



Seattle City Light



2019 – 2024 STRATEGIC PLAN QUARTERLY REPORT

Third Quarter 2019

Customer Service



BU: Transformation & Cust Exp .

Executive Sponsor: Debra Smith

Director: Kelly Enright

Report Date: Q3 2019

Strategic Initiative: Improving Customer Service

Objectives & Projects

Objective:

Upgrade customer service practices to meet evolving customer needs and expectations.

Projects:

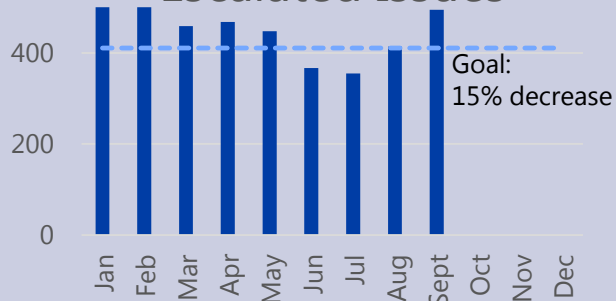
- 1) Expansion of customer communication to social media, web chat, and mobile technology.
- 2) A full-service after-hours and weekend customer service team.
- 3) Increasing options for customer self-service with an enhanced digital customer experience platform.
- 4) Setting up a Commercial Customer Service Center to better serve small to mid-size businesses

Accomplishments

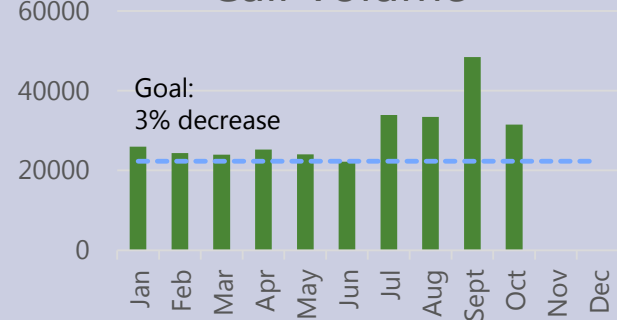
- A Customer Experience Strategy and roadmap was finalized including initiatives that can be phased in over time to integrate City Light’s customer experience with day-to-day operations.
- A cross-functional team of 12 employees met to create an implementation plan that categorizes several initiatives into short, medium, and long-term activities.
- In partnership with IT, our digital platform was enhanced, and digital self-service tools were developed including automation of move requests in CC&B.
- Authorization was obtained to launch a temporary customer service team to proactively identify potential billing concerns and reach out to customers to address those concerns.
- The Service-to-Bill project, a partnership between T&D and Transformation and Customer Experience, was launched to improve customer experience during the electrical process.
- The electric billing and payment vendor software (Kubra) was updated to include mobile functionality.

Measures & Progress

Escalated Issues



Call Volume



Next Steps

Q4

- The Service-to-Bill project team will give employees the opportunity to review the current process and give input on strengths, pain points, gaps, and future improvement opportunities.
- The expanded escalation team temporary employees are scheduled to start.
- CC&B move automation functionality is scheduled to go live.
- The Customer Portal Team will design and approve functional specs and determining what functionality will be delivered in each release in 2020.

Q1

- The Service-to-Bill project team will create short- and long-term plans to address the issues identified in Q4, prioritizing issues with the greatest customer impact.
- Customer Self Service Portal will complete development and testing for single sign on, payments, view usage, budget billing, and notifications.



Strategic Initiative: Evolving Energy Markets

Objectives & Projects

Objective:

Pursue new opportunities for cost savings or incremental revenue in wholesale market operations.

Project:

Join the Western Energy Imbalance Market (WEIM). This will allow City Light to more efficiently use our generation and transmission assets and monetize their intrinsic flexibility and environmental quality.

