

**Seattle City Light Advisory Committee  
Meeting Summary - January 13, 2008**

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Attendees: Bill Alves, Carol Arnold, Robin Calhoun, Ron Ernst, Tim Hogan, Don Wise

**Superintendent's Update**

Revenue Projections. The 2008 projected year end revenue from wholesale power is \$136.2 million compared to the original projection of \$162 million. A more conservative net wholesale projection will be made for 2009, particularly in the light of the significant decline in natural gas prices.

City Light Conservation. The 2008 conservation effort yielded 10.1 average MW of savings compared to the target of 8.4 average MW. This is the first year of a five-year conservation effort with the cost projected to be \$32 per MWh of cost savings.

Financial Policy. The Superintendent will get information to the Committee regarding the advance refunding of variable-rate debt. The fixed-rate bond issue, which provided funds for the refunding and for ongoing capital projects, sold successfully in December.

Don Wise commented that in 2009 the Executive, Council and utility should expect that, due to the current financial climate, the utility will operate in a more conservative manner than the financial policy requirements. The Advisory Committee will track 2009 / 2010 financial parameters and bring actual results to the attention of Councilmember Harrell and Mayor Nickels if necessary.

**Performance Metric Report**

Risk reduction chart: Sung Yang will provide more information to the Committee members on how the risk metric is being interpreted. The Superintendent offered to schedule a briefing on the Hedging Plan for the Committee if requested.

Street lights: The street light repairs are still behind schedule. A proposal has been made for a planned replacement program, but there are still unresolved issues about how to get to the goal. The Superintendent will provide the Committee with more information.

**Annual Report Review**

All Committee members voted to adopt the changes discussed, with no further substantive changes to be made. Carol Arnold will do the final edit and send the report to Julie Tobin for proof reading and formatting.

The Committee requested meetings with the Mayor and Dwight Dively, Finance Director, Julie Tobin will set up the meetings.

Michael Jerrett will follow up on meetings with Councilmember Harrell and the Energy Technology Committee, and coordinate with Julie Tobin.

Once the report is formally released the Superintendent will propose a game plan for a dialogue between utility staff and the Advisory Committee to address specific concerns.

**2009 Work Plan**

The Advisory Committee will proceed as if the work plan has been accepted.

The Committee will break into sub groups and hold quarterly meetings with City Light staff.

In February, the Superintendent will report back to the Mayor, Council and Advisory Committee on the adoption of strategies for the Strategic Plan.

Committee members asked whether it is appropriate to use the Strategic Plan as a focus for engagement when meeting with the Mayor and Council. It was suggested that the plan is not useful unless it is a combined vision of the Executive, Council and utility and is the vehicle for common understanding at the most detailed level feasible. The Advisory Committee is willing to help facilitate the process. It would be a good tool to define the role of the Committee as all the work plan items are considered in the broader context of the strategic plan. The development of the work plan ought to be driven around development and agreement on the Strategic Plan. How to address this could be brought up with the Mayor and Councilmember Harrell.

Committee members said they want to be respectful of the Mayor's process in developing utility policy, but are not sure if they provide value if there is not a good mechanism for discussion and advice on key initiatives in a timely manner.

Sung Yang recommended talking to the Mayor about this observation and ask if he would be willing to allow earlier review of some issues by the Advisory Committee. The Strategic Plan and Conservation Plan are an example. The Superintendent emphasized that City Light staff are not trying to withhold information from the Committee, but need to adhere to the Mayor's process.

Advisory Committee members proposed engaging the Executive and Council on a more regular basis on work plan issues. Council and Executive staff updates will be added as a regular monthly agenda item.

The Smart Grid / AMI Statement of Legislative Intent is due to Council July 1. The Committee asked if there is time for an Advisory Committee briefing regarding the Mayor and Council process.

Bill Alves asked about Enterprise Risk Management. The Superintendent responded there is an operational change underway to build capability and information and promote accountability as part of the utility's business Performance Management process. The Superintendent will arrange for David Doctor and Carol Butler to give a presentation to the Committee.

Last year the Advisory Committee recommended the utility facilitate a process to acquire renewables and inquired as to the status. The superintendent expects to review the proposal in the first quarter. The Advisory Committee requested more information.

The Superintendent will send the 2009 policy calendar to the Advisory Committee.

### **Election of a New Chair Person**

- Carol Arnold nominated Don Wise as Advisory Committee Chair. Ron Ernst seconded the nomination and all approved. Don Wise will serve as the Advisory Committee Chair in 2009.
- Committee members thanked Bill Alves for his hard work as Chair.
- Ron Ernst is taking a Peace Corps assignment overseas and will resign from the Advisory Committee in April.

### **Other Business**

To facilitate a more meaningful dialogue with the Mayor and Council the Committee added "Executive concerns" and "Council concerns" to the monthly agenda.

### **Meeting Schedule**

The February 12 meeting is tentatively rescheduled to February 17. Carol Arnold and Bill Alves will not be available in February.

The March 10 meeting is rescheduled to March 17.

Julie Tobin will confirm both dates.