STRATEGIC PLAN
2019-2023

Colorado Springs Utilities
It's how we're all connected
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Forward

As your locally-owned, not-for-profit enterprise, Colorado Springs Utilities is an integral part of the community. Continued organizational success supports Colorado Springs’ growth and prosperity well into the future.

The vision and strategic direction are set jointly by the Utilities Board and Chief Executive Officer to prepare, adapt and respond to industry changes to create the best possible value for citizens and customers.

The Strategic Plan is the roadmap that provides direction to the organization and to each employee as we achieve excellence in operations, meet customer expectations, and evolve how electric, natural gas, water and wastewater services are provided.

Colorado Springs Utilities Board of Directors
Left to right: Chair Tom Strand, Bill Murray, David Geislinger, Jill Gaebler, Richard Skorman, Yolanda Avila, Merv Bennett, Don Knight, Vice Chair Andy Pico
Chief Executive Officer Introduction

It is an honor to lead our utility and be part of the future growth and prosperity of the City of Colorado Springs. With input from our community, our customers, and employees; and guided by our organizational promises, mission and values, we have four focused goals.

Deliver quality. Uphold a culture of safety and service reliability.

- Build a culture that is highly disciplined and structured around safe operations, protecting employees and the public.
- Excel in service reliability for all services by renewing and properly maintaining critical infrastructure.

Commit to community. Contribute to the growth, vitality and quality of life in the Pikes Peak Region.

- Contribute to the establishment, retention and growth of local jobs and businesses.
- Support the City of Colorado Springs’ Platform Goals of 1) promoting job creation, 2) investing in infrastructure, 3) building community and collaborative relationships and 4) excelling in City services.

Execute organizational excellence. Courageously lead a talented workforce that embraces continuous improvement.

- Provide for and support an open and nurturing work environment.
- Maintain an overall rate advantage while funding essential organizational needs.
- Increase efficiency and effectiveness by leveraging best practices, business process improvements and technologies.

Focus on the customer. Serve by anticipating and exceeding their expectations.

- Instill and reward a culture of public service and adopt customer centric processes.
- Listen to the voice of the customer and adapt to their expectations.
- Leverage industry relationships through participation in associations, conferences and forums focused on service improvements.

Through hard work and collaboration, we will successfully achieve these goals. I look forward to working with you to serve all of our customers and build a strong, thriving community.

In service,

Aram
Strategic Plan Overview

Achieve the Utilities Board Vision
In practical terms, the Strategic Plan focuses the organization on delivering the mission and vision and achieving a competitive position in each of the Board’s strategic focus areas of Rates, Reliability and Relationships.

Strategic Landscape
The strategic planning process began with an in-depth situation analysis, a SWOT analysis and a PEST analysis. The SWOT analysis identified Strengths, Weaknesses, Opportunities and Threats and the PEST analysis considered Political, Environmental, Social and Technology trends that have the potential to largely reshape how utility services are delivered in the future.

Strategic Response
The strategic response identified areas of opportunity to close performance gaps and leverage strengths and is represented by the Strategy Map.

Strategic Objectives
Strategic objectives were developed for each of the focus areas of Rates, Reliability and Relationships from the perspective of stakeholders, customers, internal operations and the foundation of employees. Strategic objectives are meaningful to every employee in the organization and include descriptors to align day-to-day work, projects, programs and initiatives.

Strategic Initiatives
Strategic initiatives are programs, projects and plans to help reach targets and meet Board Expected Results for each strategic objective. Strategic initiatives are critical to achieving the strategy and are investments in the organization’s success.

Planning Timeframe
The five-year Strategic Planning timeframe aligns with the electric, natural gas, water and wastewater integrated five-year Service Business Plans. Strategic priorities are identified, resources allocated and costs managed from a multi-year perspective.

Funding
The Annual Operating and Financial Plan ensures that planned programs, projects, and initiatives are funded to meet Board established annual and five-year expected results.

Update Frequency
The Strategic Plan provides an aligned, measured and monitored direction. Updates are scheduled every five years unless disruptive triggering events prompt a more frequent update.
Strategic Foundation

Our Mission
Provide safe, reliable, competitively-priced electric, natural gas, water, and wastewater services to the citizens and customers of Colorado Springs Utilities.