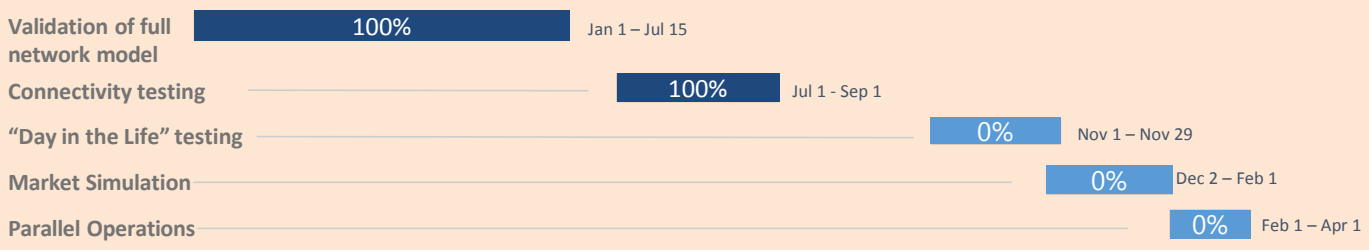
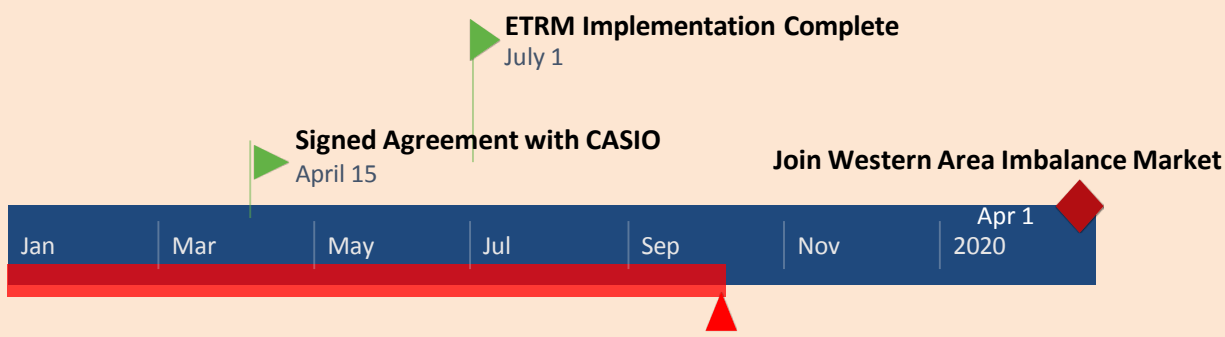
Accomplishments

WEIM:

The EIM project remains on time and on budget. All legal requirements have been executed. Major third quarter milestones include:

- Successful cutover of our Energy Trading and Risk Management System.
- Final ordinance allowing City Light to join and operate in the market passed by city council.
- Execution of all agreements with ISO.
- On track to begin "Day in the Life" testing on November 1.

Progress





Objectives & Projects

Objective:
Audit current fees and charges for customer-initiated construction services and amend policies and charges.

Projects:
Examine system expansion, customer connections and other capital expenditures driven by regional growth and customer needs for new capacity.

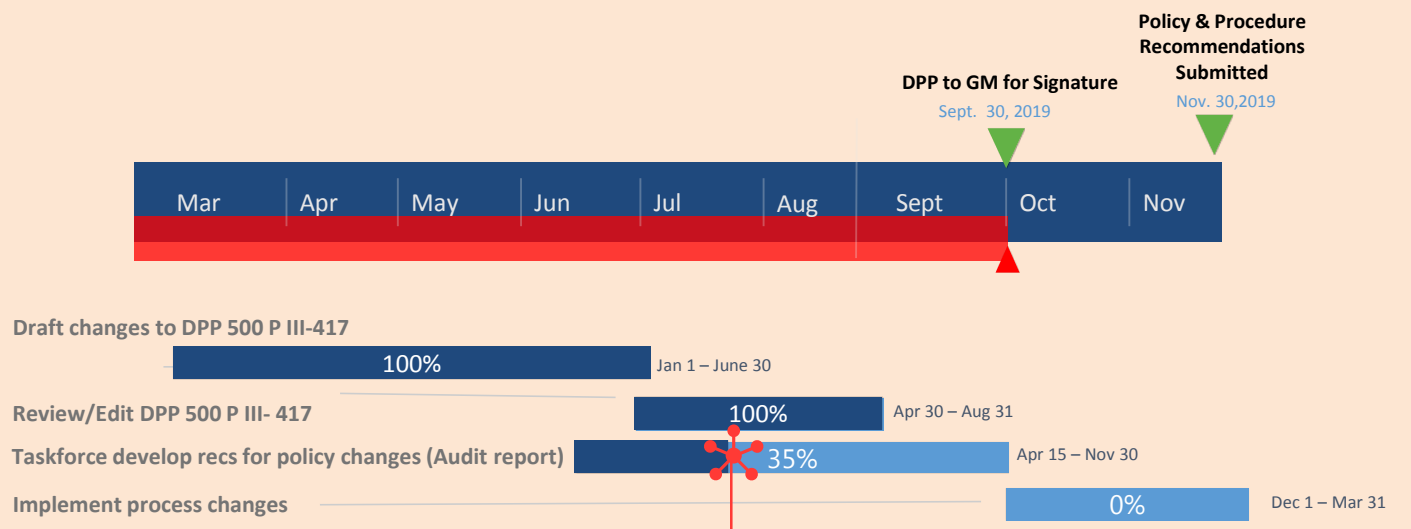
- Audit: Study fees and charges for customer-initiated construction services
- Policy recommendations: A review of new and amended policies that would dictate what components of system work are charged upfront, and what cost should be added to rates.

