

JUNE 13, 2018

TO

Councilmember Teresa Mosqueda, Chair, Housing, Health, Energy & Workers' Rights Committee

FROM

Jim Baggs, Interim General Manager and CEO, Seattle City Light

SUBJECT

Update on City Light Billing Estimates/Back-log Status

In the wake of various customer service-related issues in late 2017 and early 2018, Seattle City Light (City Light) and Seattle Public Utilities placed a renewed focus on fixing existing billing problems and improving the overall customer experience. This memo covers the work that City Light has done to resolve existing customer service issues and identify tools and processes to ensure a long-term positive customer experience going forward.

CITY LIGHT CHALLENGES

City Light recognizes that customers are negatively and financially impacted if a bill is incorrect or when they do not receive refunds in a timely manner. They are also impacted when a bill is larger than expected due estimated reads or delayed move processing. To reduce the burden experienced by customers, City Light has taken steps to immediately address all matters pending 15 days or longer.

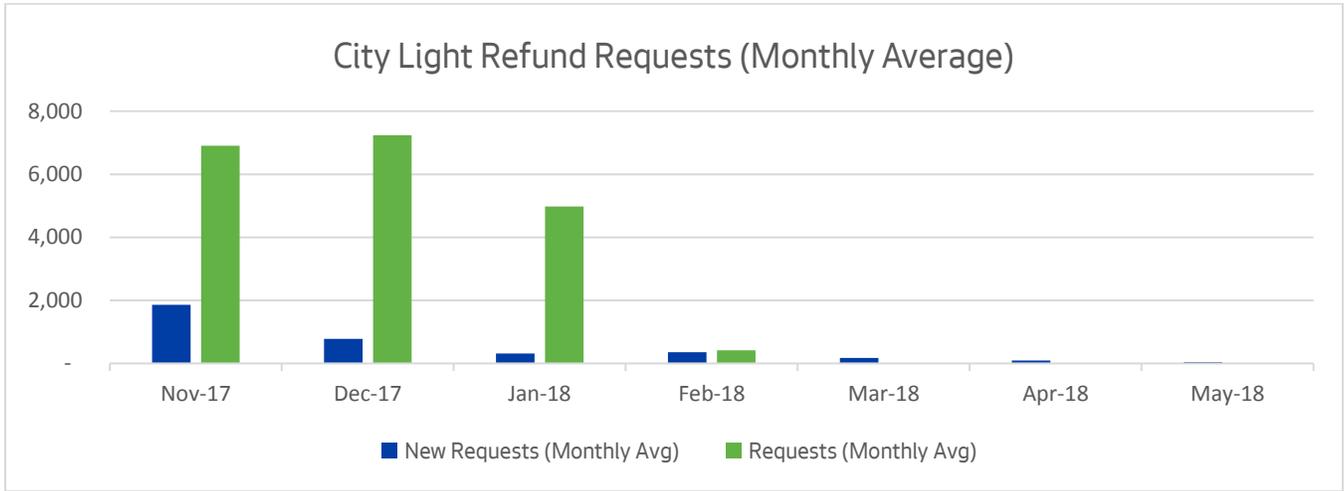
On Jan. 1, 2018, City Light had a backlog totaling 74,157 related to refunds, moves, or billing corrections and adjustments. These items were either initiated by customers or identified directly by City Light. Dedicated employees and strategic decision-making reduced the total backlog to 65 on March 23, 2018. This amounted to Customer Care team members resolving over 900 backlog issues per day in addition to addressing hundreds of daily new requests.

Customer Care employees were assigned to one of three prioritized teams: Refunds, Moves, and Billing Corrections. The strategic prioritization was based on the areas creating the most customer frustration and those which had the greatest impact on equity, such as refunds for Utility Discount Program customers.