Our Vision
Colorado Springs Utilities is a treasured community partner, well known for providing responsible and dependable services that are vital to the future of our region.

Our Values

People
We treat everyone with dignity, honor, respect and fairness.

Trust
We demonstrate the highest standards of integrity, competence, transparency and professionalism.

Responsibility
We are committed to fiscal and environmental stewardship of all resources.

Collaboration
We develop cooperative goals, share information and foster relationships.

Continuous Improvement
We innovate, optimize and adapt to serve customers today and in the future.

Safety
We are passionately committed to no one getting hurt.
Strategic Focus

The Utilities Board is primarily and ultimately accountable to ensure the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing Rates, Reliability and Relationships, with the primary focus on Rates.

Rates Strategic Outcomes
- Financial sustainability
- Resources used responsibly
- Customer value

Reliability Strategic Outcomes
- Quality of life
- Trusted utility service provider

Relationships Strategic Outcomes
- Safe, satisfied and loyal customers
- Safe, engaged, innovative and customer-focused employees
- Valued stakeholders
- Vibrant regional economy
Strategic Landscape - Situation Analysis

Many forces are merging to significantly change the way Colorado Springs Utilities does business and serves its customers on both sides of the meter.

As a community-owned utility, we serve all customers. The combination of evolving customer expectations, emerging technologies, changing demographics and ever-increasing access to information is causing the organization to plan and implement new approaches to help customers manage their energy and water services and their account.

Essentially flat projected energy and water unit usage and resulting low revenue growth rates create a challenge to fund existing operations and growing customer needs. Leveraging new technologies, managing infrastructure data and streamlining maintenance processes will enable us to preserve reliability while keeping rates low for customers.

Renewable energy and battery storage costs continue to decline while electric vehicle technologies are advancing quickly. The ongoing development of shale gas production has led to greater supply and lower costs for natural gas. This low fuel-cost environment, along with increased regulations and customer expectations, will likely result in a fundamental shift in the electric generation portfolio.

Long-term water planning is the reason our community has a reliable water system today that supports our economy and quality of life. With weather variability and changing customer usage patterns, providing and maintaining that dependable water supply for residents and businesses is one of our community’s greatest challenges and is an ongoing focus.

Working with community partners, Colorado Springs Utilities continues to serve as a catalyst for economic development and achieving community goals to benefit citizens and customers. Strategic Initiatives seek to keep pace with new trends and expectations while delivering the hometown service customers have come to expect.

Our employees are engaged, work safely and have the expertise to achieve the mission. However, many employees are preparing to retire in the next five years and there are less workers from the next generation qualified to fill the departing ranks. This means the organization must continue efforts to attract, develop and retain a qualified workforce and develop leaders.

Just as the community was positioned for the future by investing in the Southern Delivery System, we must now increase our investment in new technologies. This will allow us to operate more efficiently, enable customer connectivity and provide advanced utility services for the next generation of customers. Investments in electric transmission projects will provide plant decommissioning options and open new opportunities for renewable energy integration.
Strategic Landscape - SWOT Analysis

A SWOT analysis explores strengths, weaknesses (internal factors), opportunities and threats (external factors) at an enterprise level.
Strategic Response - Strategy Map

Utilities Board Strategic Focus

Rates

- Build Financial Strength
  - Maintain a “AA” bond rating
  - Prepare for infrastructure investment
  - Manage revenue volatility
  - Mitigate risk
  - Manage debt

- Keep Bills Competitive
  - Target average base bill adjustment at or below CPI
  - Continue a twenty-year rate and revenue requirement infrastructure plan
  - Maintain 5-year business service plans with spending limits

- Optimize Operations
  - Embrace and leverage applicable technology
  - Balance cost of service and level of service risk
  - Improve rigor in operational processes
  - Responsibly reduce costs
  - Manage policies & procedures
  - Increase productivity
  - Integrate sourcing
  - Transfer knowledge

Reliability

- Leverage Infrastructure
  - Utilize available capacity
  - Increase economies of scale
  - Diversify resources
  - Strengthen resiliency
  - Collaborate with regional entities

