

City Light Advisory Committee Meeting
March 4, 2008, 8:30 a.m. – 11:30 a.m.
MEETING SUMMARY

Committee Members Present: Carol Arnold, Ron Ernst, Tim Hogan, Don Wise

City staff present: Superintendent Carrasco, Sung Yang (Seattle City Light), Jennifer Samuels, Michael Jerrett, Tony Kilduff (Legislative), Alec Fisker, Julie Tobin (Office of Policy & Management)

Superintendent's Update

- The Superintendent thanked the Advisory Committee for their report and to Carol Arnold and Don Wise for extending their terms. He reported that:
 - The water supply is normal, despite misconceptions of unusually large snow pack.
 - The federal "cap and trade" climate change bill may go to vote in May or June. City Light is tracking the legislation closely as it will have a huge impact on northwest utilities.
 - The Western Climate Initiative, a collaboration of the Governors of Arizona, California, New Mexico, Oregon and Washington has been formed to develop regional strategies to address climate change. The goal is to develop a program by August 2008.
 - The Bonneville Power Administration is proceeding with its 2008 rate case which will include a revised Residential Exchange Benefit program. City Light expect to receive a \$17.3m one time payment prior to the commencement of the new rates.

Monthly Report to Advisory Committee (Handout)

Committee members reviewed the draft monthly report and requested addition of the following items:

- The debt service ratio
- Basic balance sheet

It was also noted that the 95% probability "exceedance" metric should be defined, tracked and included in the report. City Light will follow up.

Performance Metric Report (Handout)

The Superintendent circulated a draft performance metric report for monthly distribution to the Council, Mayor and Advisory Committee. Data availability means that a report on the prior month may not be available until several weeks later (i.e. January data may not be available until the end of February). The utility's aim is to produce an annual metric report card for distribution to customers.

The Committee commented as follows:

- Add vacancy rate to the "Human Resources" chart.
- The "Mayoral Initiative" chart would be improved by showing year to date data.
- This is a good report card, great communication tool and should regularly be distributed to a wider audience. Councilmember Harrell's staff requested a copy of the report with February data when available.

City Light 2007 Progress Report and Policy Priorities

The Superintendent gave a Power Point Presentation including the utility's 2008 major policy initiatives and schedule.

City Light Advisory Committee Work Plan

A summary of the work program discussion follows:

Review and monitor:	Committee member	Meeting agenda
1 Financial Policies	Don Wise	Ongoing
2 Rate setting, budget approval and long term implementation, strategic plan	Don Wise, Ron Ernst, Tim Hogan, Bill Alves, Carol Arnold	March/April
3 Risk Management	Tim Hogan, Ron Ernst	Ongoing
4 Human Resources	Carol Arnold, Don Wise	Ongoing / July
5 Resources		June
- Climate Change, IRP	Bill Alves, Tim Hogan	
6 Distribution system		May (?)
- Smart Grid, Asset Management	Ron Ernst, Carol Arnold	
 New Work Program Items:		
1 Solar	Bill Alves	(TBD)
2 Customer Care	Ron Ernst, Don Wise, Carol Arnold	September
3 Public Participation	Don Wise, Tim Hogan, Ron Ernst	October
4 Credit markets	Don Wise	May
5 Undergrounding	Ron Ernst, Tim Hogan	August

As part of the work program, committee members will review what other utilities are doing. Julie Tobin will help identify contacts and coordinate.

Specific work program comments included:

Rate Setting

- The Committee reiterated their recommendation that the rate setting and budget processes be linked and would like feedback on whether the Executive and Council agree with that recommendation.
- Jennifer Samuels and Michael Jerrett accepted an offer from Committee members for an in depth briefing on their annual report and recommendations.
- The Committee will propose a rate setting calendar and format for Council and Executive review. Alec Fisker will forward the "Revelle calendar model" to the committee.
- City Light should craft a well defined long term strategic plan that should not try to meet near term issues.

Distribution:

- A sub group of Committee members participated in a PSE tour and requested that City Light set up a tour to look at the City Light equivalent.
- Smart Grid. The Committee would like to research the issue more and talk to City Light engineers about the aspects of current technology that may be cost effective for City Light.

Committee members also mentioned the need to develop a scorecard on 2008 annual report recommendations for the 2009 annual report.

Other Business

Julie Tobin will schedule an extra meeting in March.