



RETAIL REVENUE DISCUSSION

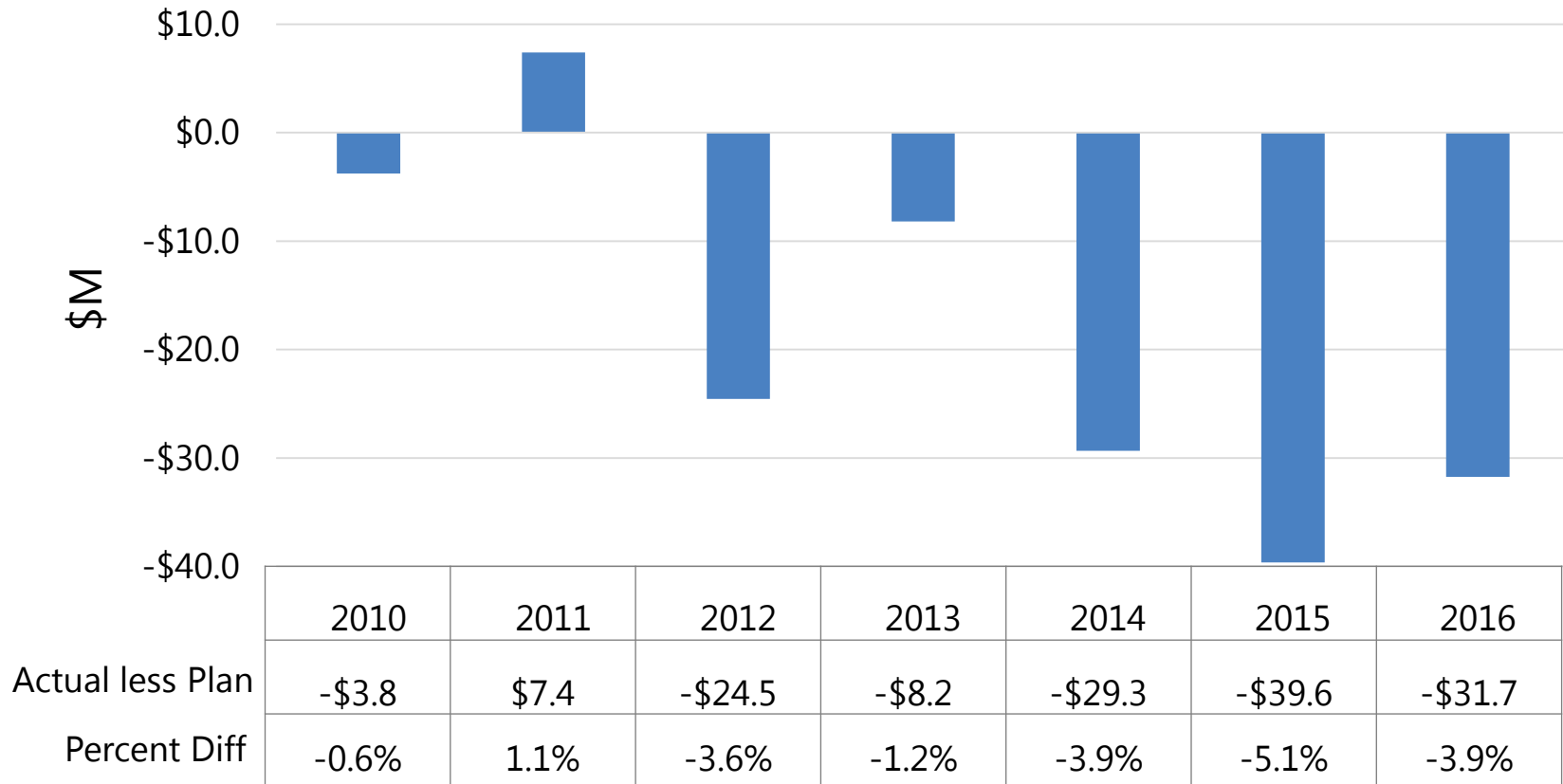
Energy and Environment Committee, May 23, 2017

