

**CAPITAL IMPROVEMENT PROGRAM (CIP) CHANGES**

Seattle City Light

2014-2019 PROPOSED CIP

PROJECT TITLE	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
<b>NEW PROJECTS</b>				
1) Energy Management System	\$ 9,304	\$ 22,093	Light Fund	This project replaces the existing Energy Management System that manages the transmission and distribution of power from our dams to the customer. The existing system software is antiquated and is not supported by the vendor. The duration of this project is from 2014-16.
2) Ross Governors and Exciters 41-44	\$ 4,729	\$ 10,719	Light Fund	This project replaces the governors and exciters on all four of the Ross Powerhouse generating units. The current equipment is outdated and a failure would cause a long outage. The duration of this project is from 2014-18.
<b>PROJECTS CANCELLED OR DEFERRED</b>				
3) Boundary Powerhouse - Transformer Bank Rockfall Mitigation	\$ -	\$ 2,234	Light Fund	This project was deferred from 2015 until 2020 to accommodate the rescheduling of all the Generator Rebuild projects. The total project cost is \$25.8 Million.
4) Boundary - New Unit 57	\$ -	\$ 1,765	Light Fund	This project was deferred from 2014 until 2018 to accommodate the rescheduling of all the Generator Rebuild projects. The total project cost is \$19.9 Million.

PROJECT TITLE	2014 APPROPRIATIONS (In 1000)	TOTAL PROJECT COST (In 1000)	FUNDING SOURCES	DESCRIPTION/EXPLANATION
<b>FUNDING/SCOPE CHANGES FOR EXISTING PROJECTS</b>				
5) Denny Substation Development	\$ 8,278	\$ 173,600	Light Fund	The Denny Substation Development project will support customer demand and system reliability. The project costs have increased to accommodate the vacation of Pontius Street, a more aesthetic structure and more up to date construction cost estimates. The direct project costs increased by \$52.7M and project loadings increased by \$9.6M. This cost increase was offset by deferrals and reductions in other capital projects.
6) Denny Substation Network	\$ 6,915	\$ 60,582	Light Fund	The Denny Substation Network project decreased by \$6.8 M between 2014-18 to accommodate work on the Substation Development. A portion of the network buildout was deferred until 2019 to smooth cash flow through 2018. This will not have an impact on energizing the substation in 2016 and no customer impact for network services.
7) Denny Substation Transmission Lines	\$ 550	\$ 62,655	Light Fund	The Denny Substation Transmission Lines project decreased by \$26.7M between 2014-18 to accommodate the work on the Denny Substation Development. A portion of the transmission work was deferred until 2019 to smooth cash flow through 2018. This change will not have an impact on energizing the substation in 2016.
8) Boundary Powerhouse - Unit 53 Generator Rebuild	\$ 6,970	\$ 19,520	Light Fund	Boundary Unit 53 required an emergency rebuild starting in 2013 due to a severe electrical malfunction. Unit 53 was originally scheduled in 2017. This required the rescheduling of other generator rebuilds in the six-year CIP Plan and deferral of other projects. City Light was able to accommodate the Unit 53 rebuild without increasing the proposed capital plan.
9) Boundary Powerhouse - Unit 56 Generator Rebuild	\$ 5,636	\$ 24,992	Light Fund	Boundary Unit 56 Generator Rebuild was deferred from 2013 to 2014 to accommodate the emergency rebuild for Unit 53.
10) Technical Training Center Development	\$ 6,152	\$ 13,484	Light Fund	The Technical Training Center costs have increased due to underestimated site development costs, design costs and building construction costs. These costs were offset in the 6-year CIP plan by reductions in vehicle replacement and other facility deferrals.
11) Broadband - City Light	\$ 2,409	\$ 15,483	Light Fund	This project provides expansion of broadband service provided by the City. City Light will install the equipment on behalf of the City. City Light will be reimbursed by the City for the installation of approximately 200-250 miles of fiber optic cable, impacting about 8,000 utility poles.

Notes 1) The full list of all CIP project changes are provided as background material to Council Central Staff.

2) Projects with Total Project Costs denoted by a (\*) have annual allocations that extend beyond 2019. The total shown is for the 2014-2019 CIP period only.