

**City Light Advisory Committee Meeting**  
**July 8, 2008, 8:30 a.m. – noon**  
**MEETING SUMMARY**

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Committee Members present: Bill Alves, Carol Arnold, Robin Calhoun, Ron Ernst, Tim Hogan

City staff present: Sung Yang, Herb Hogue, David Clement, Robert Balzar, Mike Little, Jean West (Seattle City Light), Michael Jerrett, Jennifer Samuels, Tony Kilduff (Legislative), Alec Fisker, Julie Tobin (Office of Policy & Management)

**Superintendent's Update**

- As of June 30 net wholesale revenue is at \$69.3 million, 43% of the planned annual amount of \$161 million. At the end of June 2007 the utility had achieved about 59% of the target. City Light staff project a good July and are tentatively projecting \$170.2 million in net wholesale revenue by the end of the year, or 105% of the target.
- \$21 million in surplus energy was sold in June. Forward market prices for heavy load hours are trading as high as \$100 per megawatt hour.
- Currently there is no appreciable snow in the Skagit and very little remaining above Boundary Dam.
- The Lieberman-Warner Cap and Trade Bill will not be acted upon in this session. It is expected that new legislation will be forwarded for discussion and a vote next year.
- City Light has conducted two meetings with customers in key service areas to discuss climate change issues.
- City Light is holding a Public Power Council summit on conservation and energy efficiency on Wednesday, July 16 at 2 p.m. in the Bertha Knight Landes Room, City Hall. Advisory Committee members are welcome to attend.
- The Residential Exchange Program issue is not resolved. City Light staff will continue to track the issues as BPA moves toward reaching a final contract in late August / early September. City Light is working hard to ensure purchase of power on favorable terms beyond October 1, 2011.
- Strategic Plan. City Light is finalizing the implementation plan and will brief the Mayor in early August and Council in late August. The Advisory Committee work plan approved by the Mayor and Council earlier this year includes the item "Review and provide advice on the Strategic Plan in August". Recognizing the City process, and tight timeline, the Advisory Committee expressed their hope that they will be formally invited to review and comment on the draft plan in August at their regular meeting, or special meeting if necessary. The Superintendent invited Committee members to send him their individual comments.

**City Light Monthly Reports** (Attached)

- Financial Update – May 2008
- Seattle City Light Net Income Variance Analysis May 2008
- City Light Risk Oversight Status Report May, 2008
- City Light Performance Metric Report January – May 2008

A process is underway to assign individual City Light staff accountability for each metric. The responsible staff member will track progress and if the goals are not being met, identify actions needed to get back to target. Carol Butler is leading the project.

The Advisory Committee had favorable comments about the performance metric report presented and reiterated their recommendation for wider circulation. The Superintendent agreed to include a metric on conservation / energy efficiency by sector.

Other comments:

- SAIDI. The trend up is the result of major storms in December 2007 clearing up the system and producing improved numbers in subsequent months. The effect over time dissipates and starting in April and May the data is more reflective of the condition of the system.
- Vacancy rate. Adding 100 positions skewed the vacancy rate, but Human Resources is doing a good job of moving toward five percent.
- Non-engineered service connections. Some process improvements will take place between now July and September.

### **Climate Change – Peggy Duxbury, Government Relations Director**

Presentation attached.

### **Renewable Energy – Bob Balzer, Conservation Director**

Presentation attached.

### **Risk Management.**

Risk Management will be discussed at the Council Energy & Technology Committee on August 20. Some Advisory Committee members will attend. Tony Kilduff noted that his concerns regarding the risk management reporting structure and in particular the organization and composition of the Risk Oversight Committee, have not been resolved.

An Advisory Committee recommendation on Risk Management was hand delivered to Mayor Nickels and Councilmember Harrell prior to the meeting. After noting concerns raised by Alec Fiske, the Advisory Committee offered to meet with Mayor Nickels or Deputy Mayor Ceis to discuss the matter further.

### **Solar Energy – Jim Harding, Solar Electric Power Association**

Presentation attached.

### **Human Resources – Jean West, Human Resources Officer**

Presentation attached.

Committee members asked about the timing of the next employee survey. Although City Light is moving toward more focused, frequent surveys, the protocol is not established yet. There will be a special focus on communication. Bill Alves suggested getting feedback on improvement in communications between the utility executives and the rank and file workers, i.e. get third party corroboration that the communication is working.

### **Other Business**

- Julie Tobin will circulate the Advisory Committee work program and sub group assignments to Committee members.
- Advisory Committee sub groups will meet with relevant City Light staff.

### **Draft August Agenda**

- Superintendent's Update (30 min)
  - City Light Monthly Reports (Distribute to Committee members prior to meeting)
  - Distribution Update. What is happening with reliability and standards?
- Risk Management Update – Tony Kilduff & City Light staff (15 min)
- Undergrounding – City Light staff (30 min)
- Strategic Plan Review and Discussion. (Pending Executive / Council schedule). (45 min)  
Add a special meeting in August if necessary.
- Annual Report Preparation. Each Advisory Committee sub group will make a short presentation. (1 hour)
- Other Business