

**Seattle City Light Review Panel**  
c/o K. Kinney, Seattle City Light  
P.O. Box 34023, Seattle WA 981244-4023

January 6, 2016

Mr. Michael Mattmiller  
Chief Technology Officer and Director  
Department of Information Technology  
City of Seattle

Dear Michael,

Thank you for meeting with the Seattle City Light Review Panel on December 8, 2015. We very much appreciated the opportunity to hear your vision for the Department of Information Technology (DoIT) and to ask questions about the implementation plan as it impacts Seattle City Light and its customers.

The Review Panel members represent City Light customers and major stakeholder groups. We focus on City Light's Strategic Plan and the rates resulting from the implementation of that Plan. Several key Strategic Plan initiatives relate directly to information technology (IT) and there may be additional such initiatives in the future Strategic Plan. We will remain focused on how implementation of those IT initiatives are proceeding as you partner with City Light. We hope to hear how the Utility and its ratepayers will benefit from the steps you are leading to move IT functions from the Utility to a centralized organization.

As you know, technology is changing at a rapid pace in the electric utility industry and we anticipate it will continue to be very prominent in City Light's updated strategic plan (currently scheduled for Council review in late spring/early summer 2016). For City Light to be successful implementing its updated Strategic Plan, strong coordination between the Utility and DoIT will be critical.

We concur that improving security standards, creating a shared resource to help all city departments, and pooling IT professionals to help with hiring, training and retention makes sense for IT systems commonly used by the City's various departments. So, we applaud your efforts on this front. However, as we discussed in our meeting, City Light does a good job with its IT systems, some of which are very different in size, scale and criticality than general city-wide IT systems. With that in mind, we have summarized below three major points raised by the Review Panel at our December 8, 2015 meeting for your continued consideration.

- Seattle City Light is a large municipal utility system with critical systems subject to federal regulation and cyber security standards. Therefore, it should have a level of technical support that a large utility would receive from a third-party IT provider. We encourage DoIT and City Light to draft an industry standard service level agreement to define expectations on the delivery of services. Particular clarity is needed around cost allocation between DoIT and SCL.
- Given the large number of City department systems that DoIT is integrating, and given the criticality of many of SCL's systems to reliable delivery of electricity, we recommend a slower

staging to move City Light IT systems to DoIT than is currently planned. Specifically, we recommend you integrate City Light's most critical systems later in the integration process than currently proposed. There are always challenges with integration, and it is better to work out those issues on less critical systems.

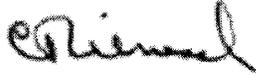
- As you move forward, the Review Panel would like to stay informed of your progress with City Light's IT systems. We would like to see a high level timeline of which services are going to be managed by DoIT, which will remain with SCL, and which City Light Strategic Plan Initiatives are impacted by this timeline. Finally, we would also like to receive updates on the progress of the City Light IT systems implementation plan.

We appreciate your attention and focus on these issues. Thank you again for meeting with us in December and we look forward to hearing from you again in the coming months.

On Behalf of the Review Panel,



Julie Ryan  
Chair



Tom Lienesch  
Vice-Chair

cc: Honorable Edward Murray  
Seattle City Councilmembers  
Deputy Mayor Kate Joncas  
James Baggs, Interim General Manager, City Light  
Tony Kilduff, Council Staff  
Greg Shiring, Budget Office  
Review Panel Members

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**From:** Pimentel, Jeff  
**Sent:** Thursday, January 14, 2016 8:12 AM  
**To:** Bourget, Helene; Christa Ahearn; SCL, StreetLight9  
**Cc:** Kinney, Kim  
**Subject:** RE: [REDACTED], Seattle, WA 98115 Christa Ahearn [REDACTED] LED Lake City Way

I'm glad the modifications worked for the customer.

