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Tony Kilduff  
LEG Transfer Funds to RSA ORD v1  
February 12, 2014  
Version #2

**CITY OF SEATTLE**  
**ORDINANCE** \_\_\_\_\_  
COUNCIL BILL 118030

AN ORDINANCE relating to the City Light Department, directing the transfer of certain funds in the Light Fund into the Rate Stabilization Account in 2013.

WHEREAS, the City established the Rate Stabilization Account within the Light Fund and funded it at \$100 million to moderate the impact of shortfalls in net wholesale revenue on the City Light Department's ("City Light") operations and customers; and

WHEREAS, the Council would like to ensure that the Account is funded at a level that significantly reduces the likelihood of rate surcharges authorized by SMC 21.49.086, in the event that wholesale revenue is less than that assumed in the 2014 Budget; and

WHEREAS, City Light anticipates ending 2013 with an operating cash balance that significantly exceeds its requirements for debt service coverage of 1.80 in 2013; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. By December 31, 2013, City Light shall transfer into the Rate Stabilization Account the lesser of \$21,000,000 or the amount of cash available in the Light Fund for debt service coverage that is in excess of 1.80 times the 2013 debt service.

Section 2. Any act taken pursuant to the authority of this ordinance and prior to its effective date is hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

1 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2014, and signed by  
2 me in open session in authentication of its passage this  
3 \_\_\_\_ day of \_\_\_\_\_, 2014.

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5 \_\_\_\_\_  
6 President \_\_\_\_\_ of the City Council

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8 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

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10 \_\_\_\_\_  
11 Edward B. Murray, Mayor

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13 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

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15 \_\_\_\_\_  
16 Monica Martinez Simmons, City Clerk

17 (Seal)

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**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

**Department:**

**Contact Person/Phone:**

**CBO Analyst/Phone:**

LEG	Tony Kilduff/4-3580	N/A
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**Legislation Title:**

AN ORDINANCE relating to the City Light Department, directing the transfer of certain funds in the Light Fund into the Rate Stabilization Account in 2013

**Summary of the Legislation:**

This legislation directs City Light to transfer the lesser of \$8 million and end-year Light Fund balance in excess of 1.80 times debt service coverage into the Rate Stabilization Account (RSA) by December 31, 2013.

**Background:**

City Light anticipates that without this transfer the RSA fund balance will fall below \$90 million in the first quarter of 2014, triggering a 1.5% rate surcharge as early as April. The surcharge could increase to 3.0% by July. City Light expects to have at least \$8 million in end-year operating fund balance in excess of its debt service coverage that can be used to shore up the Account, thus delaying the imposition of surcharges by two quarters and easing the burden on rate payers.

These projections are City Light's best estimates—actual wholesale revenue (and RSA balances) could be very different.

Please check one of the following:

**This legislation does not have any financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

**This legislation has financial implications.**

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

It may lead to higher debt issuance by City Light

**b) What is the financial cost of not implementing the legislation?**

None.

- 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?** None.
- 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:**

**List attachments to the fiscal note below:**