



 **Seattle City Light**

# 3<sup>RD</sup> QUARTER STRATEGIC PLAN UPDATE

DECEMBER 10, 2014

# TODAY'S PRESENTATION

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## 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

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## 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

- **Denny Network 100% Design Review 4<sup>th</sup> Q**
- **EIS Approval Q2 2015**
- **Substation Construction Notice to Proceed Given to Contractor October 2015**

## 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

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## Major Milestones

- Core Cross-Departmental teams in place
- Transformation Design completed
- Business Processes defined
- Conversion of customer data completed

## Next Steps

- Configuration through April 2015
- System Build through June 2015
- System Test through Sept 2015
- Training Development/Delivery through Oct 2015

## 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)

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## Major Milestones

- Program Manager, Core Team and Steering Committee Selected, Charter adopted
- RF Network Technology evaluation process completed
- RFPs released for AMI, Meter Installation Vendor and System Integrator

## Next Steps

- Vendor selection Q1 2015
- Communications Network deployment by Q4 2015
- Initial meter deployment by Q1 2016

## 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 EOY 2017

# ENERGY MANAGEMENT SYSTEM

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## Major Milestones

- **Planning consultant hired**
- **Technical Specifications completed**
- **System vendor selected**
- **System Integrator selected**

## Next Steps

- **Project kickoff 12/31/14**
- **Detailed Design April 2015**
- **System Build December 2015**

## 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

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## Major Milestones

- **Environmental Impact Statement completed 5/30/14**
- **100% facility design completed 7/31/14**
- **Approval of permitting applications (submitted to King County and Army Corp of Engineers 9/30/14)**

## Next Steps

- **Award construction contract (Target 12/31/14)**

## Other Updates

- **Wetland Mitigation Plan completed 8/29/14**

## Completion

- **Facility completion 8 months after permits approved**

# UTILITY DISCOUNT PROGRAM (UDP)

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## Major Milestones

- Enhanced Marketing and Target Outreach effort committed to direct mailing to 25,000 customers
- 2,500 new enrollments in 2014.

## 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
- Direct Marketing and Targeted Outreach (2014 goal 2,500) 2,955 as of 11/28/14
- 16,816 program enrollees as of 12/3/14

# Financial Update



# 2014 FORECAST

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## 2014 financial outlook

- Debt service coverage expected to be 1.90x, 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 below budget of \$120m.

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

- No surcharges anticipated through 2020.

# Baseline, Initiatives and Efficiencies



# PROGRESS MADE IN 2014 ON STRATEGIC PLAN

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## Baseline:

- Delivering on 22 baseline assumptions in the plan

## Efficiencies:

- Achieved \$16.2 million in efficiency savings for 10 months of 2014, have exceeded the year-end target of \$14.6 million.

## Initiatives:

- 33 strategic initiatives are active in 2014.
- 8 initiatives have in-service dates that were rebased.
- As of October 31<sup>st</sup>, 2014, 27 are on track and 6 are experiencing delays, but all are expected to be on track by year-end.

# 2014 EFFICIENCY SAVINGS

