

**Benchmark Studies  
Corporate Performance  
July 2010**

**Background:**

In 2008 City Light participated in 4 benchmarking studies that utilized 2007 data for comparisons:

1. Transmission and Distribution (T&D) Study conducted by First Quartile Consulting
2. Customer Service Study conducted by First Quartile Consulting
3. American Public Power Association (APPA) Selected Financial and Operating Ratios
4. Hydro generation by the Electric Utility Comparison group (EUCG)

In 2009 City Light again participated in the first three studies listed above. In addition, in 2009 City Light also participated in a benchmarking study conducted by Austin Energy on workforce issues.

To date in 2010 City Light has conducted a survey on outage management systems and restoration practices of utilities selected by the System Control Center Director, completed participation in a salary survey for APPA, and expects to continue participating in the first three studies listed above.

While the APPA studies provide information on a few operational performance metrics, the main emphasis is on financial performance. The T&D and Customer Service reports, on the other hand, concentrate mainly on operational performance. The hydro generation study examined costs, both operating and maintenance and capital as well as generation output. City Light is continuing participation in each of these studies in 2010.

In addition, City Light annually prepares rate comparisons, one with local utilities and a second comparison against comparable U.S. cities. These rate comparisons are included in City Light's annual reports and other public documents. Other benchmarking studies have been performed for specific areas of City Light as might be appropriate.

Summary information about the 4 studies listed above follows. In general, the 2009 studies did not show major changes in results.

**Participants:**

- T&D Study: 17 utilities, both IOU and public power (31 in 2009)
- Customer Service: 18 utilities, both IOU and public power
- APPA: 208 of largest publicly owned utilities
- EUCG: 13 utilities, 242 plants, 918 units

**Report Highlights:**

**City Light T&D Results**

- Excellent System Reliability (One of best)
- Highest customer contributions
- Limited SCADA control compared to other firms (Lowest)
- Performance results don't show impact of initiatives

Challenges/Opportunities:

- Reducing equipment failures

City Light spending at highest levels for both O&M and CIP  
Safety performance highest incident rate in all areas

Complications:

Very high density service territory  
High wage rates and staffing levels  
Large substations and 26kv delivery voltage

**City Light Customer Service Results**

Low disconnect percentage  
Low credit cost per account and per service order  
Highest bill accuracy

Challenges/Opportunities:

Highest total field service cost per service order  
High total meter reading cost per read  
Highest customer contact center costs

Complications:

Field Collections of past due amounts  
Worst safety lost time Incident rate  
High staffing levels

**APPA Ratio Results**

City Light's performance is better than median in 8 of the 22 categories  
These include rates, power cost, uncollectible expense, and system load factor

City Light performance is worse in 14 categories

These include safety, debt coverage, debt to asset ratio, distribution cost per circuit mile, and labor expense

**EUCG Results**

Cedar Falls, South Fork Tolt, and Boundary are all in the first quartile (lowest cost) with Boundary the lowest cost plant in the study

All three of the Skagit plants are in the Second Quartile with Ross almost into the Third Quartile. However, all three units are below the average cost per MWH. Ross had 3 major outages in 2007 which affected the result.

City Light generation examined what factors affected each plant, including looking at how outages are scheduled and made revisions to processes.