

Table Group Summaries
Strategic Plan Forum #1 – City Light Key Customers
Wednesday - May 11, 2011
City Hall

Synopsis: Three tables reporting
 16 representatives from City Light’s key customer group
 13 surveys returned

Table 1 Comments

Proposed Objectives:

- Agree with the stated objectives
- Agreement does not mean supporting a rate increase necessarily
- Need to know the trade-offs to move beyond status quo
- Want predictable rates – and keep rates low
- Balance rate impacts over time – efficiencies have helped

What’s missing?

- Focus on cumulative rate impacts
- Consideration of an outside, independent “body/individual” to evaluate rate structure and governance issues
- Need more information in order to understand objectives and potential rate impact
- Review Capital Programs more thoroughly
- Look at residential rates – would be willing to pay more if it meant more jobs
- City Light should partner with City of Seattle on economic development programs

Primary Objective Discussed:

Rate Predictability

- More focus on cumulative rate impacts
- More open, streamlined, evidentiary process for setting rates
- Vet rates and major policy decisions through an outside body of utility and customer experts overseen by Mayor and Council
- Need cost allocation and rate design study
- Want reliable, safe, cost effective electric service – need to keep customers in business
- Ensure power quality along with reliability

Other:

- Want more information about CIP (Capital Improvement Projects)
- Want a dedicated ratepayer advocate to review rate proposals
- Work with high schools (industrial arts) to recruit prospective trade employees to address issues of aging workforce

Table 2 Comments

Proposed Objectives:

- Synchronize rates and budgets through the strategic plan
- Rate predictability does not mean just raising rates
- Increase efficiencies to have greater rate predictability
- Technology improvements should be aligned with customer needs and cost benefits

What's Missing?

- A re-look at I-937; engage customers related to renewable energy
- Differentiate residential and commercial conservation programs
- Distinguish between conservation and renewable energy advantages and pay-backs
- How is the cost of labor going to be managed
- How will interdepartmental cooperation be increased for major project efforts
- Unions need to be brought into the discussion regarding perceptions about efficiencies and work requirements
- Need a positive statement about maintaining competitive rates
- Trade-offs – what will it take to achieve objectives and meet challenges

Additional comments:

- Affirm budget and rate-setting integration and as a part of the strategic plan
- Rate setting should be forward-looking – ten year window – and use a gradual approach to adjustments with less volatility and uncertainty with more predictability
- Strategic plan should include a statement that speaks to the competitive advantage of a stable rate structure
- A statement should added on the intent to maintain surplus power, but not relying on the market as a stable revenue source; and City Light should be less reliant on surplus power sources for bonding, borrowing and rate setting
- Rate adjustment mechanisms should be avoided – it allows the utility to be less accountable
- To increase conservation, significantly increase incentive availability
- Remember to emphasize hydro power is renewable

Table 3 Comments

Proposed Objectives:

- Distribution is important, too, not just power supply
- More information is needed about our power contracts
- More infrastructure is needed in the South Lake Union area
- Power reliability is critical
- Identify how City Light reports its service metrics – especially related to reliability
- Need better communications around power interruptions
- Need sufficient financial resources in order to improve infrastructure needs

What's Missing?

- Conservation discussion
- Accountability requirements for internal operations (best practices; e.g. sees City Hall/City buildings lighted at night when not in use)
- Need to make hydro a “renewable” resource in state’s definition
- How will City Light prioritize the objectives moving forward – what are the trade-offs?

Primary Objective(s) Discussed:

- Rate predictability: need to know to be able to effectively run a business
- Assets and reliable network: IT and BioMed have very high PQ standards – business must cover the cost differential for infrastructure investments