Attachment B

SCL Strategic Plan Priorities, Draft Objectives and List of Proposed Initiatives–March ~~1~~29, 2011

Marked to show E-Team response to input from Review Panel on 3/3/11

PRIORITY *AREAS* "foundational conditions needed to reach our vision"	**OBJECTIVE** "the specific goals we are pursuing to assure those conditions"	~~**Change or Improvement Desired**~~ "Desired Outcomes"	**PROPOSED INITIATIVES** (This is based on "brainstorming" work of E-Team: ~~some~~further revision and consolidation of initiatives is likely before presentation to Review Panel)
Customers/ Ratepayers *"Serving our customers well is at the center of our vision."*[1]	**Provide greater rate ~~stability and~~ predictability**	~~• Ensure appropriate cost signals to customers to promote conservation and efficient energy use~~ ~~• Ensure linkage between Strategic Plan, budgets and rates~~ • Rates should ~~be predictable and~~ avoid price shocks ~~•~~ Rates and budgets should reflect a steady approach over time to funding goals set forth in the strategic plan. • Increase opportunity for public input in the rate setting process	**Align budgets and rates to strategic plan priorities** (#13) FSBU **Revise rate stabilization account policies to reflect current net wholesale revenue estimates** (#20) FSBU ~~**Review and update cost of service and rate design policies for 2013-16** (#15) FSBU~~ **Strengthen ratepayer advocacy in rate process** (#16) FSBU
	Balance multiple policy goals in rate design	• Rates should be structured to balance ~~policy should address multiple objectives~~ several policy goals including: • Affordability • Ensuring necessary cost recovery • Promoting a positive business climate • Promoting efficient energy use • Providing rate relief to low income residents.	**Review and update cost of service and rate design policies for 2013-16** (#15) FSBU

[1] Quoted text is pulled from the SWOC, as presented to the Review Panel in November.

	Anticipate and exceed customer service expectations	• ~~Increase ease of customer access to account information~~Improve ability of customers to access and manage their accounts online • ~~Increase billing accuracy~~Upgrade billing system to enable use of more flexible rate models (e.g., time-of-use rates, customers could select date of their periodic bills, etc.) • Resolve customer issues in one call • ~~Increase effectiveness in management of field staff on-call work.~~	**Customer focused Website redevelopment** (#1) CSED * **Implement Enhanced Customer Information System** (#3) CSED* **Define and achieve improved performance from Customer Service Center** (#40) CSED
	Promote environmental stewardship	• Maintain ~~carbon~~ greenhouse gas neutrality • Promote efficient use of energy ~~conservation~~ • Address environmental impacts and reduce environmental ~~liability of~~consequences of utility operations	**Continue environmental leadership** (#25) PSEA **Reduce environmental liability** (#27) PSEA
~~**People/**~~**Workforce** *"SCL's ability to attract and retain a high performance workforce is key to our continued success and ability to meet our customer's needs and future challenges."*	**Ensure a safe work environment**	• Decrease workforce injury rates to ~~reach alignment with, or~~ be below~~,~~ national averages for large utilities	**Promote a safety culture in the workplace with shared accountability** (#33) HR **Provide Tools for Employee Safety and Efficiency** (#11) CSED *
	Attract, train, and retain a high performance workforce	• Increase Seattle City Light's ability to attract qualified candidates with electric utility expertise • Ensure that the utility has the ability to effectively manage the risk of loss of institutional knowledge due to the significant number of upcoming retirements. • Ensure that work rules and processes maximize employee efficiency and productivity	**Recruit and retain a diverse, high-performing workforce to meet current and future Utility workforce needs** (#34~~A~~) HR ~~**Invest in developing a high-performing skilled workforce to efficiently meet our customers' needs** (#34B) HR*~~ ~~**Compensate and retain a high-performing workforce** (#34C) HR~~

		• Ensure City Light has the tools to effectively manage its labor- management partnership • Improve workforce productivity and skills by investing in employee development and technical training • ~~Deploy staff more efficiently~~ • ~~Improve workforce productivity and skills~~ • ~~Control labor costs~~ • ~~Increase ability to recruit and retain needed talent~~ • ~~Manage potential disruptions from pending wave of retirements~~ • ~~Ensure city labor relations program meets needs of SCL~~	**Improve alignment of city labor relations policies to needs of the utility** (#35) HR **Improve training and tools to improve employee relations management** (#36) HR*
Assets *"with billions in publicly-owned assets and infrastructure, it is vital that we maintain our generation, transmission, distribution and other systems—and operate these assets in a most efficient manner."*	**Provide reliable, safe, cost-effective electric service to our customers**	• ~~Leave a sustainable enterprise for the next generation~~ • ~~Increase efficiency in maintenance and operation of assets.~~ • ~~Improve maintenance & investment analytics~~ • ~~Reduce cost of infrastructure maintenance by eliminating "run to failure" scenarios through selected, planned investments.~~ Increase preventative maintenance programs in transmission and distribution systems to reduce costs over time and improve reliability • ~~Improve electric power reliability~~ • Replace outdated power dispatch operating systems in order to better manage energy flow across the system, increase reliability and reduce power losses. ~~Improve power dispatch operational efficiency and coordination capabilities~~	**Complete implementation of work and asset management system (WAMS)** (#2) CSED * ~~**Implement new Energy Management System (EMS) that will integrate with existing systems and new Smart Grid technology** (#__) CSED*~~ **Implement Distribution Management System (DMS)** (#6) CSED* **Implement Cyber Security Upgrades** (#24) FSBU* **Reliability and Cyber Security Standards Compliance** (#29) Compliance* **Capital Project Proposals:**

