



City Light Review Panel Meeting Meeting Summary

Date of Meeting: April 11, 2014

MEETING ATTENDANCE					
Panel Members:					
Name		Name		Name	
David Allen	✓	Stan Price	✓	Eugene Wasserman	✓
Tom Lienesch	✓	Julie Ryan	✓	Eric Thomas	✓
Chris Roe	✓	Sue Selman	✓		
Staff and Others:					
Jorge Carrasco	✓	Councilmember Sawant	x	Paula Laschober	✓
Sephir Hamilton	✓	Joshua Koritz	✓	Kirsty Grainger	✓
Maura Brueger	✓	Phil West	✓	Cathy Allen	✓
Kim Kinney	✓	Jim Baggs	x	Stanley Tsao	✓
Jeff Bishop	✓	DaVonna Johnson	x	Marianne Bichsel	✓
Karen Reed	✓	Mike Jones	✓	Vanessa Lund	✓
Tony Kilduff	✓	Saroja Reddy	✓	Paul Bergman	✓
		Greg Shiring (via phone)	✓	Rollin Fatland	✓
				Annie Kucklick	✓

Call To Order

The meeting was called to order at 1:00 p.m. Stan Price welcomed everyone to the meeting and roundtable introductions were conducted to welcome new participants.

Approval of Minutes

The meeting participants reviewed the draft meeting summary from March 19, 2014. The meeting summary was approved.

Presentations / Information

Public comment:

Nancy Hirsh, Policy Director for NW Energy Coalition emailed her remarks to be included in the public comment period. Stan Price read Nancy’s comments for the record:

1. *Congratulations to SCL for a well implemented public outreach effort. The outreach to community based groups and the non-English speaking community, in particular, was excellent and appropriate for a municipal utility.*
2. *The strategic plan update, as detailed in the outline, should contain an "alternatives considered" discussion as part of the Preferred Path section. In particular it is important to convey to the City Council that some stakeholders recommended a decoupling approach to revenue stabilization rather than the shift to recover more costs through the monthly basic charge. As the Coalition has stated*



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before, decoupling and the rate stabilization account could work well together and this type of option should be considered in more detail as part of the long-term consideration.

Chair's Report:

Eugene Wasserman reported that they have a meeting scheduled with the Mayor on May 5th to discuss the strategic plan. He also noted he spoke to Tony Kilduff regarding upcoming panel appointments - Council has 1 appointee and 3 appointees will be Mayor's appointees. The Utility will follow up to make sure they are in process.

General Correspondence:

The Panel received two letters: one from the Manufacturing Industrial Council (MIC) and the other from Dan Dixon/Theresa Doherty on behalf of Seattle's hospitals, universities & colleges (designated as "Major Institutions"). The Utility will follow up with a response letter to each thanking them for their correspondence. Staff will confirm that the Major Institutions have the latest rate information.

Maura Brueger confirmed that staff will be meeting with the cruise ship group next week. They have the latest numbers and they will discuss operational changes that might further reduce the impact to them.

Kim Kinney advised that an email was received by the general mailbox with a question regarding new construction electric service. She advised that this inquiry was forwarded to the Customer Care Director who would provide a response directly to the customer.

Strategic Plan Outreach Presentations:

Next on the agenda were presentations to the Review Panel encapsulating the strategic plan outreach, rate design outreach, outreach to non-English speaking communities, and the results of the residential online survey.

Strategic Plan and Rate Design Outreach to Non-English Speaking Communities:

Cathy Allen from The Connections Group gave a presentation on her group's outreach efforts. They conducted strategic plan and rate design outreach to fourteen different ethnic non-English speaking communities during February and March. They conducted six focus groups and four different community meetings. Many customers were looking for more information for their language communities. They urged SCL to produce more materials in their own languages. They were very interested in keeping the energy and focus on conservation. Many were not aware of City Light's highlights and not aware of the Utility having some of the lowest rates and being the greenest utility in the country. People did understand that they had a role to pay attention to what was going on and were interested in rate design. Cathy said she was pleased to see that City Light was able to have key people attend/participate from the Utility. This was a great opportunity and people were impressed that their government/utility wanted to talk to them and that they took the time to bring them the information.



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Cathy reported that the biggest area that people wanted to talk about was the Utility Discount Program (UDP). They did express concern about how difficult it was to sign up and appreciated the help in how to enroll in the program. After these outreach meetings, it appeared that 200 new people were interested in enrolling. Cathy's staff has done a lot of follow-up on this program. They also went to the Indian Elders' meeting. At this meeting, their major concern was about landlords unfairly apportioning rate hikes amongst their renters arbitrarily.

Cathy also briefed the Panel on the joint partnership with Univision-Seattle and Seattle City Light to educate the Spanish speaking community about electricity conservation and billing. Univision is a Spanish TV program that has a million viewers. She reported that it's the first time that Univision has done a public engagement show so it was very enlightening. They arranged a 30 minute Town Hall Forum with Univision in which Jorge was interviewed in Spanish. She showed a video clip of Jorge's interview and exchange with the Spanish speaking audience.

In conclusion, Cathy recapped their key findings:

- it's a complicated subject but all groups understood the proposed changes
- participants were familiar with SCL's recent messages
- these groups prefer to get important information from well-connected members of their community
- customers were cost sensitive and wondered why cost savings and efficiencies couldn't be used to keep rates stable for a while
- they asked how to bring accountability to landlords (for buildings that are master metered) so landlords do not increase rates disproportionately to renters in same building
- the Utility should continue to convey the key four or five talking points reminding people about the good things being done to reinforce customer trust.

