



# Seattle City Light

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2019-2020 Proposed Budget Overview

9/26/18

# 1. Primary Services & Performance Measurement

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<b>I. Reliability</b>	<b>2018 Goal</b>	<b>Status as of August</b>	<b>Prjctd. 2018 Performance</b>	<b>2019 Goal</b>
Average Outage Duration Per Customer (in minutes)	<62.5	46.2	64.0	<62.5
Average Outage Frequency Per Customer (average annual interruptions)	<0.45	0.55	0.55	<.45
Vegetation Management	420 Miles	281 Miles	420 Miles	420 Miles

<b>2. Clean Energy</b>	<b>2018 Goal</b>	<b>Status as of August</b>	<b>Prjctd. 2018 Performance</b>	<b>2019 Goal</b>
Energy Efficiency Contracted Energy Savings, in Average Megawatts (aMW)	12.25	8.37	12.25	12.25

# 1. Primary Services & Performance Measurement (continued)

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<b>3. Finance</b>	<b>2018 Goal</b>	<b>Status as of August</b>	<b>Prjctd. 2018 Performance</b>	<b>2019 Goal</b>
Debt Service Coverage	1.80	1.80	1.80	1.80

<b>4. Safety</b>	<b>2018 Goal</b>	<b>Status as of August</b>	<b>Prjctd. 2018 Performance</b>	<b>2019 Goal</b>
Total Recordable Incident Rate – Injuries per 200,000 hours	<3.40	4.12	3.60	<3.40

<b>5. Customer Service</b>	<b>2018 Goal</b>	<b>Status as of August</b>	<b>Prjctd. 2018 Performance</b>	<b>2019 Goal</b>
Streetlight Response within 14 days	90%	90%	90%	90%
Estimated bills	<2%	5%	2%	1%

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## 2. Strategic Priorities for 2019

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### ▶ Customer Service

- ▶ Complete advanced metering conversion, improve billing practices
- ▶ Improve customer service (longer service hours and more communication options)

### ▶ Affordability

- ▶ Business processes improvements to reduce operating costs
- ▶ Update rate design
- ▶ Pursue cost savings and revenues in wholesale market operations

### ▶ Clean Energy

- ▶ Continue industry leadership in environmental stewardship
- ▶ Deliver innovative programs to promote clean energy solutions

### 3. Budget Summary 2016 – 2020

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	2016 Actual (\$000s)	2017 Actual (\$000s)	2018 Adopted (\$000s)	2019 Proposed (\$000s)	2020 Proposed (\$000s)
Appropriation (Other)	\$1,487,289	\$1,511,279	\$1,409,511	\$1,374,524	\$1,421,575
Change Budget Year to Year (\$, %)		\$23,990 1.6%	(\$101,768) (6.7%)	(\$34,987) (2.5%)	\$47,051 3.4%
Employment (FTEs)	1868.3	1779.8	1816.8	1791.3	1784.8
Change FTEs Year to Year (Count, %)		(88.5) (4.7%)	37.0 2.1%	(25.5) (1.4%)	(6.5) (0.4%)

## 4. Legislative & Policy Framework

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Year	Change	Reference	Effects
2018	Using Utility Property for Public Benefit	HB2382	Financial impact on utility
2020	I-937 Renewable Energy Target Increase from 9% to 15% in 2020		Increase in Renewable Energy Credits (REC) costs
Future	Pursuing a change in state law for Electric Vehicle Charging Stations		Increased revenue
2018	Strategic Plan 2019-2024	Resolution 31819	Establishes path forward for current and future needs of City Light and its customers

# 5. Major Proposed Budget Changes

Dollars in Millions

Description	2018 Adopted (\$s)	2019 Proposed (\$s)	Change in \$ (\$s)	% Increase (Decrease)
Remove vacant positions (33 FTEs) and increase vacancy rate	\$155.2	\$149.0	(\$6.2)	(4%)
Reduce temporary staffing	\$6.5	\$3.9	(\$2.6)	(40%)
Reduce Training and Travel	\$5.5	\$4.0	(\$1.5)	(27%)
Reduce Consulting, Vegetation Management & Conservation Incentives	\$61.0	\$50.3	(\$10.7)	(18%)
Capital Program Reductions	\$388.9	\$349.4	(\$39.5)	(10%)