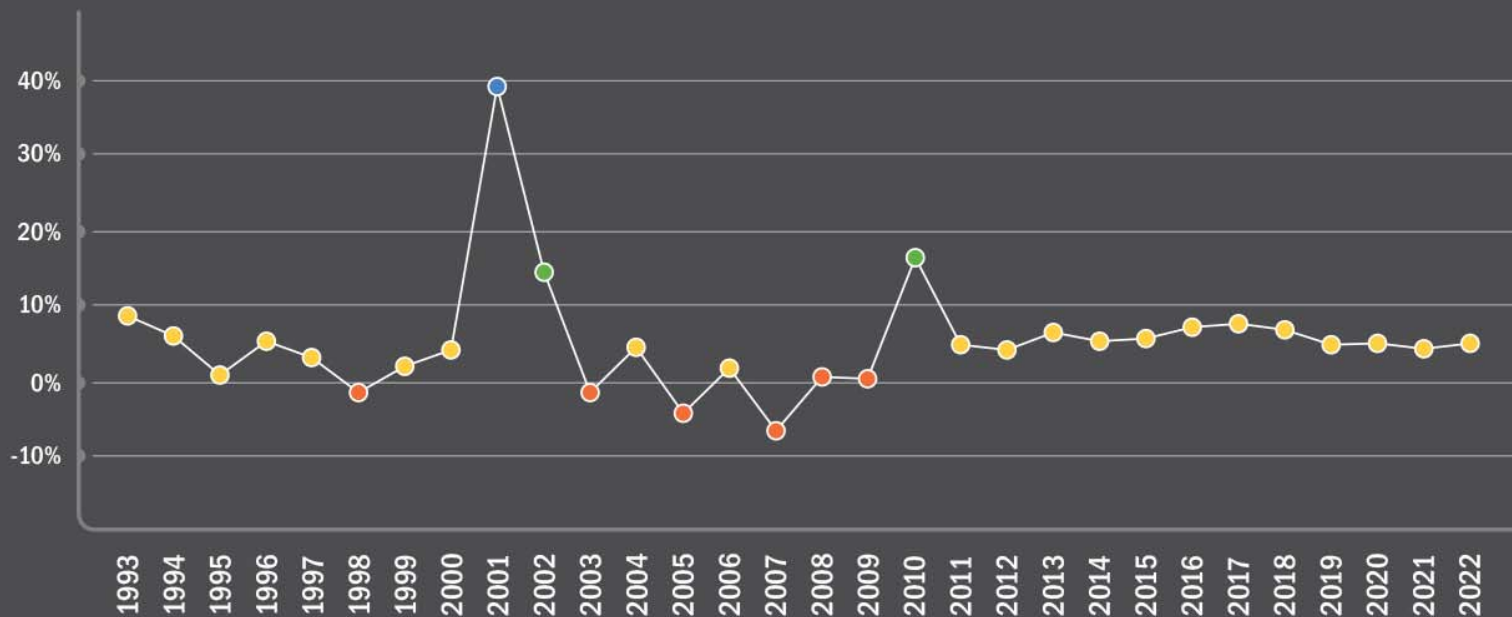
# STRATEGIC PLAN UPDATE

2017-2022



# WHY A STRATEGIC PLAN?

## RATE INCREASES – HISTORY vs. FUTURE



## WHY A STRATEGIC PLAN?

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- Road map to meet customer needs
- Blueprint to make informed decisions
- Report current conditions and progress
- Gather community input