Jeff Pimentel, Sr. Civil Engineer  
SCL Construction Management / Streetlight Engineering  
3613 4th Ave S, #A-210  
Seattle, WA. 98134  
jeff.pimentel@seattle.gov  
Mobile: 206-455-5186

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**From:** Bourget, Helene  
**Sent:** 1/14/2016 8:04 AM  
**To:** Christa Ahearn; SCL, StreetLight9  
**Cc:** Pimentel, Jeff; Kinney, Kim  
**Subject:** [REDACTED], Seattle, WA 98115 Christa Ahearn [REDACTED] LED Lake City Way

Hi Christa,  
We are much happier as well, since you and yours are much happier.  
Thanks for the positive feedback. **Good work, Jeff and crew!**

**HELENE BOURGET | STREETLIGHT ENGINEERING SUPERVISOR**  
**SEATTLE CITY LIGHT**  
**ENERGY DELIVERY ENGINEERING**  
[helene.bourget@seattle.gov](mailto:helene.bourget@seattle.gov)  
TEL (206) 386-1783 CELL (206) 459-3726  
[helene.bourget@seattle.gov](mailto:helene.bourget@seattle.gov)



**From:** Christa Ahearn [mailto:christa\_ahearn@yahoo.com]  
**Sent:** Wednesday, January 13, 2016 6:32 PM  
**To:** SCL, StreetLight9 <street.light@seattle.gov>  
**Cc:** Bourget, Helene <Helene.Bourget@seattle.gov>  
**Subject:** Re: NEW STREETLIGHT BULB IS TOO BRIGHT! PLEASE FIX ASAP. Affecting my whole house!

Thank you!

Tonight my balcony looks nice and dark again, with just enough light from the streetlight across the way. I hope it doesn't get moved again!

I appreciate the attention to this matter. We are much happier.

Thanks,  
Christa Ahearn

On Monday, January 11, 2016 6:40 PM, Christa Ahearn <[christa\\_ahearn@yahoo.com](mailto:christa_ahearn@yahoo.com)> wrote:

Thank you!

On Monday, January 11, 2016 4:00 PM, "SCL, StreetLight9" <[street.light@seattle.gov](mailto:street.light@seattle.gov)> wrote:

Your email regarding the Glare Problem, has been forwarded to the Resident Engineer. He will assess the glare issue at [REDACTED], streetlight [REDACTED] Lake City Way NE, and have a crew make corrections. Please allow 10 business days for this to happen. After that time, if you have further concerns or questions regarding this glare issue, please contact Maneet at 206-684-3396.

Thank you,

Mary Jane  
Customer Service and Energy Delivery Division  
Seattle City Light

**From:** Christa Ahearn [[mailto:christa\\_ahearn@yahoo.com](mailto:christa_ahearn@yahoo.com)]  
**Sent:** Saturday, January 09, 2016 6:32 AM  
**To:** SCL, StreetLight9 <[street.light@seattle.gov](mailto:street.light@seattle.gov)>  
**Subject:** Re: NEW STREETLIGHT BULB IS TOO BRIGHT! PLEASE FIX ASAP. Affecting my whole house!

Can someone please provide an update on this horrible light that has taken over my whole house????? It is now the weekend and I want to be able to enjoy the nighttime, but the light is so bright that it's like daytime all night!!!!!! This is not acceptable! I enjoy the darkness way too much to deal with this nuisance. Can you put the streetlight in front of someone's house who likes light, at least????? I want my nights back!!!!!! My cat won't come to bed because she thinks it is always day!!!!!! I MISS THE NIGHTTIME!

PLEASE TURN THE BRIGHTNESS OFF!!!! Do not ignore me! You probably all go home each night to a peaceful, DARK place when I come home to PURE BRIGHTNESS AND NO ESCAPE FROM HELL!!!!!!!!!!!! There isn't much traffic at night, anyway..... I think that light is lighting my house more than it is the street, it's up so high at my condo level.

Please tell me how to turn off the light ASAP. I have driven around and seen many of these bright lights around the north end and none seem to be as close to any windows as mine. Why ME???

