

SEATTLE CITY LIGHT ADVISORY COMMITTEE

William R. Alves, Carol S. Arnold, Ron Ernst, Tim Hogan, Judith R. Krebs, Donald M. Wise

WORK PROGRAM – ISSUES TO BE ADDRESSED

Financial Policy

- What changes are needed in financial policy (if any) to assure SCL's "long-term financial wellness"?
- Is the current financial policy consistent with industry best practices?
- What is SCL's long-term strategy for managing existing debt?
- What is SCL's long-term strategy for optimizing revenues?
- How will SCL fund major capital needs over the next decade?
- Can SCL meet its long-term financial at an acceptable rate level?
- Does the City's budget system impair SCL's ability to maximize its economic potential?

Reliability

- What upgrades are needed to bring the distribution system up to current regulatory, reliability and technology standards? (e.g. SCADA system)
- What are the priorities for these upgrades? Is the proposed asset management plan up to the task of setting priorities?
- What will these upgrades cost? What is the best way to fund these upgrades?
- How will the cost of upgrades impact rates? Can distribution system upgrades be funded at rate levels that are acceptable to ratepayers?
- Is there an urgent need for costly upgrades?

Resource Acquisition and Risk Management

- What tools does SCL use to forecast wholesale revenues?
- What tools does SCL use to manage revenue risk?
- What tools does SCL use to forecast hydro resources?
- Do these forecasting tools optimize SCL's revenues?
- Is SCL's resource portfolio adequate to meet native load growth? Is the 95% exceedence policy overly conservative?
- Should the Committee support the proposed partnership with an outside company to handle surplus power sales and risk management?

Human Resources

- Are there communications problems between upper management and the workforce?
- Are there morale issues? Leadership issues?
- What can be done to develop highly skilled workers to replace the aging workforce?
- What can be done within the confines of (1) the City's pay equity policy and (2) the civil service system to give SCL the flexibility needed for financial and other incentives to attract and retain a skilled work force in highly competitive local and national energy labor markets?

Work program approach:

Define the goal i.e. what needs to be accomplished
Get clarity on industry best practices
Review current status
Identify the gaps
Identify recommendations