

# Seattle City Light

## Risk Management Enterprise Event Profile Matrix (as of December 14, 2010)

Legend:

- ↔ Neutral
- ↓ Reduced Risk Level
- ↑ Elevated Risk Level

Legend:

Tr	Low	Mod	Mal	Sig	Sev
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<p><b>Energy Price Risk</b> ↓</p> <p>Risk of price decreases causing lower wholesale energy revenues and the risk of price increases in periods of deficit resulting in cash shortages for operations.</p>	<p><b>Hydro Volumetric Risk</b> ↓</p> <p>Risk of financial loss due to drought causing a 225 aMW decrement in hydro resources causing the Utility to be deficit resources in all months of calendar year except May - July.</p>	<p><b>Aging Infrastructure Failure</b> ↓</p> <p>Risk of loss of reliability caused by low levels of maintenance and replacement of aging Transmission &amp; Distribution Infrastructure and loss of revenue and reduced (non-optimal) utilization of generation assets as a result of equipment failure, inadequate planning and communication of maintenance, including part unavailability extending outage.</p>	<p><b>Cyber Attack</b> ↓</p> <p>Risk of loss of critical systems and data due to breaches in existing cyber security.</p>
<p><b>Technology Availability &amp; Accuracy Risk</b> ↓</p> <p>Risk of legacy system inadequacies in City Light's key processes becoming unable to process data quickly or accurately resulting in poor decision making, revenue loss, and strained customer relations.</p>	<p><b>Strategic Risk</b> ↔</p> <p>Risk of losing support for the rate guidance and operational direction contained in our Strategic Plan.</p>	<p><b>Aging Workforce</b> ↓</p> <p>Risk of losing knowledge and cost of losing experienced workers due to retirement.</p>	<p><b>Wholesale Counterparty Credit Risk</b> ↓</p> <p>Risk of wholesale energy counterparty non-performance including non-payment and failure to deliver on executed contracts.</p>
<p><b>Liquidity Risk</b> ↓</p> <p>Risk of the Utility not having sufficient cash from operations to meet payment and contractual obligations including demand for additional credit assurance from wholesale energy market counterparties.</p>	<p><b>Pandemic Flu Risk</b> ↔</p> <p>Risk of a new influenza virus emerging for which people have little or no immunity, and for which there is no vaccine for the quickly spreading disease, causing serious illness to City Light staff making them unavailable to report to work, resulting in system interruptions, loss of personnel and monetary loss.</p>		