Please fix it ASAP. It is unbearable.

Please confirm what will be done. What are the next steps of action?

- What is your property address, include unit number and floor if applicable
- What is the 7-digit tag number on the pole? It is attached to the pole vertically with black numbers on yellow background.
- Which side of the home are the windows affected by the glare on (N, S, E or W)?
- Which rooms of the home are impacted?
- Are there other parts affected (backyard, side yard, etc.)
- Do you have a view impacted?
- Please provide a daytime phone number

Thank you again for taking the time to let us know about your experience with the new lights and the opportunity to serve you.

Mary Jane

Customer Service and Energy Delivery Division  
Seattle City Light  
(206) 684-7056

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**From:** Christa Ahearn [[mailto:christa\\_ahearn@yahoo.com](mailto:christa_ahearn@yahoo.com)]  
**Sent:** Tuesday, January 05, 2016 11:00 PM  
**To:** SCL, StreetLight9 <[street.light@seattle.gov](mailto:street.light@seattle.gov)>  
**Subject:** NEW STREETLIGHT BULB IS TOO BRIGHT! PLEASE FIX ASAP. Affecting my whole house!

I think the streetlight right outside my living room window was changed today because it is way too bright and is lighting up my whole condo! My poor cat is sitting in the living room under a spotlight, bathed in light at nighttime!!! I was in my bedroom at the other end of the condo and I could see the light shining in off the balcony, reflecting into my room!!! The streetlight is right at our balcony level and it's all I can see now. There is already a big billboard across the street, and now this horrible light????? PLEASE TURN IT THE OTHER WAY OR SOMETHING, PLEASE!!! It is awful! I am glad I don't use my living room often, but if I did there is no way I could sit out there with that light glowing all through my house!!!

Can this please fixed? I like my place dark and especially in the living room, but this light is shining right in. I have attached a few pics.... The room was normally pretty dark... That's how we like it. I tried to close the blinds, but I like to be able to look out over the balcony at night. But now I need extra strong sunglasses to even look in that direction!

These were taken at 10:30 - 10:45 pm tonight, January 5, 2016. We cannot live with this horrid lighting taking over the whole house.

Please respond as soon as possible. This is not acceptable. We are very unhappy.

Thank you  
Christa Ahearn

[REDACTED]  
[REDACTED]  
[REDACTED]





**City of Seattle**  
Department of Information Technology

February 16, 2016

Julie Ryan, Chair  
Tom Lienesch, Vice-Chair  
City Light Review Panel

Dear Ms. Ryan and Mr. Lienesch:

Thank you for your most recent letter. I enjoyed our conversation on December 8 and am pleased that I was able to address most of your questions and concerns. The remaining three considerations noted are valid and important.

Over the next six weeks as we prepare for the April 6, 2016 date on which the Seattle Information Technology Department (Seattle IT) becomes effective we will be finalizing a number of critical details, including agreements between Seattle IT and individual departments that define our commitments related to service levels, work plans, and governance. We will continue to work closely with department IT leaders to understand the state of execution against their strategic plans, department priorities, and other factors that must be observed as Seattle IT assumes management of the City's IT service delivery.

City Light has many large and sophisticated application systems, as do the City's other utilities and its public safety, transportation, and regulatory departments. While the staff who implement and maintain these critical systems will become Seattle IT employees on April 6, most changes in the resources, responsibilities, and reporting relationships will be gradual, and will follow the integration of infrastructure operations.

Leading the skillful planning, scheduling, and management of our application support consolidation efforts will be our new City Director of Applications, Tara Duckworth. As you may know, Tara has served for many years as Applications Manager for Seattle City Light. Tara was selected for this position of increased responsibility because she was the best qualified candidate, not for her connection with City Light. Nonetheless, there is no one more fully aware of the range and importance of City Light's systems, and of the needs of the users of those systems, than Tara. She will help us to ensure a smooth transition with no loss of momentum.