Accomplishments

City Light updated its service installation rules (DPP 417.) Key updates include:

- Fees revised to align with compatible units in the Work Asset Management System (WAMS.) This will provide more consistent customer charges. The compatible units are based on labor (billing rates) and updated material costs.
- Updated conductor installation costs to be \$/ft, instead of a fixed cost.
- Improved cost recovery for trip charges, engineering assessments, and metering charges.
- Improved treatment for taxes (new service connections are taxed at a lower rate.)

Progress



Taskforce efforts on policy changes have been redistributed to reviewing the Service to Bill process in its entirety, of which this is one piece. Recommendations to follow in 2020.

Affordability



Business Unit: GM/CEO

Executive Sponsor: Debra Smith

Director: Kelly Enright

Report Date: Q3 2019

Strategic Initiative: Business Process Improvement

Objectives & Projects

Objective:

Enhance service delivery and productivity through the implementation of a sustainable, enterprise-wide business process improvement (BPI) program.

Projects:

This initiative will deliver process improvement projects resulting in operational savings, improved customer experience and increased consistency in work processes across the utility. The seven Executive-sponsored BPI projects for 2019 are:

1. Service to Bill: ↑ turnaround time for service connections and accuracy for electricity billings
2. Accounts Payable: ↑ efficiency in vendor payment
3. Alternative Work Arrangement: ↑ work productivity & engagement
4. Real Estate: ↑ revenue recovery & collection
5. Capital Project (CIP) Prioritization: ↑ collaboration
6. Space & Supply-Chain Optimization: ↑ space utilization & efficiency in supply-chain
7. Employee Issue Resolution: ↑ transparency & tracking

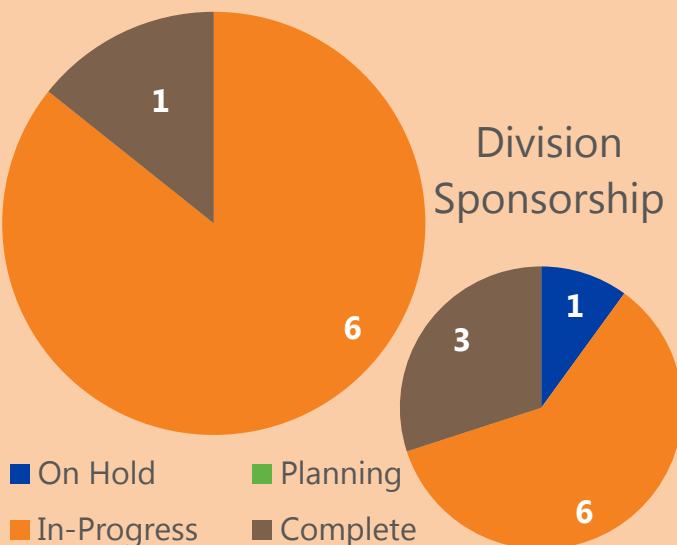
Accomplishments

- Kicked off utility wide sourcing for project ideas.
- Developed preliminary metrics guidelines for projects, focusing on quality, time saved, cost avoidance, and employee morale.
- Began development of structured certification-based training program with a goal to develop change agents across the utility.
 - As a part of the training program, two in-person trainings were launched in CornerStone:
 - Facilitation 101
 - Project Management.

Measures & Progress

Executive Sponsorship

Division Sponsorship



Project Highlights

Issue Tracker

Project complete with successful reduction of average time open from 4 months to 28 days.

Visual Management

Project complete with two metrics showing improvements:

- Calls answered within 2 minutes increased from 83.9% to 86.3%
- Calls answered increased from 75.2% to 81.2%

Space & Supply-Chain Optimization

Project complete with formation of a Steering Committee to govern both North and South service centers. Supply chain will become its own project in 2020.

