



## City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: February 2, 2016**

<b>MEETING ATTENDANCE</b>					
<b>Panel Members:</b>					
Name		Name		Name	
David Allen	✓	Julie Ryan	✓	Eugene Wasserman	✓
Tom Lienesch	✓	Sue Selman	✓	Sara Patton	✓
Chris Roe	✓	Eric Thomas	✓	Gail Labanara	x
<b>Staff and Others:</b>					
Sephir Hamilton	✓	Greg Shiring	✓	Kim Kinney	✓
Maura Brueger	✓	Tony Kilduff	✓	Larry Weis	x
Jeff Bishop	✓	Calvin Chow	x	Mike Haynes	✓
Paula Laschober	✓	CM Sawant	x	Kirsty Grainger	✓
Karen Reed	✓	Mike Jones	x	Carsten Croff	✓

Call to Order: The meeting was convened at 11:05 a.m. and opened with a review of the agenda items.

Meeting Minutes: The January 19, 2016 meeting minutes were unanimously approved.

Public Comment: There was no public comment.

Communications: Kim Kinney reported that there was one email received to the general mailbox, regarding streetlight glare: it was forwarded to the Customer Service Team for response.

The group reviewed Panel Member’s terms. Chris Roe and Eric Thomas will be stepping down when their replacements are found this year. Julie Ryan expressed that she would retire as Chair this year to allow someone else to serve. Eugene Wasserman indicated that he will step down after his term ends this spring; Sue Selman said she is considering the same.

The group agreed that they should have one meeting scheduled in March and one in April.

**Action Item:** Kim Kinney will poll the Panel to get March and April meeting dates confirmed.

Outreach/Public Engagement Plan:

Maura presented the outreach/public engagement plan. A new component of the plan is to offer Councilmember Council District meetings. Panel Members are encouraged to attend the meetings with groups related to their Panel position, or their City Council District.

**Action Item:** Maura will send out a calendar of the outreach meetings; Review Panel members should let her know which meetings they plan to attend.



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Maura noted the Strategic Plan schedule calls for the plan to be forwarded to the Mayor in May and the Council in June. It was noted that in the past the Panel has submitted comment letters on the Strategic Plan to the both the Mayor and Council.

**Action Item:** Karen will forward the last two Panel letters on the strategic plan to the current Panel Members for their review.

### Strategic Plan Presentation:

Jeff Bishop provided an updated presentation on the Strategic Plan for 2017-2022. He reviewed the proposed major investments and programs, and the metrics for progress in each of the four major plan areas. The Panel had several and others had several comments and suggestions on the information presented:

### *Improve Customer Experience & Rate Predictability:*

- New customer connection times: 40 days seems long for connection times. What is the industry average?
- Rather than measuring connections by days, perhaps measure connection performance on how well the Utility meets its commitments as to the hook-up date
- Are more aggressive goals overall appropriate in the customer service area?
- Ongoing rate increase level seems high—there may be push back
- Street lights: perhaps measure the percentage of lights needing repair each year
- Improved customer service call-in center metrics:
  - % of calls resolved on the first call
  - Time on hold
- Provide some proposed metrics for capital project delivery?

### *Increase Workforce Performance and Safety:*

- Metrics suggestions, rather than total training budget:
  - Units of training delivered
  - Hours of training provided
  - Percentage of Division's whose training plans were accomplished in the year
- Race and Social Justice – there should be some metrics on this issue, internal and external
- Can the plan show head count and overtime reductions over time?

### *Enhance Organizational Performance:*

- Lowest cost rate alone isn't an appropriate target: need to balance with quality of service
- Perhaps measure whether your rates are growing at a similar pace with other utilities?
- Best comparisons for SCL rates would be to other NW utilities, not a national index. Suggestions include: Tacoma Power, Portland General, FortisBC, PSE, Snohomish PUD, and PacifiCorp



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- Can Utility provide information on rate class comparisons? (A: Rate design is so dissimilar it makes it difficult to provide any apples to apples comparison)
- Another suggested rate comparison: compare rate of growth in rates to growth in inflation and population
- Panel encourages Utility to develop a strong story associated with rates and to address how long rate increases will need to continue; Panel is concerned with the aggregate rate increase over a number of years
- Need to clarify the metrics, here and elsewhere—which are annual, which are cumulative, which are additive

### *Conservation and Environmental Leadership:*

- Add a reference to the upcoming “bottoms up” load study
- What are the targets for the Electric Vehicle Initiative?

### *Information requests from the discussion:*

- What are the top ten areas of activity/task within the utility that have the biggest price and/or operational risk?

### Panel Roundtable on Strategic Plan:

Panel members shared their overall thoughts about the Strategic Plan components as presented thus far. Comments included:

- Concern about increased cost over time as demand appear to be declining.
  - SCL should identify this as a defining constraint for the Utility in the strategic plan. The impact could potentially be felt in the very near term.
- Electric vehicles and energy efficiency are components of a story that the public will find interesting—can help engage customers
- Should the Strategic Plan be reviewed using the race and social equity tool kit?
- Need more information on electric vehicle strategy
- The work on metrics is solid
- Important that the Strategic Plan clarify the context that the utility finds itself in now- the need to prepare for a low load or declining load growth environment
- Important to remain aware that some of the Utility’s larger customers – Boeing, others – can shop for power; the Utility should identify which of its loads are potentially at risk of moving
- Look for ways to expand retail sales
- Keep efficiencies up front and real in the story
- Work to help the public understand where the CIP is—are we in the middle of a phase of “catch-up” with an increasing focus on efficiencies and improving customer service?
- Important to emphasize the value of the investment the Utility has and will be making



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- Public outreach should focus on accomplishments of recent years
- Electrical Vehicle initiative should be a stand-alone item.
- Important to flag the utility's support for low-income customers and the success there. Perhaps quantify the value of bill relief, improving value of housing stock for low income consumers.

### The Rate Stabilization Account (RSA): Policy Options:

Jeff presented the Utility's recommendation with respect to adjusting the policies for use of the RSA. He explained how retail sales risk has increased, and Net Wholesale Revenue (NWR) has declined. The Utility is recommending recasting RSA to be a NWR + retail revenue risk management tool, and to reduce initial surcharge trigger in the RSA from \$90 million to \$70 million.

A few Panel members shared their observations about the proposal:

- It is a lot like decoupling. It increases focus on volumetric rates.
- It delays the need to respond to changes in revenues.
- This will allow for more timely recovery of costs
- Seems non-transparent. Does it create accountability issues?

Two panel members were generally opposed to the proposal, two are in the undecided (one leaning in support) and four support the proposal. Five panel members think the proposal needs further discussion.

The next Review Panel meeting is scheduled for February 16, 2016 at 11:00 am.

**Adjournment:** There being no further business, the meeting was adjourned at 2:00 p.m.