



2019 – 2024 Strategic Plan

Summary of Customer and Stakeholder Outreach



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Executive Summary

An important commitment made by City Light as part of the six-year Strategic Plan process is transparency and accountability to the Mayor, the City Council, and the customers and stakeholders in the utility's service territory. Over the course of nine months (September 2017 – May 2018), Seattle City Light has engaged in concerted outreach efforts to gain the input of customers and stakeholders about the development of our 2019 – 2024 Strategic Plan. We have conducted an extensive market research study and held or attended stakeholder meetings with multiple groups in an effort to reach environmental, energy, business, industry, and community groups as well as City Light customers. Seattle City Light is partnering with the City's Department of Neighborhoods, the Office of Planning & Community Development, and Seattle's Ethnic Chamber of Commerce Coalition to maximize efforts to reach neighborhood groups in multiple languages. The feedback we received during this process informed the priorities and programs that will become the focus for City Light's 2019 – 2024 Strategic Plan.

Operating for the benefit of our customers is central to our mission. Therefore, it is important that we gather input from our customers to better understand their needs and help guide the direction of the utility. At a high level, here is what we heard from customers.

- Leverage new technologies to improve service, lower costs, and ensure safety
- Invest in alternative clean energy solutions, such as replacing fossil fuels with clean electric power for transportation
- Invest in infrastructure and operations to improve power reliability
- Set rates that are predictable and affordable
- Maintain the legacy utility infrastructure

Overall, we learned that customers want us to effectively prepare for the future while keeping costs affordable, and we are confident that the 2019-2024 Strategic Plan will help us achieve these objectives.

Methods

This is a summary of the various methods used to reach interested individuals and organizations. A more detailed summary is provided on page four.

Market Research

Outreach for the strategic plan was spearheaded by an extensive market research survey. Invitations were sent to over 50,000 customers and more than 1,700 responses were received. The firm that conducted the survey was able to confirm that results were representative across City Light's customer base.

Stakeholder Forums

In addition to conducting a survey, City Light met with various stakeholder groups to gain additional insight and provide details on the survey results. Over the course of six months, City Light met with 330 stakeholders who ranged from local government to community groups. Additionally, City Light made itself available at five city-wide open houses as part of the effort to connect with limited English proficiency (LEP) customers.

Employee Outreach

In 2016, City Light invited its employees to take a survey and 68% of employees participated. They provided input on the strengths and opportunities within City Light which were included in the analysis of stakeholder input for the strategic planning effort and will guide us as we move forward.

Direct Mail Postcard	15,000 customers were invited to the online survey, including general commercial and residential customers
Email Invitations	35,137 customers were invited to the online survey, including general commercial and residential customers
Online Survey	1,665 participants across three customer groups The survey was open October 2 to 13, 2017 for key commercial customers and October 9 to 23, 2017 for residential and general commercial customers.
Stakeholder Meetings	330 attendees at 12 meetings held October 2017 through March 2018
Customer Outreach	City Light presented information and answered questions about the new six-year strategic plan to customers at five city-wide open houses
Media	Translated notices informing stakeholders about City Light's strategic planning process placed in nine Seattle-area ethnic publications

Market Research

Our market research survey provided us with a wealth of information on what our customers want City Light to focus on over the next six years. The survey was conducted over the course of a month last fall with the goal of identifying customer priorities. Over 1,700 residential, general commercial, and key commercial customers responded. Overall, customers want City Light to plan for the future while keeping costs down. When customers were asked what is most important for City Light to focus on in the next Strategic Plan, here is what we heard:

Top Priorities for Residential and General Commercial Customers

- New technologies to improve service, lower costs, and ensure safety
- Invest in alternative clean energy, such as replacing fossil fuels with clean electric power for transportation
- Invest in infrastructure and operations to improve power reliability