Service to Bill

Recent workshop identified ~20 areas for possible improvement. A team is working on which to pursue.



Objectives & Projects

Objective:

Create new rate policies and structures that progressively respond to industry changes and challenges.

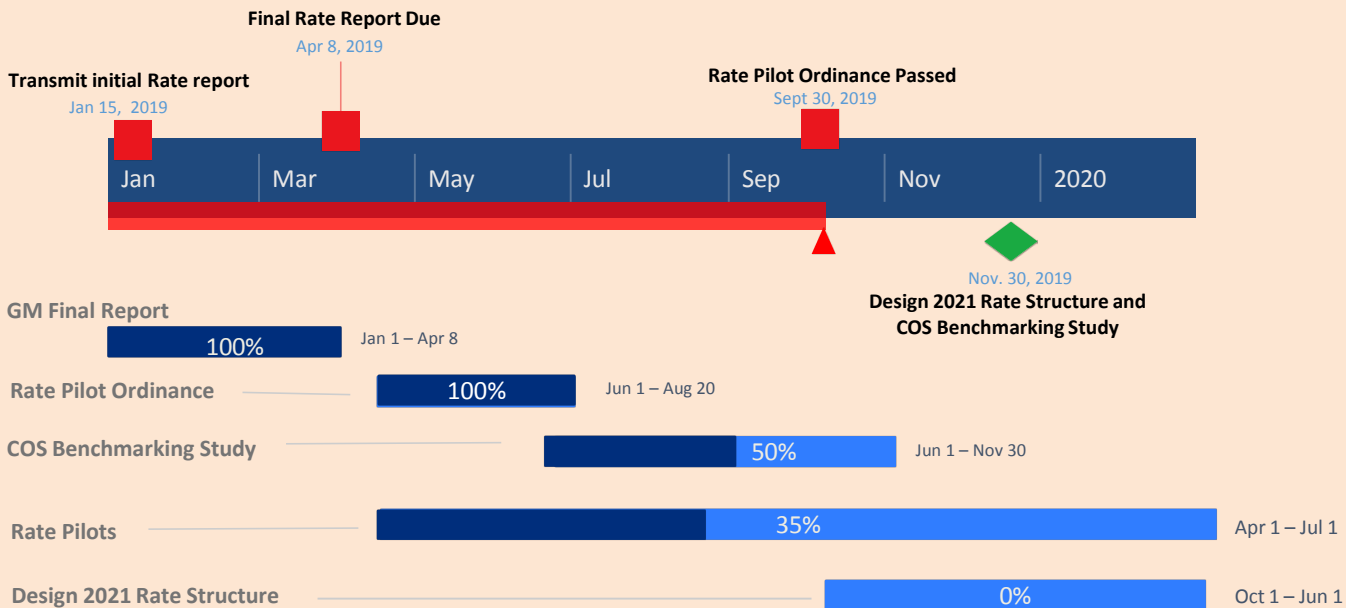
Project:

Updated rate policies could improve revenue stability, create new service options, and better target cost recovery, which would reduce the rate burden for some or all customers. City Light will study customer classification, special rates for premium services and metering options, and identify policy improvement opportunities.

Accomplishments

- Working with the City Law Department, the Rate Pilot ordinance was finalized. The ordinance gives City Light authority to offer pilot programs.
 - The pilots are in two specific areas of rate design research: demand response programs to facilitate decarbonization through electrification and long-term rate affordability, and alternative low-income assistance programs to reduce the burden of electric service costs on our most vulnerable customers.
- In September, the ordinance was presented to City Council and received approval to proceed.
- Continued development of four pilots
 - Energy Equity
 - Residential Time of Day
 - Commercial Electrification
 - Industrial Demand Response

Progress





Objectives & Projects

Objective:

Deliver innovative and forward-thinking programs that promote clean energy solutions.

Projects:

- 1) Expansion of whole building energy efficiency programs such as Pay for Performance (P4P) and Energy Efficiency as a Service (EEaS) to increase energy savings in commercial buildings.
- 2) Transportation Electrification (TE) - Install and operate electric vehicle charging stations and build partnerships to provide customers with electric vehicles increased access to carbon- neutral electricity.
- 3) City Light’s Lighting Design Lab (LDL) will evolve to provide a broader offering of education, technical support and technology validation services to designers, buildings operators and contractors.