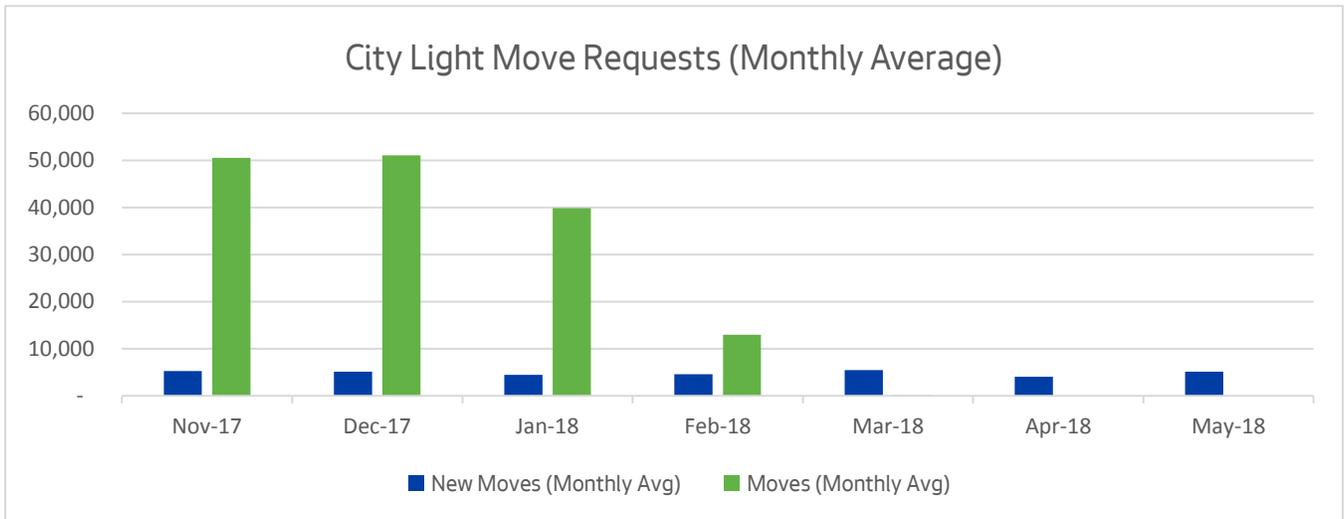
Process adjustments and decision-making by supervisors and leadership contributed to the success, but most critical were the dedicated Customer Care employees. These employees demonstrated a true sense of team, sacrificed their personal time, and embodied the spirit of public service. The utility is committed to resolving backlog issues to ensure customers have a positive experience, are issued accurate and timely bills, and receive refunds on time.

The following graphs demonstrate City Light's progress to date as of May 18, 2018.