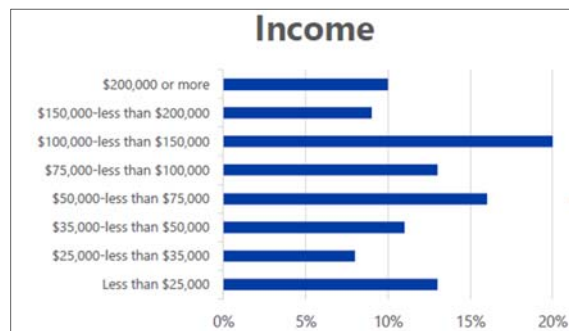
Top Priorities for Key Commercial Customers

- Invest in infrastructure and operations to improve power reliability
- Maintaining our hydroelectric dams and distribution systems
- New technologies to improve service, lower costs, and ensure safety

“Seattle City Light should be congratulated on the sophistication of the market research survey.” – Northwest Energy Coalition participant

Key Findings

Residential Customers



The survey received feedback from 1,377 residential customers, and their responses provided us with valuable information regarding what Seattle City Light should focus on in the upcoming strategic plan.

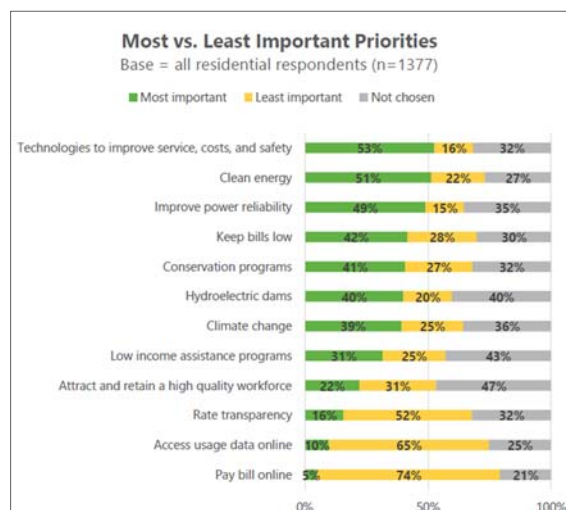
- 57% respondents agreed that power reliability and availability has improved
- The overall opinion of Seattle City Light was correlated with bill amounts; those who paid more every month had a lower opinion of the utility, and those who

paid less had a higher opinion.

- 51% agreed that City Light has made infrastructure improvements over the last two years

When asked about priorities: cost concerns, alternative energy, and infrastructure improvements were among the top three things Seattle City Light should focus on. When asked to rank their top 3 priorities:

- 53% believed that finding technologies to improve service, costs, and safety was most important;
- The 2nd and 3rd priorities were clean energy and power reliability; and
- Keeping bills low was the 4th priority and was ranked as the top priority by 42% of respondents.



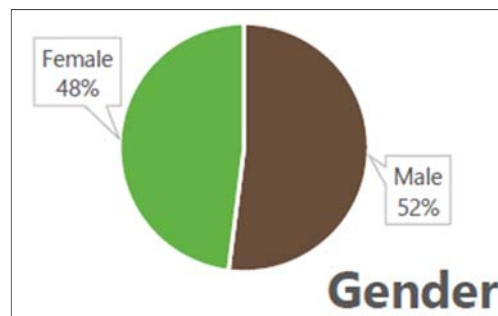
Leadership in clean energy was particularly important to residential customers, with 42% ranking it as their first priority choice out of six choices. This view is echoed by commercial and key customers, who also ranked it as their top priority. Residential became more divided when they were asked to rank rate predictability. 17% ranked this as their top choice, and 25% ranked it as their sixth choice.