Accomplishments

Transportation Electrification:

- Construction underway at South Service Center to install 4 fast chargers and 2 level two stations.
- Council ordinance approved rules for setting rental fees for SCL-owned public EV charging.
- Kicked off electrification action plan

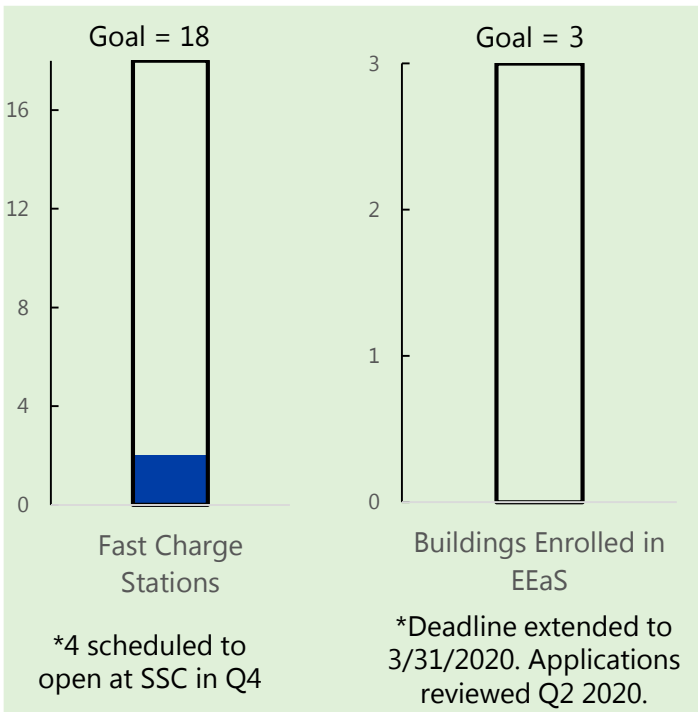
EEaS & P4P:

- EEaS solicitation for projects underway with request for projects, program materials, and information sessions all available.
- EEaS stakeholder meeting held jointly with Northwest Energy Coalition (NVEC) to review and discuss feedback.
- P4P has received applications for 2 very large projects and 6 additional strong leads.

Large Solar

- Council approved pilot program legislation.
- The Solar Export Rate has passed QA testing in SCL’s billing system and will be promoted to User Acceptance Testing.

Measures & Progress



Next Steps

- Q4**
 - TE:** South Service Center charger activation, kick off construction at 4 other locations. Finalize and implement DPP for Public EV Charging fees.
 - EEaS:** Release agreements and guidelines. Develop a request for proposals (RFP) for a M&V vendor.
 - Large Solar:** Move Solar Rate to production environment. Assemble stakeholder groups to inform collateral updates and council reports.
- Q1**
 - TE:** Activate chargers across 4 locations, kick off construction on Tukwila public EV charger. Finalize Transportation Electrification Action Plan with Council.
- Q2**
 - EEaS:** Review projects received from project solicitation.



Strategic Initiative: Environmental Stewardship

Objectives & Projects

Objective:

Continue our industry leadership in improving the protection of the ecosystems in which we operate.

Projects:

- 1) Climate Adaptation (CA) - Enhance climate resilience within City Light
- 2) Habitat Protection (HP) – Protect fish and wildlife habitats through acquisition and restoration of important salmon and wildlife habitat.
- 3) Remove PCBs - (Tracking for this program will begin when the tracking software program is implemented by Seattle IT. Expected Q2 2020)
- 4) Environmental Equity (EE) - Continue to develop our environmental equity program to help ensure that we are engaging environmental justice communities

Accomplishments

Climate Adaptation:

- Continued work on hydrologic modeling of the Skagit River Watershed.

Environmental Equity:

- Hosted a 3rd trip to the North Cascades Environmental Learning Center where 37 participants from 3 partner organizations learned about hydroelectricity. Programming was available in Spanish for non-English proficient participants.