		• Support current and future customer needs by a~~A~~ddressing ~~load~~ growth in demand and reliability issues in key locations ~~areas of the system~~	**First Hill Network Reliability Improvements** (#7) CSED **North Downtown System Improvements for Reliability and Load Growth** (#8) CSED **Transmission System Improvements in Puget Sound Area** (#9) CSED **Escalate Rate of Underground Cable Replacement** (#10) CSED **Planning, Design and Construction of Improved Streetlight Infrastructure** (#4) CSED ~~**Substation Remote Control and Automation** (#39) CSED*~~
	Maintain a stable, cost effective, environmentally responsible power supply portfolio	~~• Maximize efficiency of existing hydropower assets~~ Make improvements to aging dam turbines and equipment to maximize power production capacity and reliability. • Maintain leadership in acquisition of cost-effective conservation ~~• Purchase most cost effective resources possible in compliance with I-937~~ • Ensure upcoming major regional investments in the Northwest transmission system are managed to avoid power delivery bottlenecks and equitably allocate costs between City Light and other electric utilities in the region ~~• Enhance advocacy on regional initiatives with potential for major impact on SCL's future~~	**Improve Hydro Performance and Generator Availability across generating fleet** (#26) PSEA **Acquire Cost Effective Conservation** (#31) PSEA* ~~**I-937 Compliance Strategy: Purchase of Renewable Energy Credits and Renewable Resources**(#30) PSEA~~ **Regional Power & Transmission Leadership** (#28) PSEA

	Incorporate technology to meet future customer needs	• Continually assess customer needs and ensure appropriate, cost effective ~~response capacity~~ technologies are ~~is~~ in place when needed	**Advanced Metering Infrastructure** (#5) CSED * **Mobile Workforce Implementation** (#12) CSED * **Electric Vehicle Infrastructure and Rates (**#37) CSED*
Municipal Enterprise Excellence *"There are benefits in being publicly owned, and concomitant challenges in oversight and business practices."*	**Improve communication about, and support for, SCL's strategic priorities**	• Improve ability to plan and implement long-term strategies • Improve SCL's ability to manage its operations, systems and personnel to best meet the unique needs of the utility and our customers	**Effective Communications & Engagement** (#32) Superintendent's Office **See also**: Several Initiatives proposed under ***Objective*: Attract, Train and Retain a High Performance Workforce** and (under ***Objective:* Provide rate stability and predictability**) Initiative to **Align Budgets and rates to strategic plan priorities**
	~~**Enhance cost competitiveness and accountability in procurement of all services**~~	• ~~Review and improve procurement processes to reduce costs and increase operating efficiency and service levels for both internal and externally procured services.~~	
	Implement best practices in business processes and technology across the ~~enterprise~~ utility	• Provide tools to help employees perform their jobs efficiently and effectively. • Identify and eliminate waste and inefficiency • Promote use of performance metrics throughout the organization. • Reaffirm support for a culture of continuous improvement. • Review and improve procurement processes to reduce costs and increase operating efficiency and service levels for both internal and externally procured services.	**Implement Information Technology Roadmap** (#41) FSBU* **Develop Performance Based Reporting** (#17) FSBU **Establish Internal Management Review Unit** (#21) FSBU **Project Management Quality Improvement** (#38) (Business unit ownership TBD)

			Secure service level agreements with all city central service providers incorporating performance metrics (#18) FSBU **Review and improve procurement processes for external service contracts** (#44) FSBU
	Ensure fiscal strength	• Maintain sound fiscal policies to reduce cost of borrowing. • Keep rates a responsible levels to support needs of utility and ratepayers • Enhance ability to meet long-term investment needs of the utility	**Review and affirm or amend financial policies** (#19) FSBU **See also**: **Revise Rate Stabilization Account policies** (under ***Objective:*** **Provide Rate Stability and Predictability**)