I look forward to keeping the Review Panel apprised of our progress in creating Seattle IT and how we deliver on City Light's IT strategic plan. Again, thank you for taking the time to meet with me in December, and for expressing your remaining questions and suggestions so concisely.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Mattmiller", written in a cursive style.

Michael Mattmiller  
Chief Technology Officer, City of Seattle

cc: Mayor Ed Murray  
Members, Seattle City Council  
Deputy Mayor Kate Joncas  
James Baggs, Interim General Manager, City Light  
Tony Kilduff, Council Staff  
Greg Shiring, City Budget Office  
Review Panel Members

## Seattle City Light Review Panel

c/o P. Leyritz, Seattle City Light  
P.O. Box 32023 Seattle, WA98124-4023  
[CLRPquestions@seattle.gov](mailto:CLRPquestions@seattle.gov)

May 23, 2016

Honorable Edward B. Murray, Mayor  
The City of Seattle  
600 Fourth Avenue  
P.O. Box 94749  
Seattle, WA 98124-4749

### **RE: Seattle City Light Strategic Plan Update for 2017-2022**

Dear Mayor Murray:

The Seattle City Light Review Panel is pleased to convey our unanimous support for the Seattle City Light Strategic Plan Update for 2017-2022. We encourage the City to adopt this Plan Update as submitted by the Utility.

The Plan Update calls out some important changes to the way City Light is doing business that will require close attention over the next several years. Most significantly, City Light has experienced a decline in retail demand for power in each of the last four years, and the forecast rate of growth in demand for the next six years remains low. While not yet of the magnitude facing many utilities nationally, this decline in actual demand and weak rate of growth in forecast demand is a relatively new phenomenon for City Light. This means we need to start thinking differently about the future of the Utility: the foundation for that shift in thinking is set forth in this Plan Update.

### **Progress in Meeting Plan Commitments**

Since approval of the Utility's initial six-year strategic plan in 2012, we have tracked City Light's progress in addressing the Plan's four key objectives:

- Improving the customer experience
- Increasing workforce performance and safety
- Enhancing organizational performance, and
- Continuing conservation and environmental stewardship

These four key objectives are still relevant and we support City's Light's continued focus on these areas. City Light has made good progress in meeting these objectives, as detailed in over 30 strategic initiatives. Despite significant and unanticipated changes to some capital projects and in the underlying load forecast, City Light has adhered to its rate path commitments and

delivered on its commitment of implementing \$18M in ongoing efficiencies by 2015. Of particular note is the impressive progress made in increasing enrollment in the Utility Discount Program. We are also pleased to see good progress in reducing the rate of employee injuries.

### **Looking Forward: Utility of the Future**

The new theme in the 2017-22 Strategic Plan Update is “the Utility of the Future.” This theme encompasses four factors that will have major implications for City Light over the next several years: (1) declining demand for power; (2) shifting customer expectations associated with technology changes; (3) an aging City Light workforce; and (4) an evolving landscape for renewable power.

Actual retail power sales, by volume, have *fallen every year since 2011*: the Utility sold 3% less retail power in 2015 than it did in 2011. The forecast load growth rate is now about the same as it was in 2014 -- 0.36% average annual growth is forecast for 2017-2022. But this forecast growth rate is half what was forecast as recently as 2012. The Utility projects it will not again sell the same volume of power it did in 2011 until sometime *after 2022*. The graph on Attachment A illustrates this situation.

What does declining retail demand and slowing load growth mean for the Utility and its ratepayers? The Utility derives revenue from two major sources: retail sales (to local residents and businesses); and sales of excess power in the wholesale market. Activity in both of these areas is putting upward pressure on electricity rates. The Utility is experiencing declining retail demand—a result of increased conservation, warmer winter weather, increasing share of multi-family housing, and deployment of more energy efficient infrastructure and equipment. This means fixed costs are spread over a lower volume of electricity sold. Additionally, prices in the wholesale market for power are lower, largely due to competition from low natural gas prices, which has resulted in lower net wholesale revenue.