- Strategic Initiatives
  - Energy Markets & Transmission Plan
  - Outside City Wastewater & Water Service Plan

Relationships

- Benefit Citizens and Customers
  - Collaborate with Municipal Government
  - Promote transparent decision making
  - Engage stakeholders
  - Involve community partners
  - Support economic growth

- Focus on the Customer
  - Understand customer preferences and enhance interactions
  - Improve customer satisfaction and loyalty
  - Communicate effectively with customers
  - Provide innovative customer solutions & options
  - Be a trusted advisor

- Deliver Utility Solutions
  - Provide innovative data driven solutions
  - Explore new business opportunities & partners
  - Provide programs for responsible utility use
  - Embrace applicable technologies

- Strategic Initiatives
  - Grid Modernization Program

Perspective

- Stakeholder

- Customer

- Internal

- Foundational

Core Values:

- Safety
- Trust
- Responsibility
- People
- Collaboration
- Continuous Improvement

Strategic Objectives and Initiatives

- Plan, Build, & Maintain Assets & Infrastructure
  - Collaborate with Municipal Government
  - Conduct risk-based asset management
  - Optimize infrastructure lifecycle
  - Plan for potential climate, regulatory & resource changes

- Strategic Initiatives
  - Energy Vision/Integrated Resource Plan
  - Plant Decommissioning Transmission Program
  - Technology Integrated Resource Plan

- Attract, Develop and Retain a Skilled Workforce
  - Advance succession planning
  - Support an honoring work environment
  - Provide market-competitive compensation
  - Build an internal recruitment capability
  - Develop employees

- Strategic Initiatives
  - Workforce Plan
  - Safety Maturity Program

- Leverage Infrastructure

- Strategic Initiatives
  - Innovative Rate Design Program

- Keep Bills Competitive

- Strategic Initiative
  - Innovative Rate Design Program

- Leverage Infrastructure

- Strategic Initiative
  - Smart Urban Utility Infrastructure Program

- Build Financial Strength

- Strategic Initiative
  - Integrated Asset Management Plan

- Plan, Build, & Maintain Assets & Infrastructure

- Strategic Initiatives
  - Energy Markets & Transmission Plan
  - Outside City Wastewater & Water Service Plan

- Benefit Citizens and Customers

- Strategic Initiative
  - New Electric Business Model Plan

- Focus on the Customer

- Strategic Initiative
  - Customer Experience Program

- Deliver Utility Solutions

- Strategic Initiative
  - Grid Modernization Program
Strategic Initiative - Innovative Rate Design Program

Responsible Division: Planning and Finance
Key Deliverable: New rate structures
Timeframe: 2019-2023

Over the next several years, existing meters will be upgraded with advanced meters. The new technology will provide Colorado Springs Utilities access to data that supports innovative rate design and provides customers with energy efficiency tools to help them manage their energy and water usage and better control their costs.

The initiative includes developing and implementing rate structures that leverage advanced meter technologies to anticipate and adapt to the changing utility industry, customer use patterns, and expectations.

Focus: Rates
Perspective: Customer
Objective: Keep Bills Competitive
Strategic Initiative - Integrated Asset Management Plan

Responsible Divisions: Energy and Water Services
Key Deliverable: Optimize long-range infrastructure costs and service
Timeframe: 2019 - 2023

Integrated Asset Management is focused on developing a comprehensive and holistic lifecycle approach to asset stewardship accomplished through integrated planning, delivery, and performance management practices.

The initiative includes four components:
1. Developing an overarching Asset Management framework
2. Creating a comprehensive Asset Planning practice
3. Establishing a consistent best delivery practice through Project Delivery Excellence

Focus: Rates
Perspective: Internal
Objective: Optimize Operations
Strategic Initiative - Energy Markets and Transmission Plan

Responsible Division: Energy Services
Key Deliverable:
Timeframe: 2019-2023

This initiative explores the potential benefits of participation in electrical markets, including potentially joining a Regional Transmission Organization (RTO). Potential benefits of participating markets are the optimized use of existing generation and transmission assets through an expanded electricity market, improved grid access, decreased costs of integrating renewable generation resources, and improved planning for generation and transmission across multiple states and systems. It is likely that markets will continue to expand in the west, including in the Mountain West region. The expansion of markets will change the way electric generation, transmission, and trading is conducted and impact the way the organization does business.

