

**Draft**

**Quarterly Strategic Plan Initiative Tracker**

The Strategic Plan includes thirty-seven initiatives approved by the Mayor and City Council in 2012. Total project cost for all initiatives over the six-year period was estimated to be \$493.3 million and to deliver \$108.2 million in financial benefits.

For 2013 these amounts are comprised of project costs of \$32.1 million and are expected to deliver an additional \$6.9 million in financial benefits. Progress on these initiatives is reported under City Light's four themes:

- 1) Improve Customer Experience and Rate Predictability;
- 2) Increase Workforce Performance and Safety Practices;
- 3) Enhance Organizational Performance; and
- 4) Continued Leadership in Conservation and Environmental Stewardship.

This detailed information in this report is broken into three sections which discuss the following elements of this process:

**Section I** – Summary of the Strategic Plan Results

**Section II** - Assessment of Initiative Performance

**Section III** - Summary Performance Assessment for Each Initiative.

Each initiative has a template that identifies start and finish dates, Operating & Maintenance (“O&M”) and Capital Improvement Project (“CIP”) budgets and actual expenditures for the period, as well as other information needed to track progress.

**Section I – Strategic Initiative Summary**

In total, 29 of strategic initiatives are on track, 5 have experienced some minor slippage, and 3 are undergoing investigation to determine why they are not on track. Overall savings resulting from strategic investments are on track, as labor and other savings are expected to be lower in earlier years until the full effects of the investments are realized.

Table 1 (on page 2) provides an overall assessment of both the overall expected outcome of the Strategic Plan Initiatives broken down between the four themes.

**Table #1 – Summary Initiative Progress**

	Initiative Progress					
	Year-to-Date			Full Year Forecast		
Improve Customer Experience and Rate Predictability	Red	Yellow	Green	Red	Yellow	Green
Increase Workforce Performance and Safety Practices	Red	Yellow	Green	Red	Yellow	Green
Enhance Organizational Performance	Red	Yellow	Green	Red	Yellow	Green
Continued Leadership in Conservation and Environmental Stewardship	Red	Yellow	Green	Red	Yellow	Green
<b>Overall</b>	Red	Yellow	Green	Red	Yellow	Green

**Efficiencies**

City Light is expected to produce an \$8 million reduction in costs association with planned efficiencies by the end of 2013 due primarily to reduced expenditures associated with safety incidents which is attributed to improved safety programs. Year-to-date efficiencies are \$2.0m lower than forecast due to earlier than anticipated headcount increases associated with staffing the Strategic Plan. This is expected to be more than mitigated by large savings associated with lower costs associated with safety incidents.

**Delivery of Program Improvements**

City Light is expected to spend \$32m million on CIP and O&M programs and projects by the end of 2013. This is inline with the amounts assumed in the budget. Year-to-date programs are \$2.0m lower than forecast by, due delayed implementation of the Denny Substations. This is expected to be more than mitigated through the delivery of significant project milestones in the 3<sup>rd</sup> quarter of this year.

**Section II- Performance Assessment**

The Strategic Initiatives achievement has been evaluated in the following way.

	Green	Yellow	Red
Budget (Total Project Cost)	<p><b><u>Year to date</u></b> Metrics are met YTD.</p> <p><b><u>Full Year</u></b> Metrics are expected to be achieved by year-end.</p>	<p><b><u>Year to date</u></b> Metrics are not met YTD, but expected to be made up by year-end.</p> <p><b><u>Full Year</u></b> Uncertainty exists around the achievement of metrics by year-end.</p>	<p><b><u>Year to date</u></b> Metrics are not met YTD.</p> <p><b><u>Full Year</u></b> Metrics are not expected to be achieved by year-end.</p>

Progress metrics will include scope and schedule, milestones, and deliverables under the milestones column. Financial delivery of the projects will be included under the “Financial” column

**Section III- Individual Initiative Performance**

Table 2 provides an overview of individual strategic plan initiative performance, associated major milestone achieved and any material variances to forecasted financial and milestone achievement.

