



## Seattle City Light Strategic Plan

### Interim Outreach Meeting Summary

Meeting Date: June 9, 2011

Audience: Citizens—North Seattle area

Number of attendees (excluding City Light staff and Review Panel members): 45

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#### Summary of Question & Answer Session:

**Q: Copies of the latest City Light bond prospectus should be made available to the public at these meetings. They have a wealth of information in them.**

A: Good idea! We can do that.

**Q: Are all customers going to see a four percent increase in rates as the baseline suggests?**

A: The baseline is not adopted, nor is it a recommendation, rather shows what would happen if we were to continue business as usual. The most recent rate increase was implemented as an “across the board” increase with all customer classes seeing rates increase by the same percentage. Rate changes for 2013 and future years would be based on a new cost allocation study that will be completed by summer 2012, and subject to review the the City Light Review Panel and approval by City Council. Councilmember Harrell note: the City Council has not endorsed the baseline estimate.

**Q: Why do we have to buy power from others?**

A: City Light generates only about half the power we need; the rest of our power comes primarily from other major regional power providers such as the Bonneville Power Administration (BPA). With BPA and others, we have long-term contracts that define the amount of power we can buy and the price for that power. In addition, Initiative 937 (approved by the voters of the state in 2006) requires all utilities to buy a certain amount of renewable energy—and existing hydropower does not qualify as “renewable” under the terms of the Initiative. City Light buys wind, solar and other renewable power to meet our I-937 requirements, even though we do not need more power than we have (considering both our owned generation and long-term contracts).

**Q: Smart meters have only a 15-year life span. Does it make sense to buy them? Does it make sense to allow customers to generate their own power and ship it out over the City’s power grid?**

A: We are still looking at whether it makes sense to invest in these new meters. There are a number of options. We weigh the costs against the benefits (lower meter reading costs, and better information for customers and utility needs).

**Q: Will our rates pay to rebuild the dams? Shouldn't the federal government help pay for this?**

A: Our rates do provide the revenue necessary to maintain and repair our dams. The federal government does not generally provide funding to maintain our dams. Some of the recent federal economic stimulus package monies were available for certain energy related projects, such as building a "Smart Grid", but funds were limited, and our grant proposal was not approved by the Federal Government so we did not receive any of those monies.

**Q: Are City Light employees' pensions fully funded?**

A: No. City Light employees' pensions are part of the same pension program provided to all City employees. Right now, following the downturn in the market, the City's pension fund is at about a 65% funding level. This is an issue faced by the entire City, not just City Light. It is a challenge faced by most municipal and state governments. It is not an issue that has to be solved immediately, but one which will need to be addressed over time, through additional city and/or employee contributions.

**Q: Can we change the way we read meters? It seems old fashioned to use people for this.**

A: Yes we can; that is what smart grid technology and advanced metering systems could accomplish. As noted, we haven't decided whether this investment is the right thing to do now. It is a significant investment.

**Q: Why would increasing power use from having more businesses help our rates? Encouraging development requires us to purchase more power—this costs money for the utility so it won't help average citizens.**

A: We do have enough power for the next 10 years within expected energy demand growth rates (for both businesses and people). Developers pay connection charges to cover the costs of connecting to the system. Rate design and cost allocation studies balance multiple goals including potentially promoting economic growth, and keeping rates affordable.

**Q: Will utilities be required to collect road taxes for electric cars?**

A: We have not been approached to do so yet and we do not know of any specific plans to impose such a requirement on the utility. News stories do indicate that road maintenance funded by current gasoline taxes might be insufficiently funded if there is a significant transition to electric vehicles. So, this may be a policy issue that will have to be addressed in the future.

Reporting out from Tables

**Table 1**

- All the objectives are great.
- Our table focused on Objective 7: *provide reliable, safe, cost-effective electric service to our customers*. In addressing *service to customers*, the Utility should improve the way it addresses customer complaints; in improving *reliability*, for us this means minimizing outages. Looking ahead, we think it is important to address the utility's infrastructure needs.

#### Table 2

- We are concerned about the high injury rate: why is this happening?
- It seems to us that the Advanced Metering technology is too new to invest in, plus it has the downside that it will put people out of work.
- Communication would be improved if we could hear better in this room tonight!
- The proposed outcomes look like fluff from the P.R. department—good managers should do these things anyway.

#### Table 3

- What is a fair share of utility cost—especially when a new business moves to Seattle? City Light has to install infrastructure because of them, but we all pay for that now. This cost to all ratepayers should be considered when the utility makes these expenditures.
- What is the right cost of service in a time of change? The objectives identified are noble but implementation is what counts.
- We are subsidizing developers with the housing tax credit program—and City Light has to provide them power that we residents are paying for.
- City light was created for the benefit of citizens. We should keep that in mind in this plan.

#### Table 4

- All the identified objectives are important.
- We are particularly concerned about the safety issues.
- We chose to focus on objective 7: *provide reliable, safe, cost-effective electric service to our customers*. For us, the most important thing here is maintaining reliability. That means taking care of the infrastructure around us. The roads in this City are falling apart. We don't want to see this happen to City Light: we fear the utility is being taken for granted.

**Table 5**

- One thing missing is a discussion of the way City Light is structured within City government: there are too many layers of oversight. There should be a utility board providing oversight of the Utility.
- All rate revenue should stay with the utility –it should not go to the general fund: that has significant rate impact.
- We have a great electric utility in this City.