The initiative includes evaluating the most effective way of doing business in this changing environment. This could include joining the RTO or other market solutions, structuring the organization to operate outside of a market or some combination of both options.

Focus: Reliability
Perspective: Stakeholder
Objective: Leverage Infrastructure
Strategic Initiative - Outside City Wastewater and Water Service Plan

Responsible Division: Water Services
Key Deliverable: Provide service to contiguous regional water and wastewater districts
Timeframe: 2019 - 2023

There are more than 30 small water and wastewater providers in El Paso County that may be interested in purchasing services from Colorado Springs Utilities. Due to changing water use patterns, the organization’s water recovery facilities have available treatment capacity, even at expected buildout. The additional flows would enable water reclamation facilities to operate more efficiently and generate additional revenue. Available capacity also exists in portions of the water system. Increasing utilization of existing assets will generate additional revenue to help offset fixed costs and keep bills competitive.

The initiative includes developing the framework to analyze potential wastewater treatment needs and water services while protecting Colorado Springs Utilities’ supply and infrastructure investments and providing financial benefit to customers and citizens.

Focus: Reliability
Perspective: Stakeholder
Objective: Leverage Infrastructure
Strategic Initiative - Smart Urban Utility Infrastructure Program

Responsible Divisions: Energy and Water Services
Key Deliverable: Planned, prioritized and funded urban utility infrastructure
Timeframe: 2019 - 2023

Urban utility infrastructure provides an opportunity for the organization to be innovative and think outside the box regarding standards without comprising current standards, safety and the ability to maintain equipment. An approach for modernizing utility infrastructure in preparation for redevelopment, creating and prioritizing utility improvements in established zones, and identifying funding options for utility modernization will be developed.

The initiative establishes a vision for utilities infrastructure for urban redevelopment aligned with the City's plans for urban redevelopment, SmartCOS and stormwater plans.

Focus: Reliability
Perspective: Customer
Objective: Provide Safe, Resilient Utility Services
Strategic Initiative - Energy Vision/Integrated Resource Plan

Responsible Division: Energy Services
Key Deliverable: Energy Vision and Integrated Resource Plan
Timeframe: 2018 - 2019

The Integrated Resource Plan will combine the Electric Integrated Resource Plan and the Natural Gas Integrated Resource Plan into the Energy Integrated Resource Plan (EIRP). The Electric Integrated Resource Plan is a long-term strategic plan used to guide resource acquisition, conservation and demand side management decisions to meet consumer electric demand over a 20-year period. The Natural Gas Integrated Resource Plan (GIRP) is a long-term strategic plan used to guide natural gas resource acquisition needed to meet long-term customer demands, taking into account existing resources, the distribution system, electric generation, and efficiencies. The plan identifies when supply deficiencies may occur and the potential resources that could be built or acquired to meet the deficiencies.

The initiative will be guided by the Utilities Board Energy Vision and the combined plan will include a thorough technical analysis, public process and considers anticipated regulations, cost of service, new technologies and customer preference.

Focus: Reliability
Perspective: Internal
Objective: Plan, Build and Maintain Assets and Infrastructure
Strategic Initiative - Plant Decommissioning Transmission Program

Responsible Division: Energy Services
Key Deliverable: Completed transmission projects
Timeframe: 2019 - 2023

In order to ensure continued reliable electric supply to the center of the city when the Drake and Birdsall Power Plants are decommissioned, a series of electric transmission installations are required.

The initiative consists of a transmission planning study to determine the most cost-effective transmission solutions as well as the design and construction of the identified solutions. The transmission projects will provide additional transmission capacity and transmission solutions by 2023 allows for maximum flexibility for the decommissioning date of the Drake and Birdsall Power Plants.

Focus: Reliability
Perspective: Internal
Objective: Plan, Build and Maintain Assets and Infrastructure
Strategic Initiative - Technology Integrated Resource Plan

Responsible Division: Customer and Corporate Services
Key Deliverable: Information and Operational Technology Plan
Timeframe: 2019-2023

The Technology Integrated Resource Plan (TIRP) provides an integrated technology plan for the entire organization. The plan will include technologies that help minimize the potential for lost revenue and support future business needs, rate options and programs like the Customer Care and Billing System and Advanced Metering Infrastructure upgrades. Technology drives the meter-to-cash business processes and adds significant capabilities for information delivery and business analytics.

