

## SCL 2014 Burien First Avenue South 2 Ordinance

<b>Date of this Brief</b>	<b>October 22, 2013</b>		
<b>Supersedes</b>	none		
<b>Key Contacts</b>	<b>Name(s)</b>	<b>Phone</b>	<b>Short Title</b>
	Paula Laschober	4-3168	SCL Finance Director
	Jeff Bishop	4-4649	SCL CFO
	Kirsty Grainger	4-3713	SCL Financial Planning Mgr
<b>Council Action Required?</b>	<b>YES</b>	<b>If YES, within the next 3 months?</b>	<b>YES</b>
<b>Public Hearing Required?</b>	<b>NO</b>		
<b>Presenters (if applicable)</b>	Jeff Bishop, Chief Financial Officer Paula Laschober, Finance Director		

### Summary Statement

An ordinance amending the rates, terms and conditions for the use and sale of electricity supplied by the City Light Department to customers in the City of Burien (SMC 21.49) by adding a charge that will allow City Light to recover its share of the undergrounding costs of Phase 2 of Burien's First Avenue South Improvement Project.

### Background

This ordinance amends SMC 21.49.030, 21.49.040, 21.49.052, 21.49.055 and 21.49.057 by adding a charge to rates billed to customers in the City of Burien that will allow City Light to recover its share of the undergrounding costs of Phase 2 of Burien's First Avenue South Improvement Project. The code was previously amended by Ordinance 123988 in September of 2012.

Pursuant to the franchise granted by Ordinance 247 of the City of Burien and accepted by the City of Seattle by Ordinance 119348, the City Light Department provides electric service to customers in the City of Burien; and under the terms of that franchise, the City Light Department may recover the capital cost of required undergrounding of its electrical facilities through increased rates to Burien customers.

In 2013, City Light completed all electrical construction work associated with the relocation and undergrounding of its distribution infrastructure located on First Avenue South between South 146<sup>th</sup> Street and South 140<sup>th</sup> Street, Phase 2 of the First Avenue South Improvement Project. Per the terms of the franchise agreement, City Light proposes to recover its share of the costs of the project plus applicable City of Seattle and State of Washington taxes on the reimbursement, a total of \$5.6 million, over 25 years at a 5% rate of interest that is based on its standard financial policies.

City Light Issue Paper

City Light proposes to recover these costs by adding a new charge to the rates of all customers in the City of Burien effective January 1, 2014. This new charge will add \$0.0013/kWh to the rates of all standard residential and all non-residential Burien customers; it will add \$0.0005/kWh to the rates of low-income customers in the City of Burien, who pay 40% of standard residential rates. The average rate impact of this charge on all Burien customers will be a 1.6% increase.

**Key Issues**

None

**Next Steps**

1. EEC Meeting
2. Full council vote on ORD
3. With passage of ORD, City Light will include the above-stated First Avenue South 2 Undergrounding Charges in the rates charged to Burien customers effective January 1, 2014.