# STRATEGIC PLAN: FOUR KEY OBJECTIVES

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#1

Improve Customer  
Experience and Rate  
Predictability

#2

Increase Workforce  
Performance and Safety  
Practices

#3

Enhance  
Organizational  
Performance

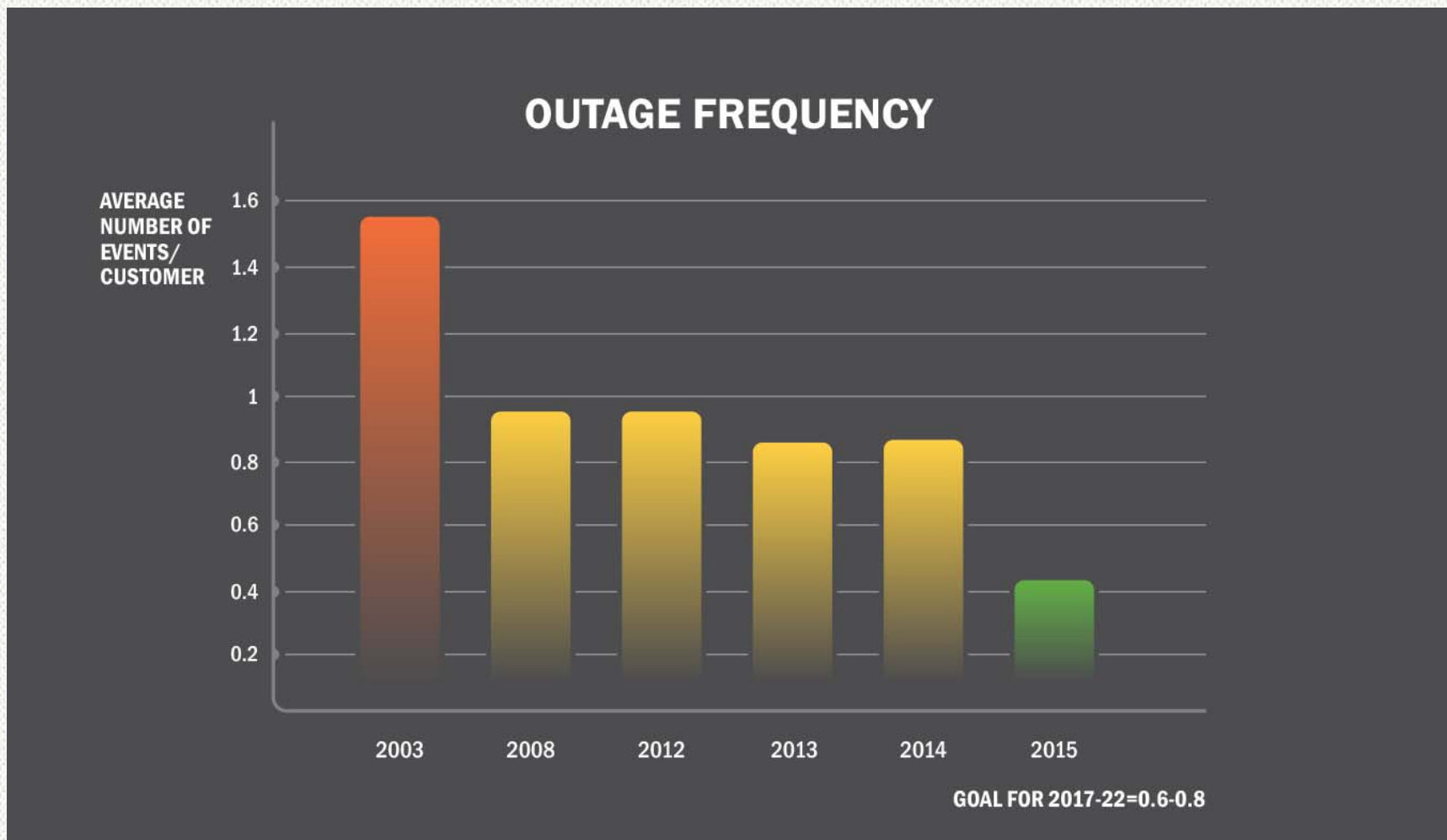
#4

Continue Conservation  
and Environmental  
Stewardship Leadership

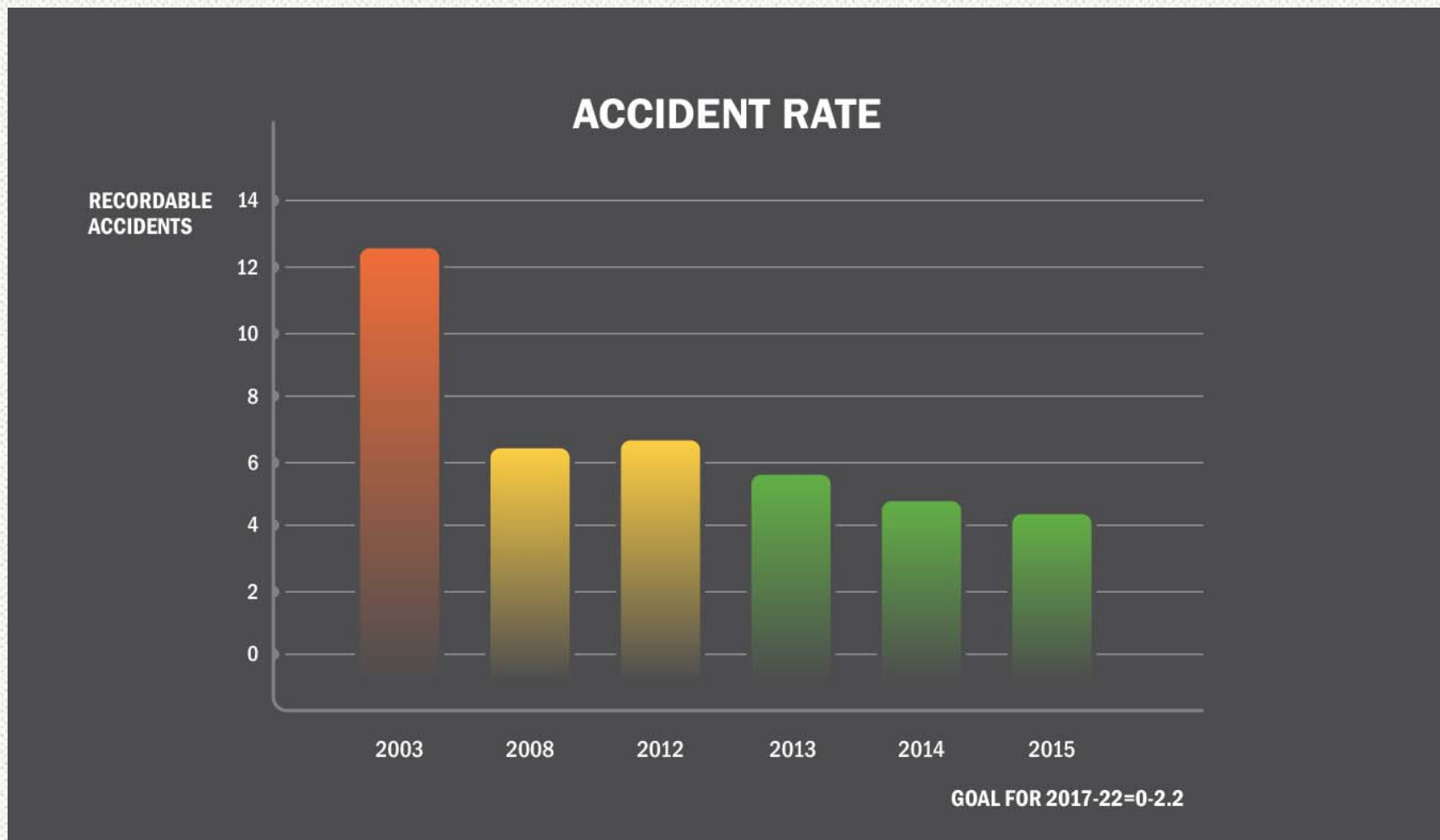


THE PLAN  
IS  
WORKING

# #1 – IMPROVE CUSTOMER EXPERIENCE



## #2 – INCREASE WORKFORCE PERFORMANCE & SAFETY



## #3 – ENHANCE ORGANIZATIONAL PERFORMANCE



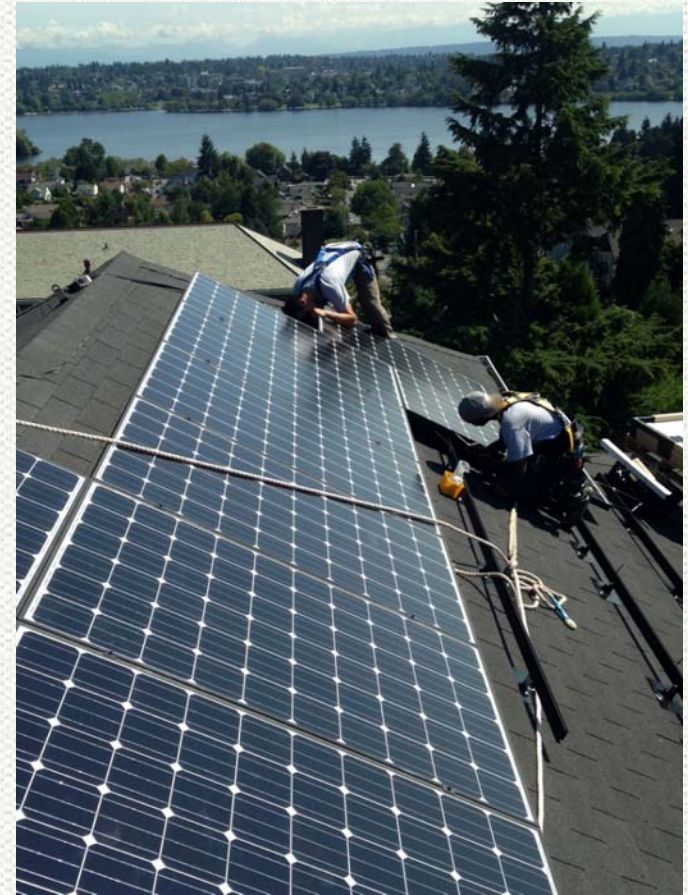