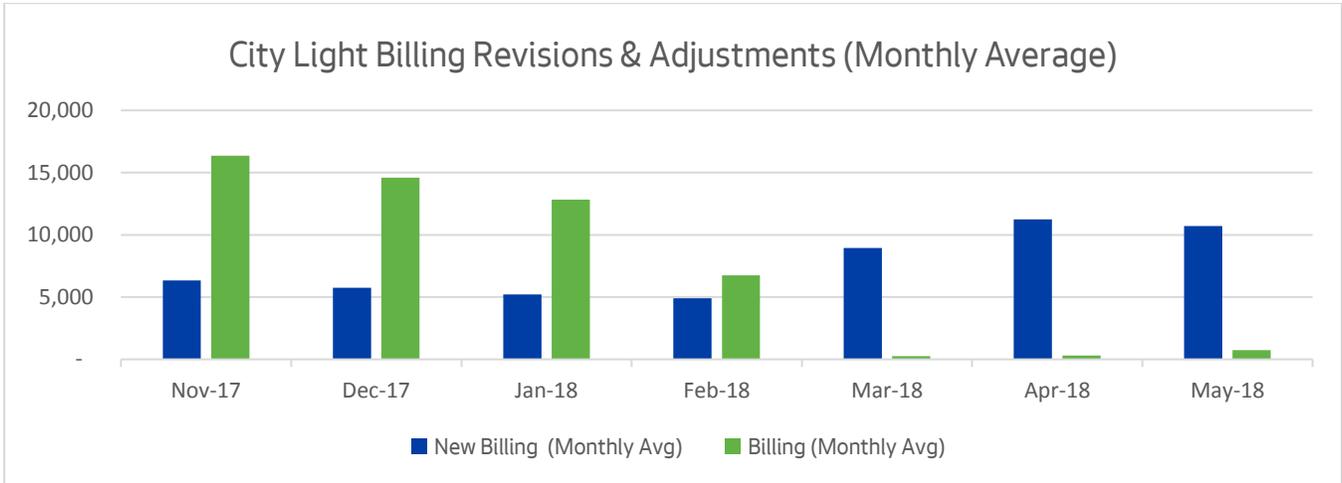
CITY LIGHT PROGRESS



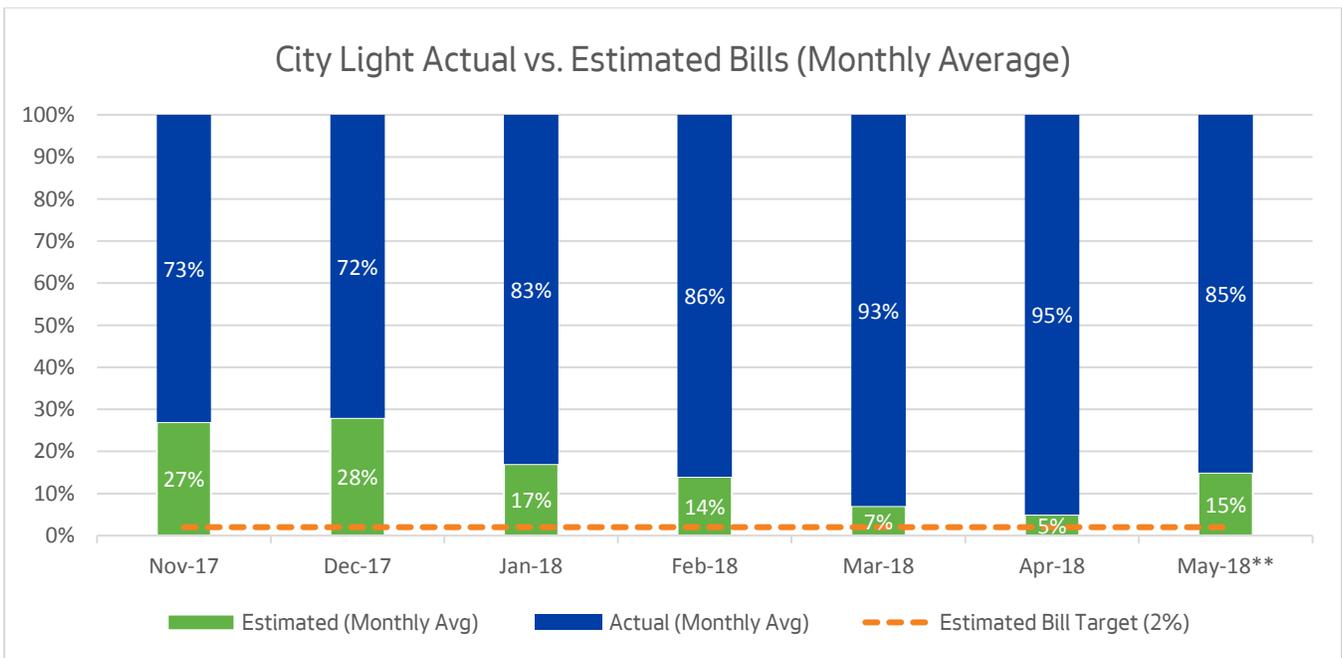
The green columns above indicate the backlog of City Light refund requests that were 15 days or older. Since March 2018, City Light has essentially eliminated its refund request backlog, with a notable decrease of 7,240 new refund requests on average in December 2017, to a low of 40 new refund requests in May 2018. City Light recognizes that its refund backlog may have negative financial implications on households and has prioritized refunds for Utility Discount Program customers.



The green columns above indicate the backlog of City Light account move requests that were 15 days or older. Since March 2018, City Light has essentially eliminated its move request backlog.



The green columns above indicate the backlog of City Light billing revision and adjustment requests that were 15 days or older. Since March 2018, City Light has addressed most of this billing backlog with a slight uptick in May 2018. While backlog work continues, City Light has been waiving late fees or processing delinquencies to avoid negatively impacting customers with outstanding, unresolved billing issues. The utility has also discontinued shutting off power to residents or businesses since Spring 2017.



****Bill generation was intentionally very low the last week of May due to advanced meter integration. Estimated bills were high since most bills were due to customer requested estimates or corrections. Otherwise, the May estimated bill average was 5%. As of June 4th, City Light has returned to steady-state billing volume.**

There are four primary reasons for estimated bills: (1) meter read was not entered/obtained within the three-day billing window; (2) meter read was outside of the system parameters for consumption and

not validated as accurate within the three-day billing window; (3) meter reading staff was unable to read the meter due to access issues; and (4) customer requested estimation related to a move.

To ensure all customers receive accurate and timely bills and to resolve the need for bill corrections, City Light is aiming to eliminate all estimated bills. To meet this goal, staffing has been shifted so that all meter routes are covered daily, and customers do not end up with an energy use estimate. Where available, advanced meters are also being utilized to reduce estimated meter reads. The full deployment of advanced meters means that City Light nearly eliminates use of estimated billing altogether and meet its 2% estimated bill target.

CITY LIGHT LONG-TERM SOLUTIONS

City Light developed a stabilization and risk management plan in February 2018 to ensure the right number of employees are performing the right body of work. This plan focused on continuous process analysis and improvement, including identifying gaps, causes, and solutions. Examples include improving processes around final reads for meter removals and de-duplication of customer requests received more than once through different channels.

To eliminate issues related to estimated or inaccurate meter reads, 198,809 advanced meters have been installed to date and full-deployment of all meters is planned by December 2018. The integration of existing meters to the new billing system was completed on May 20, 2018.

Automation is the primary future-focus for process improvement at City Light. In 2019, City Light plans to launch self-service options for customers.

CONCLUSION

While some immediate utility customer service issues have been successfully resolved, additional processes, plans, partnerships, and technologies must be implemented to avoid a future recurrence of the same challenges and to continue to achieve further improvements. We would be happy to address your questions or present this information in an individual briefing or at the Housing, Health, Energy & Workers' Rights Committee in the future.

Cc: Seattle City Council Members
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