Online Survey Results – Report from Cocker Fennessy:

Vanessa Lund from Cocker Fennessy presented a summary of their online survey results. The survey was only focused on residential customers and was centered on the Strategic Plan -- not rate design. The purpose of the online survey was to better understand residential customer awareness. The survey was conducted in March. There were 538 respondents. This was a lower response rate than the rate design survey, which had 1200 responses.

Respondents were asked to rate SCL on several of the strategic plan priorities. Customer service, workforce performance and safety didn't seem to resonate or rate as well as other priorities. Vanessa observed this may be seen as an opportunity to improve communication.

One of the top consistent concerns was "Rates" and how to minimize electric rate increases. The second highest rated concern was conservation/adding renewables, and the third major concern was improving the electric system's reliability.

The survey included questions about the 3 new initiatives – Distribution Automation, Master Planning for Service Centers, and Net Wholesale Revenue/RSA. Open ended comments were accepted and some people expressed very passionate feedback on particular topics – AMI, smart



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meters, solar power. A lot of people were confused about the Rate Stabilization Account. Fifty five percent of respondents indicated they feel the rate path is reasonable; however, there was still strong concern about rate increases and the “what’s next?” question.

Outreach Summary Presentation from Marianne Bichsel of Bichsel Public Affairs:

Marianne Bichsel summarized City Light’s outreach activities and messages heard:

- The Utility talked to thousands of customers, sent the online survey to a random sample of 20,000, and conducted town halls, focus group meetings with non-English groups, and four neighborhood district council meetings. They used the SCL website to get feedback on rate design and Strategic Plan Update.
- The main themes heard were on rates, reliability, carbon reduction, maintenance and tree trimming, and operations.
- The feedback was very much in line with what Cathy and Vanessa noted earlier in the meeting.
- A common question people asked was what is the long term impact on me and what can we expect in the future?
- The Utility also communicated through online/social media – again the common themes that came up were regarding rates, environmental protection, tree trimming, and operations.
- There were some really good discussions about outages, in which some expressed that the utility needs to invest more in infrastructure.
- A live chat on social media was conducted to see if people would engage in a live chat with a City Light Executive.
- From correspondence and emails, the main concerns were the utility discount program, rates, metering technology, and environmental leadership.
- Generally, people get it, they understand the strategic initiatives and they are largely supportive.

A Panel Member asked if there is anything different with what the Utility plans to bring forward based on the results of the outreach?

Jorge responded that the conversation about rates going up is reasonable. The Utility has put together a rate path – and adjusted it to an average annual increase of 4.4% which includes further reducing reliance on Net Wholesale Revenue. The initial City Light proposal was to reduce the budgeted net wholesale revenue in 2015 to \$60 million, but Jorge noted that he asked Finance staff to examine the possibility of flattening out the proposed annual rate increases in the 2015-2020 Strategic Plan so that the increase for 2015 would be lower than the 4.9% presented previously. That examination showed that reducing the budgeted net wholesale revenue to \$65 million in 2015, instead of \$60 million, would keep that increase at an average of 4.2%. He advised that if we stay on course, the hope was that the Utility would be successful in flattening out the rate path even more.

Maura Brueger spoke next and referred the group to the Outline for the Strategic Plan Update document. She advised it will be focused on being a progress report and follow a structure



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similar to the Utility's 2012 Plan. Paul Bergman from Cocker Fennessy will be writing it again for us. They've already done up a Folio for us. She thanked Tony Kilduff for his help in creating the Special Utility Committee and its meetings.

Maura outlined targeted timing on the next steps:

- May 5th – meeting with the Mayor and Co-Chairs
- May 12th – Special Committee Meeting – will be a council briefing in the morning at 9:30am. It'll be an opportunity to tell them about our outreach meetings.
- May 20th – Mayor's Office to transmit Strategic Plan to Council
- June 2nd – Special Committee Meeting on Strategic Plan (they'll have the plan in front of them and dive into the substance of the plan)
- June 9th – Special Committee Meeting where they may take action ...
- Strategic Plan will go to the Full Council for action after they've voted it out of the Special Committee

Maura said that we hope to have it all done by June 30th.

The group talked about the Outline and whether the Plan will have the rate proposal embedded in it? Paula Laschober said that it will be a policy statement in the plan document; you won't see the actual rate ordinance in it. The document will have a section on what's new with the three new initiatives and the rate design will be included there. Jorge advised there aren't any major changes to the plan; the Utility is just adding the two new years and the three new initiatives. He noted that two of the three Councilmembers on the Council's Energy Committee are familiar with the strategic plan and have been through all of our information before.

The Panel had a lengthy discussion about the draft rate design letter and agreed that a single letter should be drafted supporting both the Strategic Plan per previous Panel discussions and the 2015-16 rate design proposal. The comments on rate design should be short and note simply that there are different reasons for support without explaining the various positions. It should also say that the long-term rate design proposal needs more work in the Panel's view. Karen will draft a letter that the co-chairs can review before next Friday, the 18th, and will work with Eric and Stan in terms of text specific to their concerns. Julie will review the letter as well before it is sent to the rest of the Panel.

In response to a request that the Panel be able to review the Plan before signing the letter, Jorge said the draft Plan will be distributed to the Panel in advance of the next meeting.

Action Items

Kim will email Vanessa and Marianne's outreach presentations to the Review Panel.

Maura will distribute (electronically) the draft of the Plan to the Panel in advance of April 30th.



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Karen will work on the draft letter from the Review Panel and distribute it to the members.

Adjournment

There being no further business to discuss, the meeting was adjourned at 4:15 p.m.