This situation will become intensified if City Light continues to experience declines in demand. This will need careful tracking, as will re-examination in coming years of the Utility’s financial and rate policies, since current policies and rates are founded, in part, on the premise of continual growth in the demand for electricity.

Given the uncertainty as to future retail demand and its core importance to the Utility’s fiscal health, we are very pleased that City Light has committed to undertake a thorough review of the forecast methodology in the next two years, including but not limited to a new study of consumer electrical-use patterns.

Another important element of the Utility of the Future is shifting customer expectations and technology. Customers are more than a passive revenue source. They want to participate more in tracking and controlling their electricity use, receiving timely information of power outages

and restoration, deploying more efficient home appliances, and even choosing the source of their electricity (roof-top or community solar arrays, for example). This demands a new level of communication and customer engagement supported by investment in technologies that are rapidly changing.

As was first noted back in the initial 2012 City Light Strategic Plan, fifty percent of the Utility's workforce is eligible for retirement within 5 years. That statistic remains essentially unchanged four years later (currently, 50.9% of employees are eligible to retire within five years). We appreciate City Light's pro-active stance towards this issue, as seen in the Utility's commitment to employee training and increasing the number of apprenticeships available. It is important that the Utility remain focused on addressing this major workforce transition.

The Utility of the Future will also face evolving renewable energy technologies. The price of solar power has been dramatically reduced in the last few years. Battery storage technologies are improving and costs are also coming down. Wind power prices are also falling as technology improves. At present, solar power constitutes only about 0.1% of City Light's total load (including all roof-top arrays) but this could change as the number of solar installations in the service area continues to increase. In other states, solar has already grown to a meaningful share of total power supply, and this requires watching in our region.

As a final observation, the future will call for a significant focus on cyber-security and protection of electrical system facilities. Threats that could take down our electrical grid, or dams, or result in customer privacy breaches are part of an unfortunate "new normal" that utilities must proactively address. Our economy, and our quality of life, relies on safe, reliable electricity.

#### **Rate Path for 2017-2022**

City Light is committing to a 2017-2022 rate path yielding an average annual rate revenue increase of 4.3% over each of the next six years. This is a slight reduction in the rate path from the 2015-2020 plan (4.4% average annual rate increases) and the original Strategic Plan for 2013-2018 (4.7% average annual rate increases).

Maintaining rate path predictability is one of the most important benefits of the Strategic Plan. This has been affirmed in outreach meetings. That said, we remain concerned about the impact of ongoing annual rate revenue requirement increases well in excess of the rate of inflation. And, we note that the rate revenue paths as experienced are in fact higher than the six-year averages, which are somewhat "front-loaded." The actual rate revenue requirement path since the Strategic Plan was instituted, and as projected for the next two years, is shown below:

	2013	2014	2015	2016	2017 (Proposed)	2018 (Proposed)
Rate revenue increase over previous year	4.4%	5.6%	4.2%	4.9%	5.6%	5.6%

The annual average of these rate revenue increases will be just over 5% per year.

Related to our concern about rate revenue growth, it is also important to look at customers' bills as distinct from rates, especially since overall customer usage is decreasing. Please see the Metrics section below for the Panel's recommendation on developing metrics to measure this impact.

The major driver of these rate increases is debt service from the Utility's large capital investment program. In addition to maintaining and upgrading its transmission and distribution facilities, City Light must maintain the hydropower facilities that have been producing some of the lowest cost power in the nation for decades. Maintaining all these facilities is expensive--and not optional. City Light has also invested in critical distribution infrastructure with the Denny Substation, new automated distribution technology to increase system reliability, and new automated meters to increase operational efficiency and provide customers' valuable information about their energy use. We note that many of these large investments have been made and that the future capital plan is not quite as large. But, City Light must continue to manage its capital improvement program and maintain vigilance and skill in managing its many large capital projects in order to oversee the growth in rate revenue requirements.

