

**Seattle City Light Review Panel**  
c/o K. Kinney, Seattle City Light  
P.O. Box 34023 Seattle WA 98124-4023  
[CLRPquestions@seattle.gov](mailto:CLRPquestions@seattle.gov)

February 16, 2012

Honorable Mike McGinn  
Mayor, The City of Seattle

Honorable Sally Clark, Chair, Seattle City Council  
and Councilmembers

Dear Mayor McGinn, Council Chair Clark and City Councilmembers:

With this letter, the City Light Review Panel conveys our support for the process to date in developing the draft Seattle City Light Strategic Plan. Because the Strategic Plan is still in draft form, our work on it is not yet complete. We look forward to providing detailed substantive comments in a final report to be issued when the final Strategic Plan is submitted for your consideration.

The City Light Review Panel is a nine-member panel created by Council Ordinance No. 123256 to review and assess City Light's Strategic Plan and provide an opinion on the merits of the Plan. Five of our members are appointed by the Mayor, and four are appointed by the Council. Ordinance No. 123256 provides that Panel members are appointed to represent specific City Light customer groups.

We began meeting in May 2010 and have met 29 times to date. The process has been time-intensive and thorough. Our deliberations have been broad in scope and reflect the wide range of City Light stakeholders. There has been a high level of engagement by Panel members throughout the last 20 months.

The Panel agrees that the Strategic Planning process to date has had good integrity and transparency, both in terms of City Light's work and our own process as an independent citizen board. All our Panel agendas and materials have been posted online. The Panel has responded to all communications received. City Light management has been highly responsive to both our questions and suggestions. The Utility's leadership team is present and engaged at all our meetings. Representatives from Council staff and the City budget office have been engaged in virtually all our meetings: together with the utility's management team, these individuals are at the table, participating in the dialogue and sharing their perspectives. We have also had the pleasure of welcoming the Mayor and several Council-members to our meetings. The Panel co-chairs have participated in two presentations to the Council committee overseeing City Light. In all, participation by, and engagement with, the executive and legislative branches to date has been informative and has enriched our understanding of the utility's issues.

Two points should be emphasized about the Review Panel's charter. First, *the Strategic Plan is a document authored by the utility*. Our role with respect to the Plan is to provide advice and input—to serve in a due diligence role. Second, our charter is ongoing and will not end with the transmittal of the Strategic Plan to you later this year. We will monitor the Utility's progress in implementing the approved Plan over time. We are also tasked with other roles, including review of financial policies, rate design, and the marginal cost allocation structure of utility rates—issues we will be taking up later this year.

It is important to us that the Strategic Plan be more than simply a general policy outline for the future of the Utility. The Strategic Plan is framed around a six year time period—2013-2018. In addition to general policy goals, it incorporates very specific actions and a six year rate path to which the Utility will be held accountable. We support the plan for periodic review and updates to the Strategic Plan occurring every two years, so that the Utility's actions and rates can adjust as reality changes.

The Strategic Plan is built around four key strategic objectives that the Utility and the Panel, working together over many months, have identified. We reviewed many, many issues and proposals for action and investment, and distilled this information down to these four key strategic objectives:

- **Improve customer experience and rate predictability**
- **Increase workforce performance and safety practices**
- **Enhance organizational performance**
- **Continue conservation and environmental stewardship leadership**

As a Panel, we support these four key strategic objectives as being the appropriate foundational pillars on which to build the Strategic Plan. Success in implementing the specific recommendations within these objectives will require strong support from both the Mayor and Council.

As noted at the beginning of this letter, our work is not yet complete. We are continuing our deliberations with respect to the five paths\* presented in the draft Strategic Plan and look forward to issuing our final report in a few months. We are eager to hear individual customer and customer group feedback on the draft Plan to help us develop our final report to the Mayor and City Council. We will be closely attentive of the input received during the next two months of public outreach, and will continue to encourage the Utility to deliver its final Strategic Plan to you in time for the Plan to be instrumental in shaping the Utility's 2013-2014 rates.

We welcome your feedback on our work and thank you for your consideration of our input.

Sincerely,

City Light Review Panel



Stan Price  
Co-Chair



Eugene Wasserman  
Co-Chair

cc: City Light Review Panel Members  
Superintendent Carrasco

\*The five paths presented are: (1) Current Level of Service (Baseline); (2) New Efficiencies; (3) Strategic Initiatives (Preferred Option); (4) More Aggressive Reliability Investments; and (5) Bolder Environmental Initiatives.