Tony Kilduff

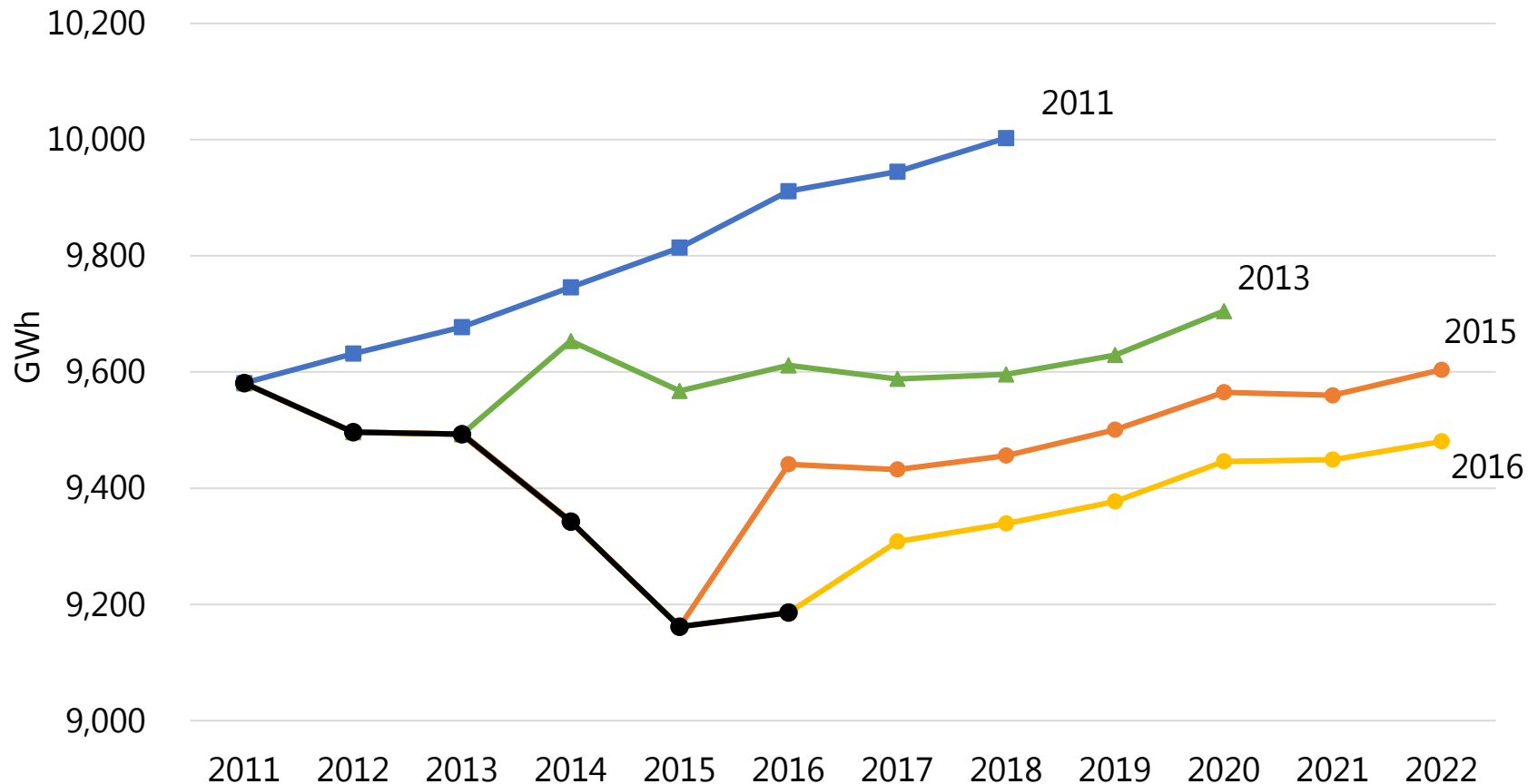
Paula Laschober

PERSISTENT REVENUE SHORTFALLS

Five Years of Retail Revenue Shortfalls = \$133 M



DIFFICULTY PREDICTING RETAIL SALES



(Y Axis enlarged to show detail.)

Black Line = Actual Load
Colored Lines = Forecasts

WHAT IS GOING ON?

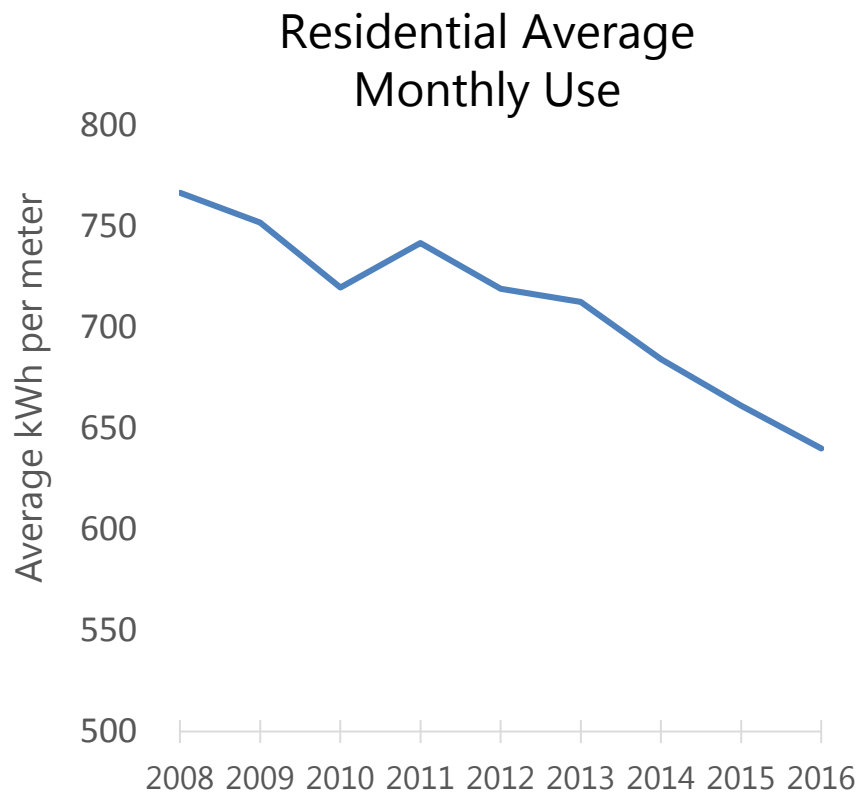
Mild winters. Roughly half of 2014-2016 revenue impact due to mild weather.