### **Targeted Efficiencies**

In the 2012 Strategic Plan, the Utility committed to securing \$18 million in *ongoing* (rather than one-time) efficiencies by 2015. There were a number of challenges to reaching that goal, but the Utility persevered and was ultimately successful. The original efficiency target assumed substantial savings from collective bargaining that did not materialize. The resulting gap was filled by a variety of efforts: of particular note was refinancing and restructuring of debt to provide ongoing capital financing savings. For this Plan Update, City Light is committing to securing \$28 million in ongoing efficiencies by 2018. We strongly endorse the Utility's work in this regard.

### **Continuing and New Strategic Initiatives**

The Strategic Plan is about delivering improvements in the Plan's four key objectives. As a Panel, we will continue to track the delivery of the dozens of specific improvements outlined in

the Plan's 30-plus strategic initiatives. These improvements are an important part of the rationale for supporting the proposed rate revenue path.

There are three new initiatives included in this Plan Update, which are of nominal cost. We support these three initiatives as they will directly benefit customers for minimal cost:

- **Utility of the Future** – supporting targeted strategic thinking around the issues outlined above in our letter.
- **Transportation Electrification** – expanding electrification beyond personal vehicles is an appealing idea to the extent it can both result in direct benefit for ratepayers, as well as improved air quality, particularly through increasing deployment of electrical buses.
- **Climate Adaptation Plan** – having developed the plan over the last three years, the Utility will now move into implementation.

### **Race and Social Justice Initiative**

We support the breadth and depth of the City's commitment to the Race and Social Justice initiative. City Light is committed to this initiative in its every day operations and in the execution of the initiatives in the Plan Update. The Panel has requested that City Light staff keep the Panel informed about how this initiative translates to changes in City Light's operations and management practices.

### **Metrics**

Moving beyond the specified operational improvements and capital project deliverables identified in the various initiatives, we support the addition in this Plan Update of a set of targeted metrics focused on outcomes of the Utility's work. This is a positive step and creates a new dimension of accountability for the Utility.

One additional metric that we encourage the Utility to track is the change in typical customer bills over time. The rate revenue path is not the same as the impact on anyone's utility bill: the bill is affected not only by rates, but also by usage. Usage has generally been decreasing per household and per square foot of commercial space. The question underlying the metric is "How much conservation effort is needed by a customer to keep their electric bills at around the same level, or growing with inflation, year to year?" While there is no "average customer," we think it is important to assess and communicate with customers as we enter into a future of slowing load growth for the Utility.

### **Conclusion**

The City Light Rate Panel was created in 2010, and a majority of our original nine volunteer members still serve on the Panel. We remain strongly supportive of the purpose behind

creating this joint Mayor-Council appointed panel: to provide advice and recommendations from the perspective of key customer groups on City Light's rates and Strategic Plan. This process was instituted to expand engagement of City leaders around the strategic business operations of City Light – an over \$1 billion a year operation and the largest single City department. While some of us now in our second or third terms will be stepping down after the delivery of this Strategic Plan Update, we applaud the Mayor and Council for your continuing support of the process of which we are a part. We encourage your continued support for what we see as a very positive evolution in oversight of the Utility.

We endorse the Strategic Plan Update for 2017-2022 as proposed. We encourage the Mayor and Council to engage with the Utility over the next two years in examining what "the Utility of the Future" means for City Light and its ratepayers, and we thank you for the opportunity to share our thoughts and recommendations with you.

Sincerely,

**Seattle City Light Review Panel**



**Julia M. Ryan, Chair**  
*Panel Position 2:*  
Financial Analyst  
Representative

**Tom Lienesch, Vice-Chair**  
*Panel Position 1:*  
Economist



**Sara Patton**  
*Panel Position 3:*  
Non-Profit Energy  
Efficiency Advocate

**Eric Thomas**  
*Panel Position 4:*  
Residential Customer

**David Allen**  
*Panel Position 5:*  
Commercial Customer

**Chris Roe**  
*Panel Position 6:*  
Industrial Customer



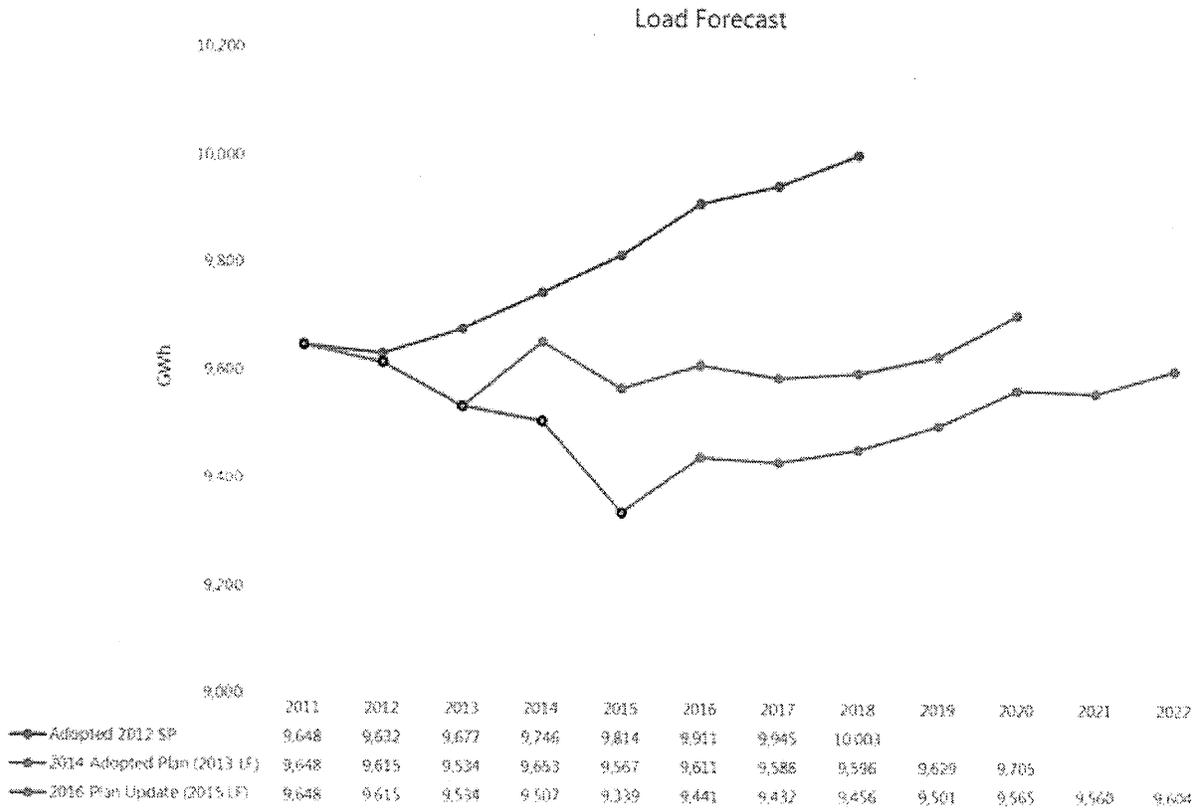
**Sue Selman**  
*Panel Position 7:*  
Low-Income  
Communities Advocate

**Eugene Wasserman**  
*Panel Position 8:*  
At-Large Customer

**Gail Labanara**  
*Panel Position 9:*  
Suburban Franchise  
Representative

**Attachment A:** City Light Load Forecasts and Actual Power Demand, 2011-2022  
cc: City Councilmembers; Larry Weis, General Manager, City Light

**Attachment A: City Light Load Forecasts and Actual Power Demand, 2011-2022**



Source: City Light