**In 2015, staff repaired and returned Boundary Dam's generator unit 53 to service before the peak generation season on the Pend Oreille River in half the repair time expected and \$1 million under budget. The unit went down in 2013.**



## #4 – CONSERVATION & ENVIRONMENTAL LEADERSHIP

### Major Milestones

- Greenhouse gas neutral since 2005
  - Carbon reduction initiatives
  - Purchase of high-quality carbon offsets
- 4 Community Solar projects
  - Generate more than 75,000 kWh of clean, local solar energy each year
- Acquired 230 acres along the Skagit River
  - Protect valuable spawning habitat
- South Service Center new decant facility
  - Pre-treats electrical vault storm water and waste locally, reducing greenhouse-gas emissions





WORK  
THE  
PLAN

# MAJOR PROJECTS UNDERWAY – DISTRIBUTION AUTOMATION

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- System isolates an outage and re-routes power to restore service
  - Improves reliability
  - Increases efficiency
  - Speeds up outage response
  - Improves safety and customer service
- 2015 Lake Forest Park installment
- **Completion:** 2020



# MAJOR PROJECTS UNDERWAY – DENNY SUBSTATION

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## *World's Coolest Electrical Substation\**

- First City Light substation built in 30 years
- Greater reliability to meet increasing energy demands
- Provides support to other substations
- **Completion:** 2018