Efficiency. LEDs, appliances, building standards, and other technology improvements all contributing to lower energy consumption.

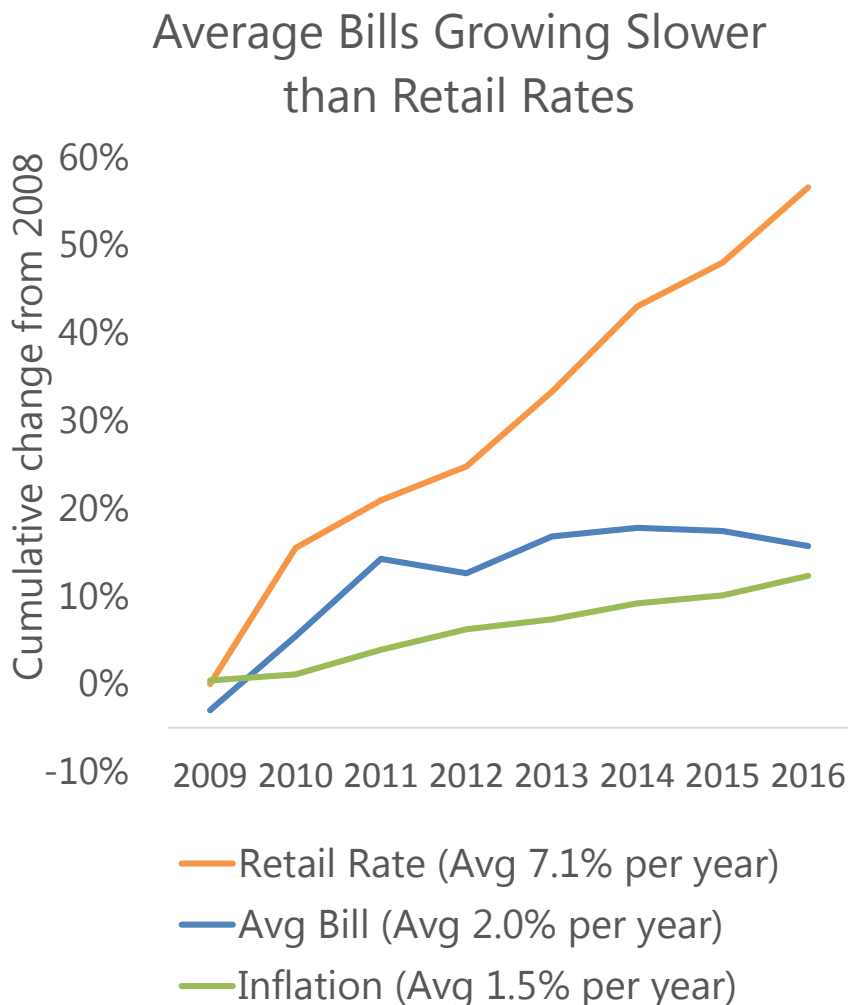
Addition of new customers each year is cushioning full impact.

Higher Rates. Magnifies \$ impact of each kWh.

RESIDENTIAL CONSUMPTION IS DECLINING



(Y Axis enlarged to show detail.)



ADDRESSING THE ISSUE

What can we do to ensure City Light collects enough revenue?

Under way: Improve retail sales forecast, get better at understanding customer characteristics and end-use trends.

- Consultant best practices report finished
- Model rebuild under way, incorporating end use data
- End-use data a very important component

Next: Study policy options with Review Panel.

- Timeline: June – December 2017



Seattle City Light is dedicated to
delivering customers affordable,
reliable, and environmentally
responsible electricity services.

