

SEATTLE CITY LIGHT ADVISORY COMMITTEE

William R. Alves, Carol S. Arnold, Robin Calhoun, Ron Ernst, Tim Hogan, Donald M. Wise

December 31, 2008

The Honorable Greg Nickels
Mayor, City of Seattle
City Hall
P.O. Box 94749
Seattle, WA 98124-4749

Councilmember Bruce Harrell
Chair, Energy & Technology Committee
Seattle City Council
City Hall
P.O. Box 34025
Seattle, WA 98124-4025

Dear Mayor Nickels and Councilmember Harrell:

Attached for your consideration is the Seattle City Light Advisory Committee Draft 2009 Work Plan. In addition to monitoring the City's progress on a number of past Board and Committee recommendations that have not yet been fully implemented, we propose adding a small number of new areas in 2009.

First and foremost, we believe it is timely to look at the evolving role the Board and later the Committee has filled in the past five years. Working with you, your staff and City Light management, we would like to assess our past effectiveness and possible future roles. We also want to reconsider how we communicate with your offices, City Light and the public.

Second, we believe it's prudent to take another look at the Utility's financial policies. Created to deal with the aftermath of the 2001 energy crisis, they have served City Light and ultimately the citizens of Seattle well during a period of relative economic stability. But are they adequately conservative for today's changed economic environment – recession, credit market dysfunction, and volatile commodity prices? Furthermore are they consistent with and supportive of the Utility's new Strategic Plan?

Third are City Light's public involvement practices. At what points in its planning processes does the Utility involve citizens and stakeholders, how, and to what effect? How do City Light's practices compare with best industry practices and how could they be improved?

Our fourth and final proposed new focus for 2009 is technology. As the Utility's Draft Strategic Plan recognizes, City Light is uniquely positioned among City departments to benefit from the adoption of new technologies. Despite this, its efforts have been halting. We would like to work with City Light to delineate how City Light can better position itself to take advantage of new technologies generally. We also propose to

address several technology advances, including smart grid; automated metering; state-of-the-art energy trading platforms; information technology to link financial forecasts, budgets, and rate setting; and a customer information system that will result in better customer service.

Ordinance 122197 provides for both the Mayor and City Council Energy and Technology Committee to give written approval to our annual work plan. We welcome your suggestions on our proposed work plan and look forward to advising you in 2009.

Respectfully,



City Light Advisory Committee

William Alves, Chair

Carol Arnold

Robin Calhoun

Ron Ernst

Tim Hogan

Donald Wise

Seattle City Light Advisory Committee
DRAFT 2009 Work Plan

1. **Role of the Committee:** Examine ways to improve contributions, possible future roles and ways of better communicating with City Light, its regulatory bodies, and the public.
2. **Financial Policies:** Reassess existing policies for adequacy in light of City Light's Strategic Plan and continue to monitor progress in complying with existing financial policies.
3. **Public Involvement Practices:** Evaluate City Light's public involvement practices and, as appropriate, develop recommendations for improvement.
4. **Technology:** Investigate the extent to which City Light is taking advantage of new technologies and how it could better position itself to benefit from them. Examine costs and benefits of specific applications including smart grid, automated metering infrastructure, a state of the art customer information system linked to an outage management system that helps City Light respond to customer questions, computerized energy trading platforms, and linked financial forecasting, budgeting and rate setting.
5. **Past Committee and Board Recommendations:** Continue to monitor implementation progress and identify barriers and potential solutions.