*\*Fast Company Magazine*

# MAJOR PROJECTS UNDERWAY – ADVANCED METERING

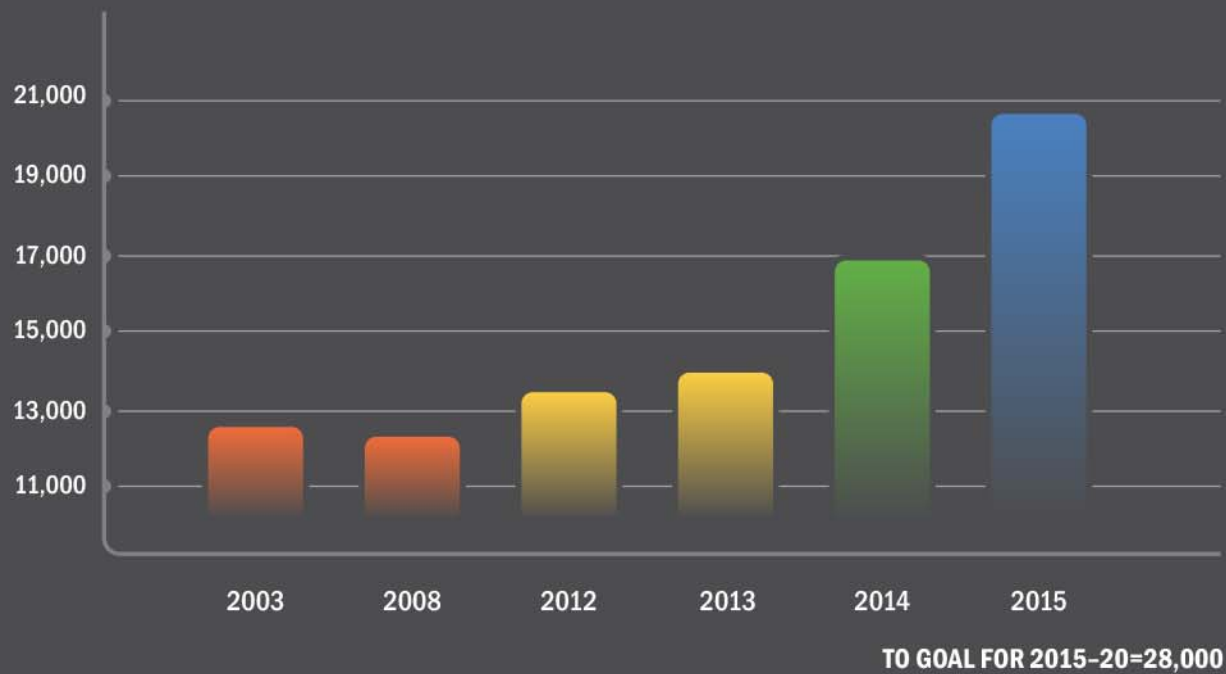
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- Proven technology that will:
  - Reduce costs
  - Increase reliability
  - Improve customer service
  - Empower customers to make energy-saving choices
- More than 500 utilities already use this technology
- \$94 million utility investment
- **Completion:** 2018



# MAJOR PROJECTS UNDERWAY – UTILITY DISCOUNT PROGRAM

## NUMBER OF PARTICIPANTS



## HEADWINDS (CHALLENGES)

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- Lower revenues
  - Drought years
  - Warmer winter weather
  - Increased conservation
- Cyber security & threats
- Aging workforce
- Increasing customer expectations
  - Emerging technologies
  - Social equity
  - Environmental leadership



# UTILITY OF THE FUTURE





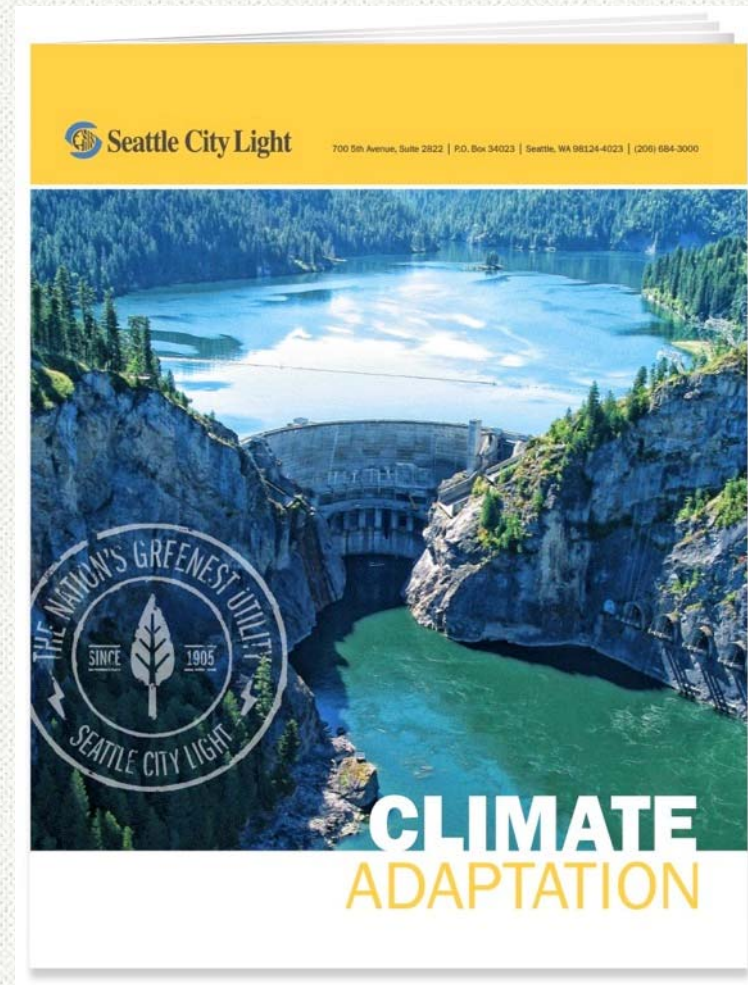
## TRANSPORTATION ELECTRIFICATION INITIATIVE

