CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117882

AN ORDINANCE relating to the City Light Department, authorizing the extension of the franchise from the City of Shoreline to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

WHEREAS Seattle City Light is authorized to construct, operate, maintain, replace and repair its electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way in the City of Shoreline under a franchise granted by the City of Shoreline Ordinance 187 and accepted by the City of Seattle by Ordinance 119312; and

WHEREAS, Seattle City Light's current franchise with the City of Shoreline is scheduled to expire on January 31, 2014; and

WHEREAS, the City of Seattle and the City of Shoreline are negotiating the terms and conditions of a new franchise and need additional time to conclude the negotiations; and

WHEREAS, it is also required that the Shoreline City Council approve the extension by ordinance for this extension to be effective; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the City of Seattle authorizes the extension of the franchise from the City of Shoreline to construct, operate, maintain, replace and repair an electrical light and power system to serve residential, multi-family and commercial areas, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2013, and signed by me in open session in authentication of its passage this ____ day of _____, 2013.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2013.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Form revised: December 12, 2012

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle City Light	Sandi Fukumoto (684-0423)	Anthony Colello (684-5292)

Legislation Title:

AN ORDINANCE relating to the City Light Department, authorizing the extension of the franchise from the City of Shoreline to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

Summary of the Legislation:

This ordinance authorizes an extension for the franchise from the City of Shoreline to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first. The current Franchise Agreement expires on January 31, 2014. Seattle City Light and the City of Shoreline have been engaged in negotiations to renew the current franchise. In order to successfully complete these negotiations and comply with the two cities' legislative timelines, an extension of the existing franchise is warranted.

Background:

Seattle City Light provides electric service to the residents and businesses in the City of Shoreline under a 15 year Franchise Agreement, which was effective beginning January 1, 1999, granted by the City of Shoreline Ordinance 187 and accepted by the City of Seattle by Ordinance 119312. The Franchise Agreement grants Seattle City Light a non-exclusive franchise to operate within the City of Shoreline's rights-of-way, and establishes terms and conditions under which Seattle City Light and the City of Shoreline work together on a variety of franchise issues, including rates as established by the Seattle City Council, fees, and operational requirements.

Since late 2012, Seattle City Light and the City of Shoreline have been engaged in discussions to renegotiate the Franchise Agreement. Meetings were held with the City of Shoreline to discuss what is working well with the current Franchise Agreement and to identify areas for improvement. Subsequently, Seattle City Light has been working internally and with City of Shoreline to draft and negotiate a new franchise agreement that will maintain consistency with Seattle City Light's Strategic Plan, and provide the City of Shoreline with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

_X_ This legislation does not have any financial implications.

____ This legislation has financial implications.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?
This legislation extends the term of the current Franchise Agreement and will allow the two parties to continue negotiating the terms of a new long-term franchise agreement to provide electrical service to residents and businesses within the City of Shoreline and for Seattle City Light to continue to construct, operate, maintain, replace and repair its system within the City of Shoreline's rights-of-way.

b) What is the financial cost of not implementing the legislation?
Failure to pass this extension ordinance would not have direct financial impacts until the existing Franchise Agreement expires without a new agreement to replace it. However if a new agreement is not in place by January 31, 2014, then the financial impacts could be significant, and well beyond the scope of this note.

c) Does this legislation affect any departments besides the originating department?
No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?
Finalize negotiations and execute a new franchise agreement without the extension and authorize the new agreement through an ordinance with a full ratify and confirm clause for the new franchise.

e) Is a public hearing required for this legislation?
No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.

g) Does this legislation affect a piece of property?
No.

h) Other Issues:
N/A

List attachments to the fiscal note below: N/A

City of Seattle
Office of the Mayor

July 30, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that authorizes an extension for the existing franchise agreement from the City of Shoreline for Seattle City Light to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to July 31, 2014 or the effective date of a replacement franchise agreement, whichever occurs first. The current franchise expires on January 31, 2014. Seattle City Light and the City of Shoreline have been engaged in negotiations to renew the current franchise. In order to successfully complete these negotiations and comply with the two Cities' legislative timelines, additional time is needed and an extension of the existing franchise agreement is warranted.

Seattle City Light provides electric service to the residents and businesses in the City of Shoreline under a 15 year Franchise Agreement, which was effective beginning January 1, 1999. The Agreement grants Seattle City Light a non-exclusive franchise to operate within the City of Shoreline's public rights-of-way, and establishes terms and conditions under which Seattle City Light and the City of Shoreline work together on a variety of franchise issues, including electric rates as established by Seattle City Council, fees, and operational requirements. In late 2012, Seattle City Light engaged the City of Shoreline in discussions to renegotiate the Agreement. Meetings were held with the City of Shoreline to understand what is working well with the current Agreement, as well as to identify areas for improvement. Subsequently, Seattle City Light has been working internally and with the City of Shoreline to draft and negotiate an Agreement that will maintain consistency with Seattle City Light's Strategic Plan, and provide the City of Shoreline with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

Additional time to conclude negotiations will assist in the continuing successful arrangement between Seattle City Light and the City of Shoreline. Thank you for your consideration of this legislation. Should you have questions, please contact Phil West at (206) 684-3718.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov