



## City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: March 24, 2015**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
Name		Name		Name	
David Allen	x	Julie Ryan	✓	Eugene Wasserman	✓
Tom Lienesch	✓	Sue Selman	✓	Sara Patton (via phone)	✓
Chris Roe	✓	Eric Thomas	✓	Gail Labanara	✓
<b>Staff and Others:</b>					
Sephir Hamilton	✓	Greg Shiring	✓	Kim Kinney	✓
Maura Brueger	✓	Tony Kilduff	✓	Rollin Fatland	✓
Jeff Bishop	x	Calvin Chow	✓	Phil West	✓
Paula Laschober	✓	CM Sawant	x	Mike Jones	✓
Kate Joncas	✓	Kelly Enright	✓	JR Gonzalez	✓

**Call To Order:**

The meeting was called to order at 10:05 a.m.

**Leadership Transition:**

Sephir Hamilton spoke on the news of Jorge Carrasco’s retirement and advised that Jim Baggs, City Light’s Chief Compliance Officer, will be appointed as General Manager in the interim. He informed the group that Deputy Mayor, Kate Joncas, would be joining the meeting later to advise on how they will be conducting the transition process for Jorge’s replacement.

**February 19, 2015 Minutes:**

Approved.

**Public Comment:** none

**Chair’s Report:**

Julie Ryan referred to the previous correspondence from Mr. Fichtenberg regarding EMP. This item has been closed out as Jerry Koenig (from City Light) put together a response to Mr. Fichtenberg.

She also provided an update on the hiring of the moderator. She and Greg Shiring are conducting interviews with the goal to have someone hired by May 1st. She expressed her thanks to Greg for the quality of candidates he’s found.

The Panel then discussed setting a standard meeting seating arrangements.

**Action Item:** Kim Kinney will send a reminder email to Panel members to set meeting dates forward in time.

**Other Panel Updates:**

Chris Roe advised that his Boeing role and responsibilities may be changing. He will advise the group later if he can stay on with the Panel with some of his new responsibilities.



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David Allen's and Eric Thomas' terms are up in April. Kim Kinney will share the Review Panel term list with the Panel.

### **Communications:**

There was one email asking about materials being posted to the website. Kim Kinney confirmed that the interested person has been sent a reply.

### **Cost Allocation:**

Seattle City Light and Council staff provided a briefing on the current cost allocation methodology. The Review Panel had received briefing materials prior to the meeting related to cost allocation. This meeting was meant for the Review Panel to receive background information and ask questions about cost allocation. .

Tony recapped that there will be discussion on rate design slated for April and Tony said he will be developing a paper for Council on rate design. He confirmed that it would be useful if the Panel wanted to propose some areas of consideration to bring to the Mayor and Council.

Paula Laschober referred to some of the cost allocation information previously distributed and handed out an FAQ sheet. She touched on the three steps in the rate making process:

- Revenue Requirement
- Cost Allocation
- Rate Design

Cost allocation is intended to ensure customers pay the costs they imposed on the utility. City Light breaks customers up into 6 classes (excluding streetlights) and determines how to allocate charges to each class. They segment the services it provides its customers into three buckets:

- Energy costs
- Distribution costs
- Customer service costs

The meeting participants discussed aspects of cost allocation and discussed some of the following topics:

- Impact of slow growth in utility demand
- Difference between embedded cost and marginal cost methodology
- Coincident and Non-coincident demand allocators
- Application of net wholesale revenue, low income program and conservation/energy efficiency
- Use of AMI data

### **Action Item:**

The Panel members agreed that no changes should be proposed at this time. Following broader discussions about the future of the industry that are scheduled summer 2015, the Panel may follow up later with proposed areas of review. Julie will draft a statement for the Review Panel to approve which can be shared with the Energy Committee.



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### **Search for a New General Manager:**

Deputy Mayor, Kate Joncas joined the meeting. Her intent today was to provide an update to the Review Panel on where things were with the search for Jorge Carrasco's replacement.

Kate advised that the Mayor's Office is selecting a search firm and is forming an advisory search committee. Kate invited the Panel members to provide feedback for the search and propose candidates. The mayor's office hopes to have interviews conducted by the end of June. They would like to do some outreach to the community and employees. She said that they will ask the Review Panel for their draft of suggested criteria in the selection.

The Review Panel asked Kate to keep them posted along the way in the executive search process.

### **Council Bill Amendment:**

Tony Kilduff advised that he is working on an amendment to the Council Bill regarding the role of the Review Panel. He plans to have the amendment before Full Council on Monday. Tony walked the group through the changes that are in the Ordinance. The Ordinance amends the Seattle Municipal Code (SMC) so that it is less prescriptive and outlines what the Mayor and Council see as the Panel's role. At the prior meeting, several Panel members had suggested adding a term limit. Given the time it sometimes takes to bring in new Panel members, no formal term limit was added.

### **AMI Presentation:**

JR Gonzalez of City Light presented the Advanced Meter Infrastructure program update. He described the technology, how the mesh network works, and the benefits to the customers and the utility. He also explained some of the community outreach which addressed some of the concerns heard. There was additional discussion about streetlights, technology (kv conversion), impact on low income customers, plans for home appliances interconnectivity, and infrastructure (repeater stations)

### **Plans for upcoming meetings:**

- Review Panel will discuss Strategic Plan Results at next meeting, May 1<sup>st</sup>.
- There also will be discussion about baseline and efficiencies at the next meeting.
- There is a tentative plan to review Financial Policies at the May 27<sup>th</sup> Review Panel Meeting.
- SCL staff will send pre-reading materials before the next meeting on May 1<sup>st</sup>.
- Please email Julie if you have any questions in the meantime.

### **Adjournment:**

There being no further business to discuss, the meeting was adjourned at 1:00 p.m.