- Participate in the Mayor's "Drive Clean Seattle" Initiative
- With Port, City and other large customers, identify opportunities to electrify operations
- Use phased approach to ensure utility investments are beneficial to utility and ratepayers.
- Launch pilot to support home charging stations
  - On-bill repayment
  - Time of day pricing



# CLIMATE ADAPTABILITY PLAN

- Developed to address challenges of climate change
- Research impacts of utility operations
- Develop actions to minimize those impacts



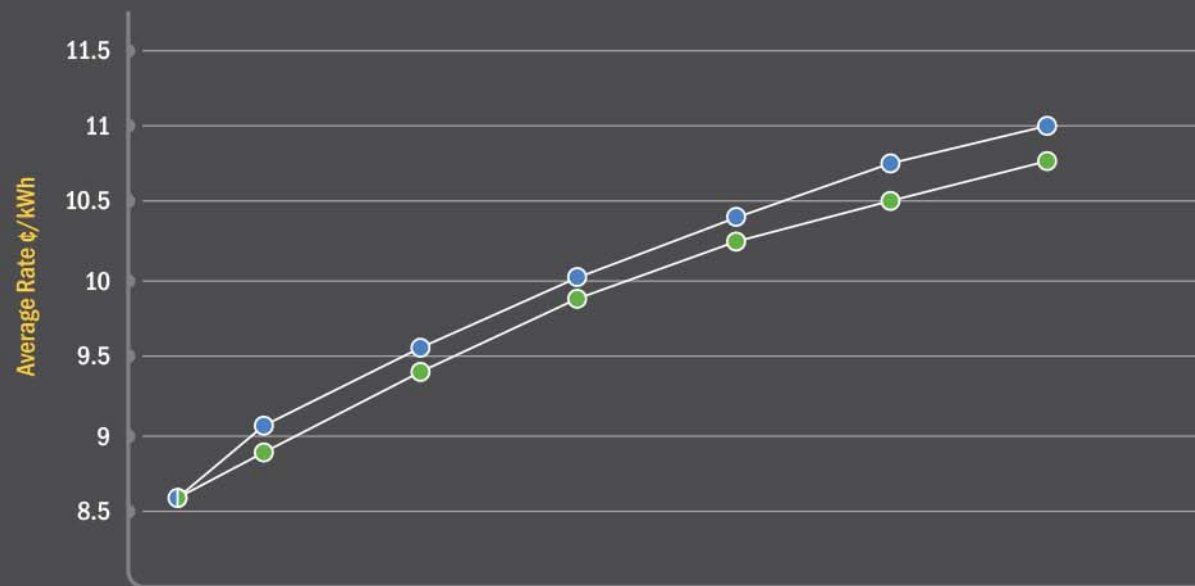
## PLAN IS WORKING – EFFICIENCIES

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- In 2015, City Light achieved \$18.5M in efficiencies:
  - Fleet reduction: **\$530,000 savings**
  - Current diversion efforts: **\$1,105,820 increased revenue**
  - Lower financing costs: **\$9,347,000 savings**
  - Steel stays reinforcement: **\$879,262 savings in pole replacement costs**
  - On-board generators on field trucks: **\$307,800 fuel cost savings**
  - Renegotiation of existing leases and permits: **\$860,338 increased revenue**
  - Staff reduction/reallocation for efficiency improvements: **\$347,000 savings**
- Committed to increasing efficiencies by \$10 million for a total of \$28M in annual savings by 2018