The initiative includes both information technology and operational technology needs over a five-year planning horizon. The plan ensures effective, cost-efficient application of information and operational technologies, related personnel resources, and funding to achieve enterprise strategic goals.

Focus: Reliability
Perspective: Internal
Objective: Build and Maintain Assets and Infrastructure
Strategic Initiative - New Electric Business Model Plan

Responsible Division: Energy Services
Key Deliverable: New electric business model
Timeframe: 2019-2023

Over the next 30 years, significant transformation of the electric utility industry will occur as technology drives more cost-effective renewable energy resources, distributed generation, demand side management, energy storage, electrification opportunities and customer expectations regarding modern grids. At the same time, electric sales are declining and environmental regulations are expected to increase.

The initiative examines customer expectations for renewable energy, demand-side management and options for services and pricing. The Electric Business Model will recognize innovations in utility technology, such as new storage battery options, electric vehicles and advanced meters while managing flat energy sales and meeting the demands of our technology-conscious consumers.

Focus: Relationships
Perspective: Stakeholder
Objective: Benefit Citizens and Customers
Strategic Initiative - Customer Experience Program

Responsible Division: Corporate and Customer Services
Key Deliverable: Loyal customers
Timeframe: 2019 - 2023

Every customer interaction with employees, products and services creates an impression about Colorado Springs Utilities. Customer experience excellence includes ongoing analysis of our current customer experience, understanding customers and their priorities, determining the desired experience, developing a roadmap to achieve results and implementing improvements and optimizing customer interactions to deliver an excellent experience.

The initiative includes the implementation of proactive customer outage notifications; offering pricing options and solutions to help customers manage their usage; creating more awareness and customer engagement with Colorado Springs Utilities’ corporate citizenship activities (e.g. involvement in local charities, energy and water efficiency programs, environmental stewardship, resource planning efforts); implementation of a customer communications preference channel tool and personalized messaging; redesigning csu.org and expanded self-service functionality.

Focus: Relationships
Perspective: Customer
Objective: Focus on the Customer
Strategic Initiative - Grid Modernization Program

Responsible Division: Energy Services
Key Deliverable:
Timeframe: 2019-2023

Innovations in utility technology, such as new storage battery options, two-way smart meters and smartphone-based energy and water usage apps, are advancing at a rapid pace. Consumers are increasingly looking to Colorado Springs Utilities for new tools and data that provide more options and help them manage their energy and water usage and save money. These changes will drive the need to partner more closely with customers as we leverage both customer-owned and Utilities-owned resources to develop products and services that customers expect.

The initiative leverages Advanced Metering Infrastructure to manage distribution systems more efficiently, reduce costs, examine additional revenue sources, improve service reliability, and offer customers more options to control their utilities use and conveniently manage their account.

Focus: Relationships
Perspective: Internal
Objective: Deliver Utility Solutions
Strategic Initiative - Workforce Plan

Responsible Division: Corporate and Customer Services
Key Deliverable: Productive and skilled workforce
Timeframe: 2019-2023

Succession planning includes assessing enterprise risk and proactively developing plans to ensure the organization has the workforce needed to serve customer needs.

The initiative includes the development, monitoring and execution of workforce plans over the next five-year period to ensure appropriate regular and temporary staffing levels to meet short and long term operational needs. Each department will assess their current staffing levels and compare them to their current and future workforce needs. Planning will include the identification of institutional knowledge and establishing plans to develop talent to meet the future business needs of the organization. This review will also include an in-depth evaluation of contractor services and agency contract personnel. All proposed changes will include a financial evaluation as part of the overall Operations and Maintenance planning. Additionally, all plans will align to the approved long-range resource plans.