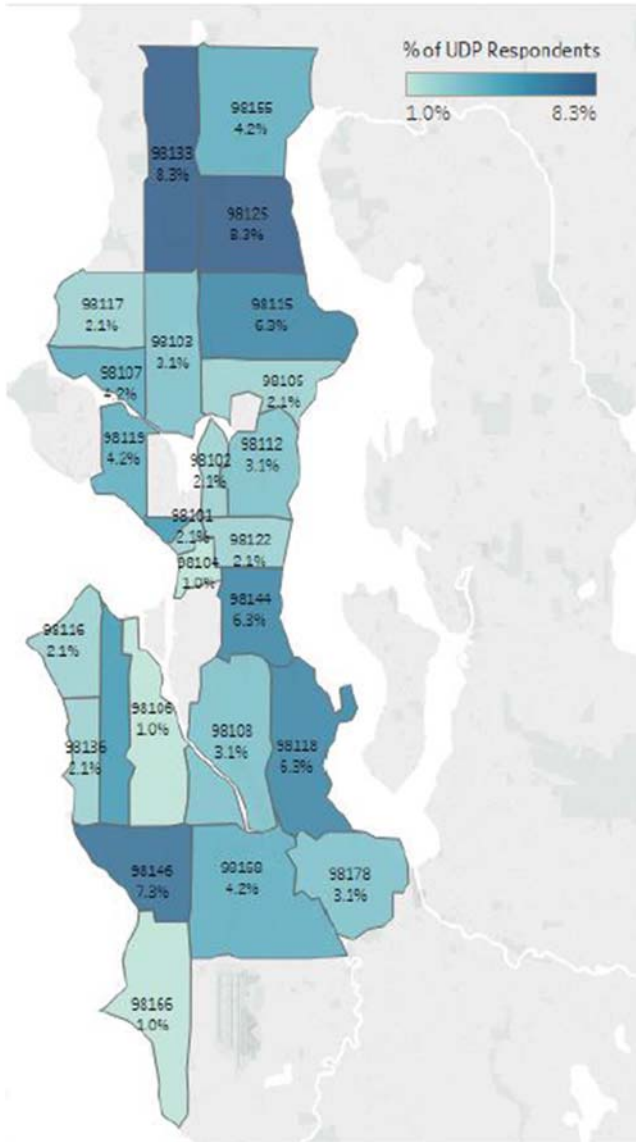


Of all residential customers who took the survey:

- 59% believed that their bill was reasonable. These respondents also tended to have the lowest bills.
- 86% are more likely to pay less than \$50 every two months.

- Billing amount is inversely related to satisfaction with Seattle City Light. Respondents with a higher amount are less likely to rate Seattle City Light with a 7 or above. 59% rated Seattle City Light with at least an 8 out of 10.





Utility Discount Program Customers

As part of the survey methodology, Utility Discount Program (UDP) customers were oversampled to ensure we got valuable feedback from this customer group. UDP is one of our methods for providing billing assistance to customers.

The demographics of the respondents indicate that:

- 81% of respondents are renters
- 95% earned less than \$50,000
- Most are in their 50s and 60s

UDP customers also tend to have a more positive opinion of Seattle City Light. The top priorities for UDP respondents mirrored those of our other residential respondents.

Commercial Customers

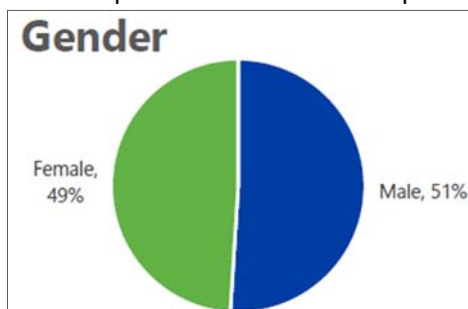
230 of our general commercial customers responded to the survey and provided feedback on what Seattle City Light should focus on in the upcoming strategic plan.

- 80% of respondents had been unaware of the presence or role of a strategic plan at Seattle City Light;
- 57% of respondents agreed with residential customers that power reliability and availability have improved over the last two years;
- Most of these organizations had 50 employees; and
- Organizations with 2 to 49 employees were more likely to be owned by women.



