

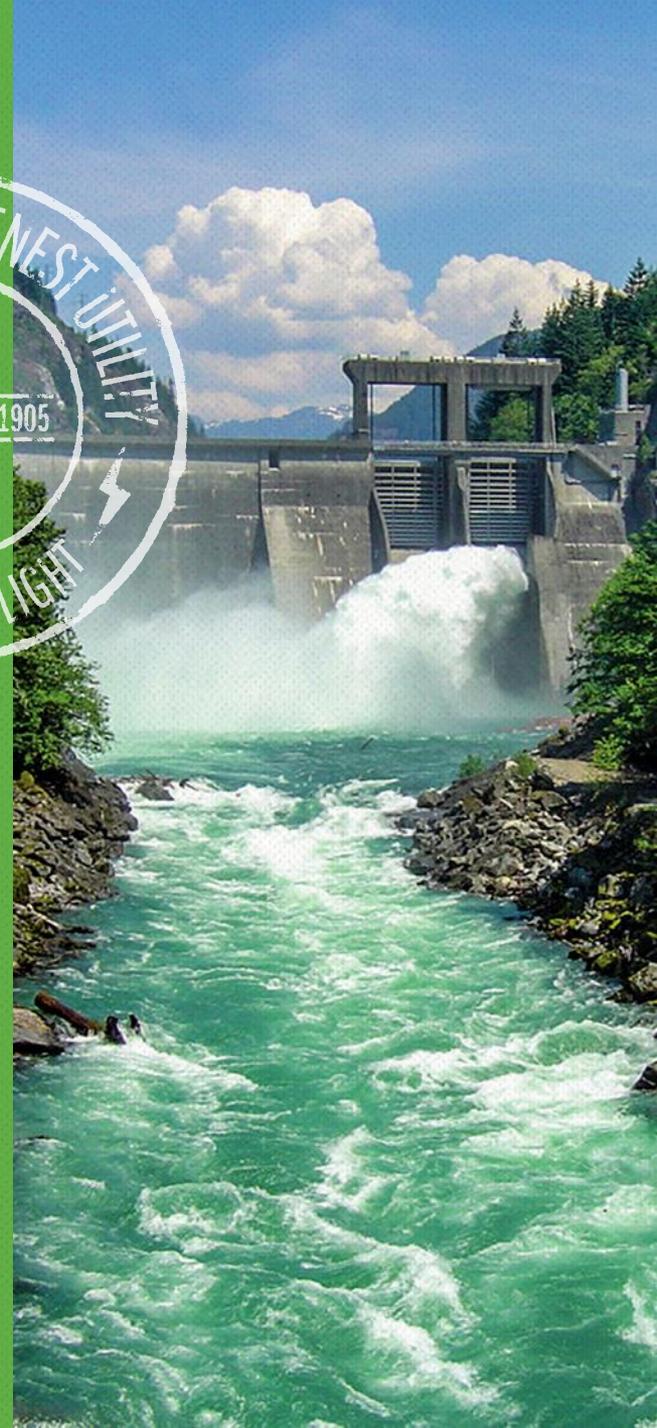
STRATEGIC PLAN EFFICIENCIES

Seattle City Light Review Panel

May 1, 2015



EFFICIENCIES



2015 EFFICIENCY GOAL – ORIGINAL AND REVISED

	Goal 2015	Revised 2015
O&M		
CSED	\$ 3,885,600	\$ 3,144,310
PSEA	\$ 1,530,000	\$ 1,530,000
<i>Subtotal</i>	<u>\$ 5,415,600</u>	<u>\$ 4,674,310</u>
CIP		
CSED	\$ 6,120,000	
PSEA	\$ 1,530,000	\$ 1,530,000
<i>Subtotal</i>	<u>\$ 7,650,000</u>	<u>\$ 1,530,000</u>
O&M Operational		
	\$ 2,138,335	\$ 2,138,335
Benefit Savings from Op Savings	\$ 2,264,400	\$ 2,264,400
<i>Subtotal</i>	<u>\$ 4,402,735</u>	<u>\$ 4,402,735</u>
CIP Operational		
Project Management Improvements	\$ 1,045,290	\$ 1,045,290
Total	<u>\$ 18,513,625</u>	<u>\$ 11,652,335</u>

Original 2015 targets were based on bargained savings initiatives. 2015 efforts projected to save over \$6m were not approved.

2015 EFFICIENCY GOAL – NEW SAVINGS

	Goal 2015	Revised 2015
New Sustainable		
BPA Power Factor	N/A	\$ 129,000
BPA Slice Solution	N/A	\$ 255,348
2013 Bond Issue Timing	N/A	\$ 600,000
2014 Bond Refunding	N/A	\$ 2,000,000
2013 Bond Size Reduction	N/A	\$ 4,600,000
2014 Bond Size Reduction	N/A	\$ 5,200,000
Real Estate Leases	N/A	\$ 750,000
Risk Audit	N/A	\$ 180,000
Environmental Grants	N/A	\$ 4,500,000
Operations	N/A	\$ 1,521,000
	\$ -	\$ 19,735,348
Total		
2015 Total of original and new savings	\$ 18,513,625	\$ 31,387,683

Achievement of savings from the original plan, plus ongoing efforts to identify new sustainable and one time efficiencies are expected to yield substantial savings above the original 2015 target.

