

Ordinance No. 122534

Council Bill No. 116037

AN ORDINANCE relating to the City Light Department, removing a budget proviso that limits spending of an appropriation in City Light's Customer Service and Energy Delivery - CIP Budget Control Level in the 2007 Adopted Budget.

CF No. _____

Date Introduced:	<u>Sept. 24, 2007</u>	
Date 1st Referred:	To: (committee) <u>Energy and Technology</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>7-0</u>	
Date Presented to Mayor:	Date Approved: <u>10-11-07</u>	
Date Returned to City Clerk:	Date Published: <u>2</u>	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Jean Golden
Councilmember

Committee Action:

9/26/07 - DO PASS - JC, DD

10-1-07 Passed 7-0 (Absent: Rasmussen; Excused: McIver)

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

LAW DEPARTMENT

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 24, 2007

Honorable Nick Licata
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Licata:

I am transmitting the attached proposed Council Bill that would lift proviso restrictions related to the use of funds appropriated for Seattle City Light's Automated Meter Reading (AMR) project. This "smart metering" technology creates the potential for a broader range of services for City Light customers, including billing and payment options, detailed consumption information to help customers manage their energy use, and improved power restoration information, in addition to achieving utility business efficiencies.

City Light successfully implemented a pilot project installing AMR system equipment in the South Lake Union and Denny Triangle areas, and the results are attached to the proposed legislation for your review. Lifting the proviso placed on the AMR Project will allow AMR-equipped metering to be installed in all new buildings developed in the South Lake Union and Denny Triangle areas, and allow existing buildings to be retrofitted beginning in 2008.

Thank you for your consideration of this legislation. Should you have any questions, please contact Linda Lockwood, Project Manager in City Light's Account Executive Office, at 684-3628.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels", written over a circular stamp that partially overlaps the signature.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



ORDINANCE 122534

AN ORDINANCE relating to the City Light Department, removing a budget proviso that limits spending of an appropriation in City Light's Customer Service and Energy Delivery – CIP Budget Control Level in the 2007 Adopted Budget.

WHEREAS, in adopting the 2007 Budget, the City Council enacted Budget Proviso #033-2-A-1, which limits the spending of the appropriation for 2007 for City Light's Customer Service and Energy Delivery - CIP Budget Control Level to pay for Automated Meter Reading (Project ID=8368) unless authorized by future ordinance; and

WHEREAS, City Light's Customer Service and Energy Delivery Division has begun a project to install automated meter reading ("AMR") system equipment in the South Lake Union and Denny Triangle areas based on the success of a pilot project in 2006 which purchased, installed, integrated, and tested a two-way radio frequency (RF) network collection system in the same two areas; and

WHEREAS, the AMR project continues the installation of AMR-equipped metering in all new buildings developed in these areas from 2007 onward and retrofits existing buildings beginning in 2008 until done; and

WHEREAS, the City Council has determined that the budget proviso limiting spending of the appropriation for City Light's Customer Service and Energy Delivery Capital Improvements Program Budget Control Level should be lifted; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The restriction imposed by the following budget proviso is removed and shall no longer be a restriction for any purpose, including for Subsection 1(b) of Ordinance 122298.

Department	Green Sheet #	Proviso Description	Budget Control
City Light	#033-2-A-1	Restricts spending on Automated Meter Reading Project until authorized by ordinance.	SCL350 – Customer Service and Energy Delivery CIP



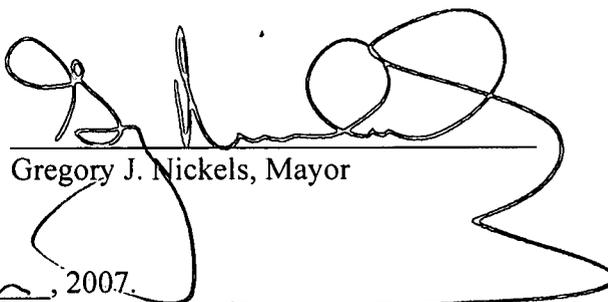
1 Section 2. Any act consistent with the authority of this ordinance that is taken after
2 passage of this ordinance, but prior to its effective date is hereby ratified and confirmed.