*2015 efficiency highlights only; not all included*

# STRATEGIC PLAN RATE PATH DETAILS



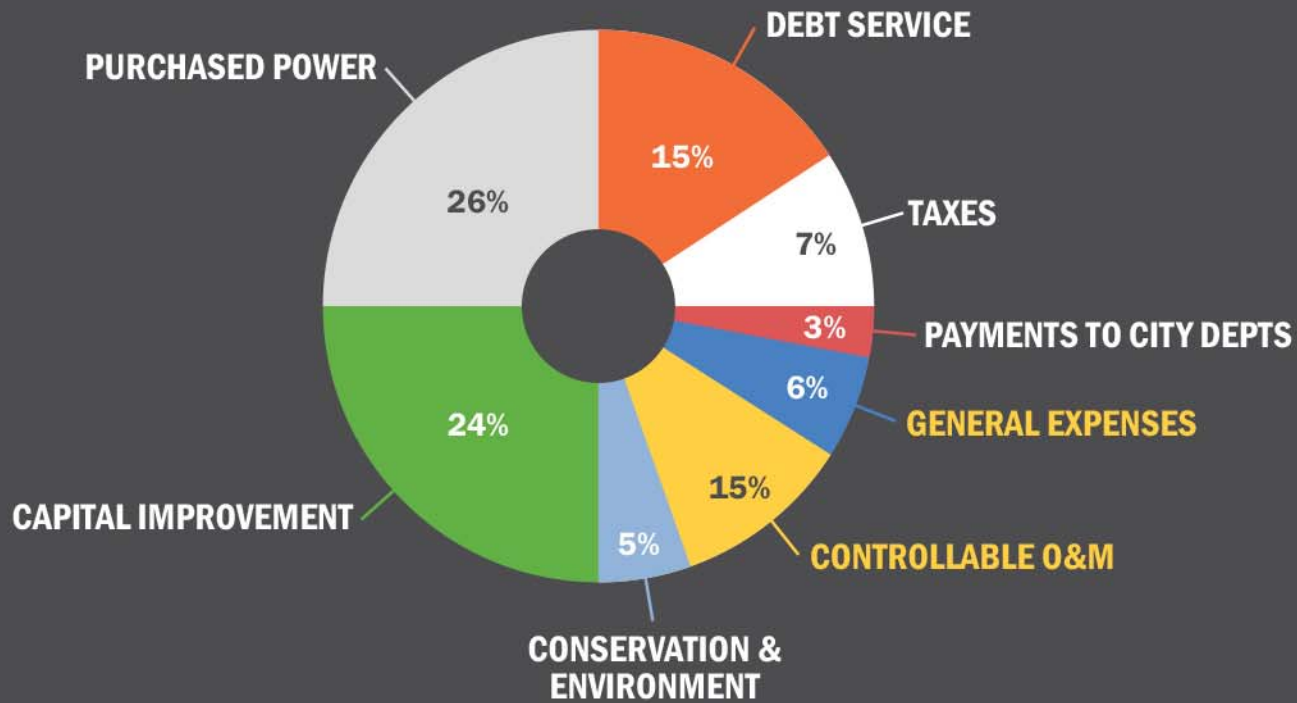
Annual Rate Increase	2017	2018	2019	2020	2021	2022	2017-22 Average
Proposed Plan	5.6%	5.6%	5.0%	3.6%	3.1%	2.5%	4.3%
With Old Load Forecast*	3.9%	5.8%	5.1%	3.5%	2.9%	2.5%	3.9%

\*Load Forecast Used in the Adopted 2015-2020 Strategic Plan

# HOW YOUR DOLLARS ARE SPENT

## 2016 OPERATING & CAPITAL BUDGET

\$1.369 Billion - 1,868 FTEs



# SEATTLE CITY LIGHT IN COMPARISON

## NEIGHBORING UTILITIES

(lowest cost/kWh-2014)





## 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.