Perspective: Foundational
Objective: Attract, Develop and Retain a Skilled Workforce
Strategic Initiative - Safety Maturity Plan

Responsible Division: Regulatory and Compliance
Key Deliverable: Zero injuries
Timeframe: 2019-2023

Colorado Springs Utilities is committed to pursuing the highest level of safety throughout all levels of the organization. As we pursue a more mature safety culture, we will focus on the following:

- Active Leadership
- Safety and Health Audit Program
- Supervisor Safety Training
- Safety and Health Onboarding
- Safety Leadership Teams
- Incident Reporting, Investigation and Reviewing Lessons Learned
- Safe Work Practices Committees
- Safety Performance Measures
- Employees Safety Perception Surveys
- Safety Recognition Program
- Contractor Safety Management
- Safety and Health Training

Perspective: Foundational
Objective: Attract, Develop and Retain a Skilled Workforce
Planning Timeframe - Implementation

The Five-year Service Business Plans allow the organization to balance operational, financial and customer service priorities in the context of a multi-year perspective for electric, natural gas, water and wastewater service and the overall enterprise.

The current year of the Five-year Service Business Plans for each service is included in the Annual Operating and Financial Plan (AOFP). The AOFP allocates resources to fund the work required to accomplish Strategic Initiatives and meet Strategic Objectives.

Long-range plans are an addition to the strategic planning process and are one of the most important responsibilities of the Utilities Board. The plans encompass up to and beyond a 20-year view of organizational, operational and financial needs required to maintain a competitive position in each of the Board’s strategic focus areas of rates, reliability and relationships.

To ensure the entire organization is focused on achieving the Strategic Objectives, the CEO and Officers conduct monthly strategic reviews of the Board Expected Results Enterprise Scorecard, key performance indicators, and enterprise initiative progress during Executive Leadership Team meetings. Officers meet monthly with their individual leadership teams to conduct strategic reviews within their divisions. Individual performance reviews, between employees and supervisors, allow for feedback and evaluation of progress toward meeting strategic goals and responsibilities established for each employee.
Planning Timeframe - Monitoring

Success in achieving goals is tracked and monitored for progress through the use of the **Board Expected Results Enterprise Scorecard**. The Scorecard is the means by which the Strategic Plan is translated into a performance measurement tool. The Scorecard links major components of the strategy and translates it into measurable objectives with targets communicating the expected level of performance required to achieve an objective.

Performance indicators for each strategic objective are outlined in the table on the next page. The Enterprise Scorecard is monitored quarterly by the Utilities Board and Utilities Board Strategic Planning Committee.
## 2019 - 2023 Board Expected Results Enterprise Scorecard

**Mission:** Provide safe, reliable, competitively-priced electric, natural gas, water and wastewater services to the citizens and customers of Colorado Springs Utilities

<table>
<thead>
<tr>
<th>Utilities Board Strategic Focus</th>
<th>Strategic Objective</th>
<th>Performance Indicator</th>
<th>2019 Target</th>
<th>2020 Target</th>
<th>2021 Target</th>
<th>2022 Target</th>
<th>2023 Target</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Build Financial Strength</strong></td>
<td>Days Cash on hand</td>
<td>146-155 days</td>
<td>156-160 days</td>
<td>161-165 days</td>
<td>162-167 days</td>
<td>165-170 days</td>
<td></td>
<td>Innovative Rate Design Program</td>
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<tr>
<td></td>
<td>Debt Ratio</td>
<td>55-52.2%</td>
<td>52-49.3%</td>
<td>49.2-47.3%</td>
<td>47.2-45.3%</td>
<td>45-43.3%</td>
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<tr>
<td><strong>Keep Bills Competitive</strong></td>
<td>Residential 4-Service Bill - Regional Comparison</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
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<tr>
<td></td>
<td>Residential Electric Bill - Statewide Comparison</td>
<td>5.1 - 15.0% lower than average</td>
<td>5.1 - 15.0% lower than average</td>
<td>5.1 - 15.0% lower than average</td>
<td>5.1 - 15.0% lower than average</td>
<td>5.1 - 15.0% lower than average</td>
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<tr>
<td></td>
<td>Small Commercial 4-Service Bill - Regional Comparison</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
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<td></td>
<td>Small Commercial Electric Bill - Statewide Comparison</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
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<td></td>
<td>Large Comm/Indus 4-Service Bill - Regional Comparison</td>
<td>+/- 5.0% of average lower than average</td>
<td>+/- 5.0% of average lower than average</td>
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<td>Large Comm/Indus Electric Bill - Statewide Comparison</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
<td>10.0 - 19.9% lower than average</td>
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<td></td>
<td>Indust Electric-intensive Cust Bill - Statewide Comparison</td>
<td>20.0 - 29.9% lower than average</td>
<td>20.0 - 29.9% lower than average</td>
<td>20.0 - 29.9% lower than average</td>
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<td>Indust Electric-intensive Cust Bill - Nationwide Comparison</td>
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<td>10.0 - 19.9% lower than average</td>
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<td><strong>Optimize Operations</strong></td>
<td>Adjusted Debt Service Coverage</td>
<td>1.85-1.95 times</td>
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<td>1.85-1.95 times</td>
<td>1.85-1.95 times</td>
<td>1.85-1.95 times</td>
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<td>Integrated Asset Management Plan</td>
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<td><strong>Leverage Infrastructure</strong></td>
<td>Electric - SAIDI - Interruptions in minutes per year</td>
<td>52.50 - 47.51 Minutes</td>
<td>52.50 - 47.51 Minutes</td>
<td>52.50 - 47.51 Minutes</td>
<td>52.50 - 47.51 Minutes</td>
<td>52.50 - 47.51 Minutes</td>
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<td>Energy Markets &amp; Transmission Plan</td>
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<tr>
<td></td>
<td>Natural Gas Failures per 100 miles of pipe</td>
<td>8.81 - 7.19 Failures</td>
<td>8.81 - 7.19 Failures</td>
<td>8.81 - 7.19 Failures</td>
<td>8.81 - 7.19 Failures</td>
<td>8.81 - 7.19 Failures</td>
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<td>Outside City Wastewater &amp; Water Service Plan</td>
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<td></td>
<td>Water - Failures per 100 miles of mainline</td>
<td>15.80 - 14.51 Failures</td>
<td>15.80 - 14.51 Failures</td>
<td>15.80 - 14.51 Failures</td>
<td>15.80 - 14.51 Failures</td>
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<tr>
<td></td>
<td>Wastewater - Failures per 100 miles of mainline</td>
<td>0.75 - 0.51 Failures</td>
<td>0.75 - 0.51 Failures</td>
<td>0.75 - 0.51 Failures</td>
<td>0.75 - 0.51 Failures</td>
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<td>Outage Recovery Communication</td>
<td>33% - 15%</td>
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**Perspective Key:** Foundational, Internal, Customer, Stakeholder
Appendix - Kaplan Norton Strategic Planning Model

The Strategic Plan is developed using the Kaplan and Norton Balanced Scorecard Strategic Planning Model, a concise way to communicate the Utilities Board’s future vision of what the organization needs to accomplish.

Using the Kaplan and Norton Model, the Strategic Plan:
- Describes the Board’s future vision and expected results
- Establishes the direction for the organization
- Focuses on what citizens and customers value
- Aligns operations with strategy
- Prioritizes programs, projects, initiatives and services
- Helps optimize allocation of resources

The model facilitates:
- Monitoring progress and quality of strategic deployment
- Achievement of strategic targets

The model provides high level context and includes:
- Mission – the organization’s purpose
- Vision – what the organization aspires to become
- Values – what the organization believes in
- Strategic Focus – the Board’s primary focus areas
- Strategic Outcomes – high-level results that citizens and customers value

Key components of the Strategic Plan include:
- Strategy Map – visualizes the strategic approach in an easy-to-understand diagram
- Strategic Perspectives – describe strategy through foundational, internal, customer and stakeholder views
- Strategic Objectives – continuous improvement activities that close gaps or leverage strengths
- Indicators – to track organizational performance
- Targets – desired level of performance for each indicator
- Strategic Initiatives – programs, projects and plans to help reach targets and meet objectives
- Utilities Board Expected Results – Enterprise Scorecard
Appendix - PEST Analysis

A PEST analysis considers big picture external elements in the political, economic, socio-cultural, and technology arenas as applied to the Board’s Strategic focus on Rates, Reliability and Relationships. Identified factors may influence strategic decisions.

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