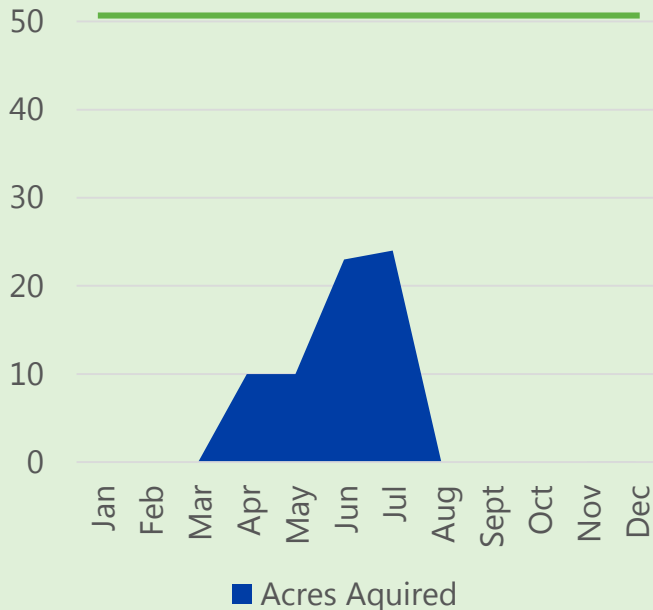
Habitat Protection:

- Acquired 0.43 acres along Cumberland Creek in the Skagit river watershed to protect salmon spawning and rearing habitats for generations to come.

Measures & Progress

Acquired Land

Goal = 50 acres



Next Steps

Q4

CA: Communicate hydrologic modeling results and demonstrate tool for Skagit River streamflow changes.

- Incorporate new hydrologic modeling into landslide model to identify changing landslide risk in the Skagit watershed.

EE: Evaluate 2019 Env. Equity North Cascades Trip with participant and sponsorship partners.

- Start planning for 2020 Env. Equity North Cascades Trip & expanding partnerships.

- Evaluate if contract for Duwamish Valley Youth Corps' vegetation buffer work should be extended for 2020.

- Continue RSJI work with the Electric Vehicle Charging Network & Strategy team.

HP: Purchase of salmon property, restoration ongoing on existing properties.

Q1

EE: Get a firm commitment from communication on supporting the development of the Env. Equity external webpage.

HP: Purchase of salmon property, restoration ongoing on existing properties.

Core Business



Accomplishments:
Quarter 3 2019

Invest in our infrastructure and workforce to provide a consistent level of service, reliability, and response.

Utility Operations & Engineering “Keep the lights on”

Preserve Hydroelectric Generation Assets

- After an initial delay, the overhaul of Boundary generators 51, 52, and 54 has begun and is on track in terms of scope, schedule, and budget, with an estimated first installation by June 2020.
- Boundary Generator Step-Up Transformers 151-154 Replacement Project was formally launched.
- The Public Works Contract for a new jointly-funded air-insulated substation at Cedar Falls watershed will be completed by fall of 2021 in partnership with SPU.

Relicense Skagit

- Conducted additional meetings with tribal stakeholders to inform them about the formal relicensing process.
- Seattle IT completed development of an internal document management system and content repository to support relicensing.
- Distributed second draft of the Pre-Application Document (PAD) for internal review.

Energy Innovation & Resources “The future is now”

Respond to a growing city

- Documentation was completed for a vendor solicitation to bid on the Small Cell Wireless Facility intake process improvement project. This work will improve the process for responding to pole attachment requests to CL from wireless carriers.

Enhance grid performance/grid modernization

- Began documentation and analysis of current grid enhancement project, including automated feeder switching and new software tools.
- Developing recommendations for new grid modernization projects. These are tailored to the upcoming needs of CL and our customers with greater adoption of electric vehicles, solar generation and other new technologies.

People & Culture “Enhance the employee experience”

Improve workplace culture

- Hiring processes in progress: Employee Experience Director and Advisor position. The initial candidate opted to take an opportunity on the East Coast. The position has been re-advertised.
- The 2019 Current Culture Employee Engagement survey was launched and ran for three weeks.

Sustain high-performance workforce

- Continued succession planning efforts, including knowledge transfer strategies. Data collection is in process with the Generation and Engineering division.

Lead with safety

- Improved employee awareness and experience with safety programs through the Safety Fair the launch of the Safety Observation Passport Program.
- Decreased Total Recordable Rate (TRR) to 4.09 compared to 4.79 YE 2018.

Facilities & Oversight “Play good defense”

Ensure secure, resilient work environment

- Security infrastructure improvements are in process as follows: Duwamish substation (95% complete); Creston Nelson substation (98%); University substation (95%); and Boundary guard shack (completed.)
- Physical security vulnerability assessment completed at Boundary Dam.

Comply with regulations

- Verified compliance with numerous FERC Standards prior to the enforcement date of October 1, 2019.
- Submitted timely responses and data as requested to NERC and WECC notices covering a range of topics including, Wildfire Reliability Preparedness and Supply Chain Risk Assessment.