

6-month Extension of the Franchise from the City of Shoreline for Seattle City Light

Date of this Brief	October 21, 2013		
Supersedes	July 2, 2013		
Key Contacts	Name(s)	Phone	Short Title
	Sandi Fukumoto	4-0423	Key Account Manager
Council Action Required?	Yes	If YES, within the next 3 months?	Yes
Public Hearing Required?	No		
Presenters (if applicable)	Tony Kilduff, Council Central Staff		

Summary Statement

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.

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 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.

Key Issues

The current Franchise Agreement between the City of Shoreline and Seattle City Light expires January 31, 2014. Seattle City Light and the City of Shoreline have been engaged in negotiations to renew the current Agreement. In order to successfully complete these negotiations and comply with the two Cities' legislative timelines, an extension of the existing franchise is warranted.

The City of Shoreline adopted their ordinance granting an extension of the Franchise Agreement to July 31, 2014 at the August 12, 2013 Shoreline City Council meeting.

Next Steps

Seattle City Light and the City of Shoreline will continue negotiations on the renewal of the Agreement. Seattle City Council and the City of Shoreline approval of their respective extension ordinances should grant sufficient time to successfully conclude the negotiations. Once a final Franchise Agreement is reached, Council approval will be required.