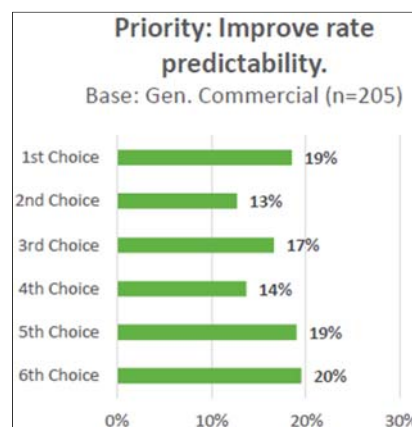
Many of the insights provided by commercial respondents were echoed by residential customers:

- 54% agreed that power reliability was the most important. This view was reinforced by the 19% of respondents who ranked rate predictability as the top priority (of 6).
- The most important priority was improving service, costs, and safety. Residential respondents provided the same response.



Respondents shared views with residential customers about what should be our first priority choice, when asked to rank 6 options.

- 39% of respondents chose leadership in clean energy solutions, compared to 42% of residential customers.
- 25% ranked environmental stewardship as 2nd choice.
- 17% ranked rate predictability as 3rd choice



Of note, rate predictability, while highly prioritized by many respondents, was the 6th choice for 20% of all respondents.

Customer service was of special interest to commercial customers. It was placed in the highest rank, 4th choice. This finding was correlated with awareness of the strategic plan. Commercial respondents who reported awareness tended to rank customer service lower than other priorities.

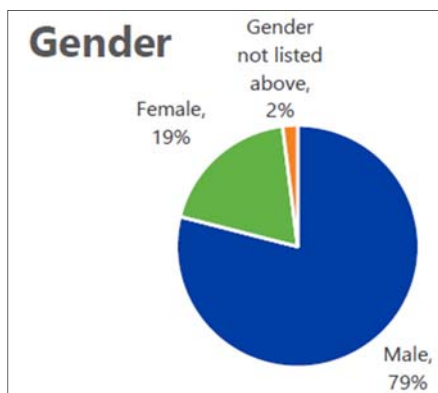
Key Commercial Customers

58 of our key commercial customers responded to the survey and provided us with valuable feedback on how we can meet their specialized needs. Our responses represent a wide range of customers:

- 62% of respondents were aware of the strategic plan before being invited to take the survey;
- 60% of the respondents have at least 250 local employees;
- The most represented industries were real estate, non-profit, government, and churches being the most popular; and
- 94% of respondents have been customers for at least 10 years.

The long customer history was able to give us valuable insight on how City Light has performed over the last few years. Of all respondents,

- 54% agreed that power reliability and availability has improved over the past two years;
- 50% agreed that City Light has used technology to improve customer service and communication; and
- 51% agreed that customer energy efficiency and conservation programs have improved.



Key customers have specialized needs that are associated with their business, and respondents were able to provide information on what City Light can do in the upcoming six years to continue meeting these needs. Responses that stood out were:

- 69% believe that improving reliability is the most important priority when asked to choose the most important and least important priority;
- Key customers had the fewest respondents choose low bills as the most important priority (38%);
- 31% of respondents highlighted infrastructure as being tied to their most important priority; and
- 56% ranked rate predictability in the top 3 of 6 choices.

Overall, City Light is viewed favorably, and is evidenced by 66% of respondents giving the utility a rating of 8+ out of 10.

Materials

In conducting the market research survey, several materials were developed. The invitation sent to stakeholders, final report, and survey instrument are attached at the end of the report and can be found in Appendix A through C.

