

Utility of the Future

NEW STRATEGIC INITIATIVES

Transportation Electrification:

Participated in development of the Mayor's "Drive Clean Seattle" Initiative to identify opportunities to reduce carbon emissions through electrification of the transportation sector. Launch a pilot to support home charging stations through on-bill replacement and innovative pricing.

Climate Adaption Plan:

Move forward to implement recommendations for the utility included in the Climate Adaption Plan. Continue to build on United States Department of Energy Partnership to recommend federal policy and program actions to promote utility resiliency investments.

2017–2022 Strategic Plan Rate Path–Predictable & Sustainable:

The Strategic Plan Update proposed a rate increase that averages 4.3% annually through 2022. More detailed rate impacts are available on the Strategic Plan website: seattle.gov/light/stratplan



A Progress Report On Your Power Future

SEATTLE CITY LIGHT STRATEGIC 2016–2020 PLAN UPDATE

The Seattle City Light Strategic Plan Update highlights the progress the utility is making to realize its vision and goal to exceed customers' expectations in producing and delivering environmentally responsible, safe, affordable and reliable power.

UPDATED STRATEGIC PLAN RATE PATH 2015–2020 vs 2017–2022



Proposed rate increase do not include RSA surcharges or BPA passthrough increase



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THE NATION'S GREENEST UTILITY

2017-2022 Strategic Plan Progress Report

ADVANCING SEATTLE CITY LIGHT'S KEY OBJECTIVES

In 2014, the Seattle City Council and Mayor Edward Murray unanimously approved the extension of Seattle City Light's Strategic Plan through 2020. The fundamentals of the Strategic Plan remain unchanged for the next update. City Light continues to invest in its infrastructure to maintain current

levels of service and deliver on its strategic investments to enhance service to its customers.

The Strategic Plan is organized around four key objectives that are important to Seattle City Light and its customers:

- Improve customer experience and rate predictability
- Increase workforce performance and safety practices
- Enhance operational performance
- Continue conservation and environmental leadership

The Plan is Working

IMPROVE CUSTOMER EXPERIENCE & RATE PREDICTABILITY

	2003	2008	2012	2013	2014	2015	GOAL 2017-22
RESIDENTIAL CUSTOMER SERVICE RANKING (JD Power West Rgn)	#18	#11	#2	#3	#3	#3	#1
BUSINESS CUSTOMER SERVICE RANKING (JD Power West Rgn)	N/A	N/A	#4	#1	#1	#2	#1

INCREASE WORKFORCE PERFORMANCE & SAFETY PRACTICES

	2003	2008	2012	2013	2014	2015	GOAL 2017-22
HIRING CYCLE (Days)	184	57	49	42	24	28	30
ACCIDENT RATE (TRR)	13.1	6.9	7.0	6.3	5.3	6.0	0-2.2

ENHANCE ORGANIZATIONAL PERFORMANCE

	2003	2008	2012	2013	2014	2015	GOAL 2017-22
S&P Credit Rating	A-	AA-	AA-	AA	AA	AA	AA

CONTINUE CONSERVATION & ENVIRONMENTAL STEWARDSHIP LEADERSHIP

	2003	2008	2012	2013	2014	2015	GOAL 2017-22
CONSERVATION (aMW Added/Year)	7.0	10.1	13.0	14.7	16.0	15.8	14.0
SOLAR INSTALLATIONS (Cumulative MWh)	--	0.5	4	6	8	13	26

STRATEGIC PLAN EFFICIENCIES

In 2015, the utility achieved \$18.5 million annual in efficiencies. By 2018, the utility is committed to achieving an additional \$10 million in efficiencies for a total of \$28 million by 2018.

Work the Plan

PROGRESS ON STRATEGIC INVESTMENTS

Understanding how the industry is changing and the importance of continuing to improve, City Light is making the following strategic investments between now and 2022 that are organized around its four key objectives:

1 IMPROVE CUSTOMER EXPERIENCE & RATE PREDICTABILITY

Denny Substation:

This substation is the first City Light has built in 30 years and brings greater reliability to meet ever-increasing energy demand in the South Lake Union, Cascade, Denny Triangle, Uptown, Belltown and First Hill areas. It also provides support to other substations and supports the regional transmission grid. Completion: 2018



Advanced Metering:

This program is a \$94 million utility investment that streamlines utility operations and creates a host of customer service enhancements including vastly improved power-outage response and customer-controlled energy savings, while reducing the cost of reading meters. Completion: 2018

2 INCREASE WORKFORCE PERFORMANCE & SAFETY PRACTICES

Safety Culture/Promotion:

In 2015, a grassroots effort called "The Other 16," reminded employees to stay safe on the job, so employees can enjoy the other 16 hours off duty. This campaign was followed by a utility-wide "Safety Stand Down" initiative for all employees to focus exclusively on safety awareness.

Skilled Workforce Attraction & Retention:

In order to provide customers with the best overall service, City Light is committed to invest in its employees. A new online training system represents a major investment in employee training. An Operational Excellence program offers training to all employees in leadership positions and is expanding some offerings to all employees.

3 ENHANCE ORGANIZATIONAL PERFORMANCE

IT Roadmap:

This effort includes three separate projects that are all underway: upgrading City Light's financial system; implementation of an enterprise document management (EDM) system; and a plan for recovery of utility's information technology assets in the event of a major disaster.

Cyber-security Measures:

A robust cyber security program keeps the utility safe and in compliance with national security standards. The utility also has disaster recovery backup facilities fully deployed.

4 CONTINUE CONSERVATION & ENVIRONMENTAL STEWARDSHIP LEADERSHIP

Climate Research:

City Light hired a climate scientist and developed a Climate Adaption Plan, released in 2016, to help the utility meet the challenges of climate change and research operation impacts and recommend specific actions to minimize those impacts.

Conservation Program Enhancement:

Understanding how the industry is changing and the importance of continuing to improve, City Light is making progress on its' important strategic investments between now and 2022. Below are highlights:

Conservation Enhancement Program:

Three "Pay for Performance" pilot projects were launched in 2013 to encourage creative approaches to saving energy where participants can combine capital projects, operations and maintenance efforts, and behavioral change activities in their responses. The objectives are to gain knowledge of whole-building analysis tools and to determine if "Pay-for-Performance" offers measureable and cost-effective energy savings. In 2015, the three buildings saved a total of approximately 3.5 million kWh. This is enough energy to power 440 Seattle residences for one year.