



3RD QUARTER STRATEGIC PLAN UPDATE

SEATTLE CITY LIGHT REVIEW PANEL – OCT 17, 2014

TODAY'S PRESENTATION

Major Project Updates

Denny Substation

New Customer Billing System

Automated Metering Infrastructure

Energy Management System

Technical Training Center

Utility Discount Project

Financial Update

2014 Year To Date and Full Year Forecast

Strategic Plan Metrics

Baseline

Initiatives

Efficiencies

Major Project Updates



DENNY SUBSTATION

Major Milestones

- **Submission of Street Vacation Petition**
- **Ongoing Seattle Design Commission Review**
- **Completion of 60% Substation Design**
- **Completion of 90% Denny Network Design**

Next Steps

- **Briefing to Seattle City Council 10/27/14 regarding project status**
- **90% Design Pre-Review with Seattle Design Commission 11/6/14**
- **Denny Network 100% Design Review 4th Q.**

Other Updates

- **Execution of Major Equipment Supply/Install contracts with ABB Inc & Mitsubishi Electric**

Completion

- **Facility to be energized by July 2017**

NEW CUSTOMER BILLING SYSTEM

Major Milestones

- Core team in place.
- Cross-Departmental Executive Steering Committee (SCL/SPU) adopted Guiding Principles for project
- Cross-Departmental Stakeholder Committee (SCL/SPU/FAS) established policy/business processes related to system implementation

Next Steps

- Complete Transformation Design Workshops 10/31/14
- Continue data clean up and finalize conversion design 11/30/14
- System Configuration through 12/31/14

Other Updates

- Significant communication including 2-day workshop with AMI team to ensure smooth AMI/Billing system integration.

Completion

- System go-live scheduled for 10/15

ADVANCED METERING INFRASTRUCTURE (AMI)

Major Milestones

- Program Manager, Core Team and Steering Committee selected
- Project charter adopted
- AMI – RF Network Technology evaluation process completed

Next Steps

- Release RFPs for AMI, Meter Installation vendor and System Integrator

Other Updates

- City Council concerns with field emissions impact on health and environment addressed with White Paper in compliance with Council Resolution 31529

Completion

- Project will be completed with final meters installed by 12/31/17

ENERGY MANAGEMENT SYSTEM

Major Milestones

- **Planning consultant hired 7/31/13**
- **Technical Specification completed 11/30/13**
- **System Integrator RFP released 7/31/14**
- **System vendor selected 8/31/14**

Next Steps

- **Select System Integrator 10/31/14**
- **Project kickoff 12/31/14**

Other Updates

- **Enhanced compliance monitoring by implementing functions required by new NERC standards**

Completion

- **System go-live is scheduled for 9/30/16**

TECHNICAL TRAINING CENTER

Major Milestones

- Environmental Impact Statement completed 5/30/14
- 100% facility design completed 7/31/14

Next Steps

- Approval of permitting applications (submitted to King County and Army Corp of Engineers 9/30/14)
- Award construction contract (Target 12/31/14 may be impacted by permitting delays)

Other Updates

- Wetland Mitigation Plan completed 8/29/14

Completion

- Facility completion targeted for 12/31/15

UTILITY DISCOUNT PROGRAM (UDP)

Major Milestones

- Enhanced marketing effort committed to direct mailing to 25,000 customers
- 2,500 new enrollments in 2014. Target was reached in early October

Next Steps

- Develop 2015 marketing and outreach plan
- Continue implementation of Mayor's recommendations

Other Updates

- Mayor issued UDP report in July 2014
- Enrollment in program continues when customer changes residences

Completion

- Project ongoing
- 16,468 program enrollees as of 10/10/14

Financial Update



2014 FORECAST SHOWS A STRONG YEAR

Strong 2014 financial outlook

- Debt service coverage expected to be 1.90x, well above 1.80x target, due to debt service and O&M being lower than planned.
- Retail revenue lower than plan, mostly due to tunnel boring delay and weather.
- Net Income of \$118 million.

Net wholesale revenue forecast to be approximately \$76 million, close to budget of \$85 million.

- No surcharges anticipated through 2020.

Baseline, Initiatives and Efficiencies



GOOD PROGRESS MADE IN 2014 ON STRATEGIC PLAN

Baseline:

- Delivering on 22 baseline assumptions in the plan

Efficiencies:

- Achieved \$15.4 million in efficiency savings for 9 months of 2014, have exceeded the year-end target of \$14.6m.

Initiatives:

- 33 strategic initiatives are active in 2014.
- 8 initiatives have in-service dates which have been rebased.
- As of September 30, 2014, 24 are on track and 9 are experiencing delays, but all are expected to be on track by year-end.

2014 EFFICIENCY SAVINGS