Stakeholder Forums

Summary of Stakeholder Meetings

Stakeholder Group	Key Questions/Comments	Number of Participants
<u>Key Customers</u> 10/17/2017 1/31/2018	<ul style="list-style-type: none"> • Power reliability is necessary for conducting business • Gradual rate increases would be easier for budgeting as opposed to bearing the brunt of the increases in the beginning 	70 65
<u>Business Owners and Management Association (BOMA)</u> 11/16/2017	<ul style="list-style-type: none"> • Inquired as to the difference in overhead and underground systems in terms of reliability and ease of finding service faults • Would like transparency and predictability in rates • Would like better rate protection than is derived from the Rate Stabilization Account (RSA) • Demand charges affect work ability/scheduling 	25
<u>Manufacturing and Industrial Council (MIC)</u> 11/29/2017	<ul style="list-style-type: none"> • Rising rates are difficult for the manufacturing sector and public schools to absorb • Additional power sources should be on Seattle City Light's radar. Specifically, wind, solar, bio-gas, and tidal energy • Discussed the impact climate change will have on power availability • Expect rate predictability • Seattle City Light should engage in educational outreach • Discussed City Light's infrastructure resiliency efforts 	19
<u>Low-Income Providers</u> 12/6/2017	<ul style="list-style-type: none"> • Would like greater equity in service delivery through process improvements • Improve communications with low-income customers 	8
<u>Environmental Advisory Board</u> 1/12/2018	<ul style="list-style-type: none"> • Increase transparency in distribution and integration; and distribution, system, and resource planning • Provide tangible measures for initiatives • Benchmark Seattle City Light against nation's leading utilities • Balance debt with plans for sustainability and consumption decline 	15
<u>Seattle Chamber of Commerce</u> 1/16/2018	<ul style="list-style-type: none"> • Increase rate transparency and predictability • Discussed the effect of electric vehicles on retail load • Discussed the role of new regional construction in the forecast 	50

Seattle City Council, Housing, Health, Energy, and Workers Rights Committee <hr/> 1/18/2018	<ul style="list-style-type: none"> • City Light should invest in the future • Discussed the next steps in clean energy and helping the City become carbon neutral 	4
Seattle 2030 District <hr/> 1/24/2018	<ul style="list-style-type: none"> • Set rates considering conservation and energy efficiency efforts • Develop more incentive programs • Invest in technologies that can be scaled quickly and efficiently 	40
Community Partners <hr/> 2/16/2018	<ul style="list-style-type: none"> • Increase equity in pricing for small businesses • Seek equitable allocation of costs for development • Offer educational programs on energy efficiency for small businesses 	5
Franchise Cities <hr/> 2/26/2018	<ul style="list-style-type: none"> • Deliver rate equity among franchise cities compared to other City Light customers • Increase transparency in customer billing • Power restoration timeframe during outages for franchise cities should be equal to that for other customers. • Improve customer service 	6
Northwest Energy Coalition <hr/> 3/5/2018	<ul style="list-style-type: none"> • Increase sustainable power sources • Ensure stable and predictable pricing for customers • Recognition of declining load in forecast 	23

Key Findings

Rates and Bills

Customers want bills that are reliable, predictable, and accurate. There was discussion at most meetings regarding the rate path. Overwhelmingly, participants felt that implementing rate changes gradually over the course of a few years would be better than a large one-time change. Key customers especially expressed that this was best for their businesses. Customers were generally understanding of the need for rate increases and they understand why rates changes are necessary but would like more information on what causes increases.

Reliability



Customers gave City Light's record with power reliability a high rating. Concerns with reliability were not among the top 5 concerns in the survey results, and it was rarely mentioned during in-person meetings.

Commercial customers, who rely on reliable power to conduct business, rated the need for a continued focus on reliability higher than did residential customers. Customers in attendance understand the need for

increased attention to infrastructure, and hope that with the full deployment of advanced meters, the number and duration of outages will be reduced in the future.

Infrastructure

Customers across the three groups recognize the improvements that City Light has made and will continue to make to its aging infrastructure. In particular, businesses and residents alike are optimistic about the service improvements that advanced meters will provide. The Seattle 2030 District expressed interest in Seattle City Light developing technologies that can scale quickly and efficiently as the utility continues work on infrastructure. The Manufacturing & Industrial Council expressed interest in diversifying power sources, both as an incentive to draw more businesses to Seattle and as a climate change precaution.



Operations

Overall, participants were engaged in learning how the utility operates. They had specific questions about Seattle City Light's annual budget, its debt service, revenue from wholesale power sales, and distribution plans. Participants at the Environmental Advisory Board presented additional operational concerns, particularly regarding performance measures, benchmarking, and system planning. A participant stated that for transparency, stakeholders should be involved in distribution planning because of the link with resource planning, in which they have a more active role.