**Table #2**  
**Improve Customer Experience and Rate Predictability**

2013 Progress		Year-to-Date			Full Year		
		Financial	Milestones		Financial	Milestones	
A2	Distribution Management System	Red	Yellow	Green	Red	Yellow	Green
A3	Information Technology Security Upgrades	Red	Yellow	Green	Red	Yellow	Green
A4	Implement Compliance Tracking and Standardization	Red	Yellow	Green	Red	Yellow	Green
A5	Implement Enterprise Geospatial Information System	Red	Yellow	Green	Red	Yellow	Green
A6	Denny Substation	Red	Yellow	Green	Red	Yellow	Green
A7	Upgrade Transmission System in the Puget Sound	Red	Yellow	Green	Red	Yellow	Green
A8	Underground Cable Replacement	Red	Yellow	Green	Red	Yellow	Green
A9	Improved Streetlight Infrastructure	Red	Yellow	Green	Red	Yellow	Green
A10	Mobile Workforce Implementation	Red	Yellow	Green	Red	Yellow	Green
A11	Hydro Performance and Generation Availability	Red	Yellow	Green	Red	Yellow	Green
A12	Regional Electric Utility Leadership	Red	Yellow	Green	Red	Yellow	Green
A13	Advanced Metering Infrastructure	Red	Yellow	Green	Red	Yellow	Green
A14	Electric Vehicle Infrastructure	Red	Yellow	Green	Red	Yellow	Green
A15	Updating Standards	Red	Yellow	Green	Red	Yellow	Green
A17	Climate Research	Red	Yellow	Green	Red	Yellow	Green
A18	Conservation Program Enhancement	Red	Yellow	Green	Red	Yellow	Green

Several initiatives have made substantial progress since the adoption of the Strategic Plan. These include:

- Denny Substation. The Environmental impact statement was completed by year-end 2012 and 30% of the design for the substation has been completed. The Draft Environmental Impact Statement for the Transmission Lines has been scoped and is on track to be completed in April.
- Underground Cable Replacement. 100% of the engineering design needed to replace cable in the View Ridge, Leschi and other neighborhoods in 2013 is completed.

**Increase Workforce Performance and Safety Practices**

2013 Progress		Year-to-Date			Full Year		
		Financial	Milestones		Financial	Milestones	
W1	Safety Culture and Accountability	Red	Yellow	Green	Red	Yellow	Green
W2a	Attract and Retain Workforce	Red	Yellow	Green	Red	Yellow	Green
W2b	Training and Development	Red	Yellow	Green	Red	Yellow	Green
W2	Technical Training Center	Red	Yellow	Green	Red	Yellow	Green

In general the workforce initiatives seem to be on track to accomplish the milestones in 2013.

- City Light Human Resources hired the Senior Training and Education Coordinator at the beginning of February. That individual is busy completing development of an Intern-Coop Program. Customer Service training and computer skills training for crew chiefs also started in February.
- Two new safety staff members were hired and City Light completed an Injury Analysis to identify trends, type of injuries and other systemic deficiencies. Recommendations identified in the Injury Analysis Study will be used to design a revised safety program.

**Enhance Organizational Performance**

2013 Progress		Year-to-Date						Full Year					
		Financial			Milestones			Financial			Milestones		
M1	Effective Communication and Engagement	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M2	Benchmarking City Light Performance	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M3	Information Technology Roadmap and Disaster Recovery	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M4	Performance Based Reporting	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M5	Internal Audit	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M6	Project Management Quality Improvement	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M7	Service Level Agreements with City Departments	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M8	Procurement Process for Internal Services	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M9	Efficiency Initiatives	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
M10	Insurance for Generating Units	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green

In order to ensure that City Light can improve performance, several of the initiatives were placed on a fast track. Hiring and contracting were put in place before year-end 2012. Examples of these include:

- Implementing the IT Disaster Program project within the IT Strategic Plan. The formal Disaster Recovery Program is now under development and is expected to be delivered by the end of the Third Quarter, 2013.
- The Internal Audit Manager and two Principal Accountants were hired and the 2013 audit plan was developed and approved by City Light executives.

**Continued Leadership in Conservation and Environmental Stewardship**

2013 Progress		Year-to-Date						Full Year					
		Financial			Milestones			Financial			Milestones		
CR1	Align Budget & Rates/ New Budget System	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR2	Tools to Reduce Potential Rate Shocks	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR3	Strengthen Ratepayer Advocacy	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR4	Cost of Service and Rate Design Policies	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR5	Customer Portal	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR7	Customer Contact Center Performance	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR8	Enhance Environmental Leadership	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR9	Reduce Environmental Liability	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green
CR10	Low Income Assistance Program	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green	Red	Yellow	Green

While several of these initiatives do not require additional funding, these and others are likely to provide significant benefits to City Light ratepayers.

- The implementation plan and approach for the new Budget System have been finalized and the vendor hired.
- The functional and technical high level requirements for improving customer access to City Light information through the customer portal are in place.
- The Low Income Assistance Program completed a pilot in the fourth quarter of 2013, has established a permanent working group, developed a long range marketing plan, and has implemented business process improvements.