

**CITY OF SEATTLE**

**RESOLUTION \_\_\_\_\_**

..title

A RESOLUTION relating to the City Light Department; adopting a 2017-2022 Strategic Plan for the City Light Department and endorsing a six-year rate path required to support the Strategic Plan.

..body

WHEREAS, the City Light Department (“City Light”) is the tenth largest public utility in the nation, serving more than 400,000 customer accounts, and providing safe, affordable, and reliable electricity to its customers; and

WHEREAS, Resolution 31383 of July 2012 adopted City Light’s 2013-2018 Strategic Plan and endorsed a six-year rate path that supported that plan; and

WHEREAS, Resolution 31383 also specified that City Light would review and update the Strategic Plan every two years, adding two years to and re-evaluating the remaining four years of the existing Strategic Plan; and

WHEREAS, Resolution 31529 of June 2014 adopted City Light’s 2015-2020 Strategic Plan Update and endorsed a six-year rate path that supported that plan; and

WHEREAS, City Light has reviewed and updated the Strategic Plan by: (a) reviewing changes in its operating environment for the 2017-2020 period and making adjustments to remain within the previously approved rate path; and (b) adding a forecast of revenues, expenditures, and investments for two additional years, 2021 and 2022; and

WHEREAS, City Light continues to face challenges which include: (a) slowing load growth leaving less revenue to cover rising infrastructure costs; (b) technological changes and threats to cybersecurity; (c) an aging workforce stressing the importance of training, succession planning, and workforce development programs; (d) the emergence of electric vehicles, solar power, and other technological advances that promise to change the

1 electric industry landscape; and (e) finding and achieving new operational efficiencies;

2 and

3 WHEREAS, City Light seeks to provide rate predictability and stability in future rates, and to

4 avoid the pattern of volatile rate adjustments that characterized the decade before the

5 adoption of the 2013-2018 Strategic Plan; and

6 WHEREAS, in consultation with the Mayor and the City Council, City Light initiated the

7 Strategic Planning process in 2010 to provide more transparency and accountability for

8 decision-making within City Light; and

9 WHEREAS, Ordinance 123256 establishes the City Light Review Panel (“Review Panel”) to

10 represent City Light ratepayers and requires the Review Panel to review and assess City

11 Light’s strategic plans; and

12 WHEREAS, the Review Panel has reviewed City Light’s progress in carrying out the Strategic

13 Plan on a quarterly basis since 2013, and also reviewed the Utility’s proposed changes for

14 the 2017-2022 Strategic Plan Update; and

15 WHEREAS, the City Council has reviewed the Strategic Plan Update, the associated six-year

16 rate path, the recommendation of the Review Panel, and the results of customer

17 engagement; NOW, THEREFORE,

18 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**

19 **MAYOR CONCURRING, THAT:**

20 Section 1. The City Council adopts the City Light Department’s (“City Light”) proposed

21 2017-2022 Strategic Plan Update (the “Strategic Plan”), a copy of which is attached to this

22 ordinance as Attachment A and incorporated by reference.

1           Section 2. To achieve the goals of the Strategic Plan, annual rate increases averaging 4.3  
2 percent system-wide per year are anticipated over the period of 2017-2022. The following six-  
3 year rate path for City Light rates is endorsed:

4           2017: 5.6%

5           2018: 5.6%

6           2019: 5.0%

7           2020: 3.6%

8           2021: 3.1%

9           2022: 2.5%

10           Section 3. The City Council requests that the executive submit the 2017-2018 City Light  
11 Proposed Budget in support of the Strategic Plan.

12           Section 4. The City Council requests that the executive submit the 2017-2018 City Light  
13 Rate Proposal in support of the Strategic Plan, including the endorsed system rate increases of  
14 5.6 percent in 2017 and 5.6 percent in 2018.

15           Section 5. City Light will continue to review and update the Strategic Plan every two  
16 years, adding two years to the Strategic Plan and re-evaluating the subsequent six-year rate path.  
17 The next review and adjustment of the Strategic Plan will be finalized in 2018 and will  
18 encompass the years 2019 through 2024.

1           Adopted by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2016,  
2 and signed by me in open session in authentication of its adoption this \_\_\_\_\_ day of  
3 \_\_\_\_\_, 2016.

4 \_\_\_\_\_  
5           President \_\_\_\_\_ of the City Council

6           The Mayor concurred the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

7 \_\_\_\_\_  
8           Edward B. Murray, Mayor

9           Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

10 \_\_\_\_\_  
11           Monica Martinez Simmons, City Clerk

12 (Seal)

13 **Attachments:**

14 Attachment A - 2017-2022 Strategic Plan Update

15     Exhibit 1 - Financial Forecast Assumptions

16     Exhibit 2 - Strategic Initiatives Summary

17     Exhibit 3 - Strategic Plan Metrics

18     Exhibit 4 - Summary of Customer and Stakeholder Outreach

19         Exhibit 4a - City Light Review Panel Meeting: "Utility of the Future," Program  
20             Agenda

21         Exhibit 4b - Strategic Plan Update 2017-2022: Customer Survey

22         Exhibit 4c - Strategic Plan Update 2017-2022: Employee Survey

23     Exhibit 5 - May 23, 2016 Letter from Seattle City Light Review Panel to Mayor Murray