A participant at the Community Partner forum was concerned that development costs were not distributed equitably among customers. The forum had discussion about how City Light managed development and debt. Similar discussions occurred in outreach sessions at the Seattle Chamber of Commerce Business Issues Forum and the Key Customers Forum.

Materials

In conducting stakeholder forums, several materials were used to present information and invite stakeholders to attend meetings. The invitation sent to stakeholders, a sample forum presentation, and preview document, are attached at the end of the report and can be found in Appendix D through G.

Limited English Proficiency (LEP) Stakeholders

City Light recognizes that it is important to reach historically underrepresented communities. To that end, in addition to sampling Utility Discount Program customers in our market research study, we worked with other City departments and local organizations to reach stakeholders with limited proficiency in English. Actions undertaken and currently in progress include:

- Text translated in the seven tier one languages (Vietnamese, Somali, Spanish, Cantonese, Mandarin, Filipino and Korean) inviting customers to participate in the market research study.
- Attendance at five Citywide Office of Planning and Community Development/Department of Neighborhoods/Office of Housing Open Houses. These open houses covered all seven City Council Districts and were hosted at the following locations:
 - Louisa Boren K-8, Delridge – 5/9/18
 - New Holly Gathering Hall – 4/28/18
 - Washington Hall, Central District – 3/29/18
 - Whitman Middle School, Ballard – 2/28/18
 - Hamilton Middle School, Wallingford – 1/30/18

The open houses focused on equity and featured information from the Growth and Livability Report, which addresses the challenges of growth and how the City is responding to many of those challenges through ongoing work and emerging initiatives. City Light helped to staff the utility table called “Providing Utility Services, Leading with Equity.”

- Hosted a stakeholder forum specifically for the Community Partners group.
- Attended a forum specifically for Low-Income Providers.
- Contacted the Ethnic Chambers of Commerce Coalition, an organization that brings together seven ethnic chambers in the Greater Seattle area to provide a unified voice and increase cooperation on issues impacting their communities. City Light requested time at one of the coalition’s upcoming meetings to be present and make available translated Strategic Plan materials for their members. They are considering this request along with other high priority meeting topics.
- Translated the Strategic Plan preview document into six tier one languages. They are available on the City Light Strategic Plan website.
- Notices of the updated strategic plan appeared in the following ethnic publications:
 - NW Asian Weekly – 5/3/18
 - Seattle Chinese Post – 5/3/18
 - International Examiner – 5/2/18
 - The Seattle Medium – 5/2/18
 - La Raza del Noroeste – 5/4/18
 - Northwest Vietnamese News – 5/4/18
 - Seattle Chinese News - 5/2/18
 - Runtanews.com - 4/26/28
 - Seattle Korean Weekly – 5/4/18
- Connected with the Seattle Office of Immigrant and Refugee Affairs to review their Ethnic Media Directory and understand which ethnic media outlets cover issues for immigrant and refugee communities.

Employee Outreach

Current Culture Employee Survey

In the fall of 2016, City Light launched Current Culture, our employee engagement survey. It was an important effort to identify where City Light is succeeding and where there are opportunities to improve. The results of Current Culture were included in the analysis of stakeholder input for the strategic planning effort and will guide us as we move forward. Over 1,100 employees participated in the survey with a participation rate of 68%. The results from this survey were incorporated into the Strengths, Weakness, Opportunities, and Threats (SWOT) analysis that was foundational to the beginning of the 2019 – 2024 Strategic Planning process.

All Employee Messages

Other employee outreach included three All Employee messages released in Network, City Light's employee newsletter, on the following dates:

September 11, 2017

December 11, 2017

March 12, 2018

Online Presence

City Light Strategic Plan Website: <http://www.seattle.gov/light/stratplan/>

Appendices

The appendices for the Outreach Summary are available at this link:

http://www.seattle.gov/light/stratplan/docs/Outreach_Summary_Appendices.pdf