CHALLENGES IN EFFICIENCY DELIVERY

- Delay in effective date and full savings not delivered in negotiations

- Impact

\$'s in Millions	2015	2016
Forecast	\$ 3.1	\$ 5.0
Budget Total	\$ 10.0	\$ 10.1
Difference	\$ (6.9)	\$ (5.1)

Examples

- Two tiered overtime rate for scheduled and non-scheduled off-hour work
- One person Service crews as first responders for outages and emergencies
- Review of overlap of Line Service and Field System Operations functions
- Allowing any qualified electrical worker to operate overhead or underground switching

OTHER EFFICIENCIES 2015 AND FORWARD

Finance:

- 2013 Financing - \$5,200,000
- 2014 Financing - \$7,200,000
- 2015 Financing – \$ impact TBD (\$90M Variable, \$180M Fixed)
- Environmental Grants - \$4,500,000 (estimated)
- Real Estate Leases - \$750,000

Power Marketing:

- BPA Power Factor Refund - \$129,000
- BPA Slice Solution - \$255,348

Risk Management:

- Risk Audit - \$180,000

OTHER EFFICIENCIES 2015 AND FORWARD, Continued

Support Services:

Benchmarking Studies - \$ impact TBD

- Fleets
- Facilities
- Budget & Finance
- General Accounting & Cost Accounting
- Conservation
- Environmental Affairs

Operations:

- AMP Fee - \$1,000,000
- Decant Facility - \$125,000
- Onboard Generators - \$396,000
- Transmission D-Line – \$ impact TBD
- Continuous Improvement/Lean Six Sigma– \$ impact TBD

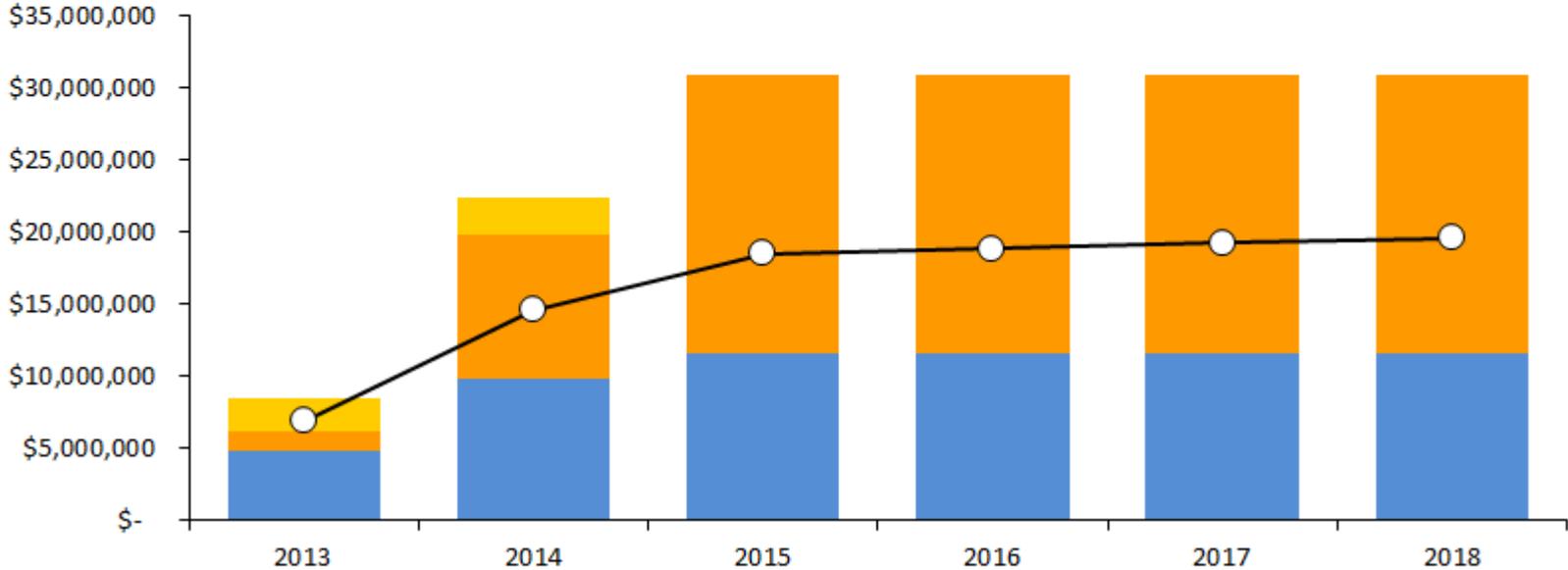
TOTAL - \$19,735,348

EFFICIENCY SAVINGS BY YEAR

Efficiency Summary

Plan Efficiencies by Year

- Not Previously Identified (one-time)
- Not Previously Identified (sustainable)
- Identified in Original Plan
- Total Efficiencies in Plan





CITY LIGHT

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.