3 Section 3. This ordinance shall take effect and be in force thirty (30) days from and after
4 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
5 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

6 Passed by the City Council the 1st day of October, 2007, and signed by me in open
7 session in authentication of its passage this 1st day of October, 2007.

9
10
11 
12 President _____ of the City Council

13 Approved by me this 6th day of October 2007.

14
15
16 
17 Gregory J. Nickels, Mayor

18 Filed by me this 11th day of October, 2007.

19
20
21 
22 City Clerk

23
24
25
26
27
28 (Seal)



FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Linda Lockwood/684-3628	Karl Stickel/684-8085

Legislation Title:

AN ORDINANCE relating to the City Light Department, removing a budget proviso that limits spending of an appropriation in City Light's Customer Service and Energy Delivery- CIP Budget Control Level in the 2007 Adopted Budget.

Summary and background of the Legislation:

Summary of the Legislation: The proposed ordinance will lift the budget proviso (Green Sheet action #033-2-A-1) that limits City Light's spending on the Automated Meter Reading project.

Background of the Legislation: In adopting the 2007 budget, the City Council adopted a proviso limiting City Light's spending on the Automated Meter Reading project until authorized by ordinance. This project installs Automated Meter Reading (AMR) system equipment in the South Lake Union and Denny Triangle areas. A pilot project funded in 2006 purchased, installed, integrated, and tested a two-way radio frequency network collection system in these two areas. The 2007 budgeted funds would install an additional 2000 automated meters in all new buildings developed in these areas and retrofits existing buildings. The results of the pilot project are being submitted to the City Council as Attachment 1 to this Fiscal Note.

This legislation would allow Seattle City Light to begin spending the \$893,000 allocated for this project in the 2007 Adopted Budget.

Project Name:	Project I.D.	Project Location:	Start Date:	End Date
Automated Meter Reading	8368	Seattle, WA	Q4/2007	Q4/2012

- Please check any of the following that apply:

 This legislation creates, funds, or anticipates a new CIP Project. (Please note whether the current CIP is being amended through this ordinance, or provide the Ordinance or Council Bill number of the separate legislation that has amended/is amending the CIP.)

 X **This legislation has financial implications.** (Stop here and delete the remainder of this document prior to saving and printing.)

Note: This legislation removes restrictions on the expenditure of \$893,000 that is already appropriated in City Light's in the 2007 Adopted Budget.

ATT 1. Results of AMR Project





Memorandum



DATE: September 18, 2007

TO: Councilmember Jean Godden

VIA: Dwight Dively

FROM: Jorge Carrasco *Jorge Carrasco*

SUBJECT: Results of AMR Pilots

I am pleased to provide you with this report on the results of the Automated Meter Reading (AMR) pilots we have conducted. This report is intended to inform the action of the City Council's Energy and Technology Committee on September 12 to remove the proviso that limits spending of Seattle City Light's Customer Service and Energy Delivery—CIP Budget Control Level appropriation in the 2007 Adopted Budget that provides funds for the Automated Meter Reading project to install AMI metering in new developments in North Downtown.

In brief, the attached report describes the following outcomes:

- **AMR Pilot #1:** Using a 1-way AMR system to support monthly billing of electricity in Phase I of the new High Point development in West Seattle, we found that public subsidy housing occupants in Seattle Housing Authority's low-income rentals maintain lower balances when they receive their bills on a monthly rather than bimonthly cycle.
- **AMR Pilot #2:** We are testing an Advanced Metering Infrastructure that combines advanced or "smart" electric meters and a 2-way communication system in the North Downtown area. The AMI system is now collecting detailed data every day from 500 electric and 30 water meters. Billing will begin once the billing system interfaces are fully tested. Based on performance testing results so far, the project team expects a satisfactory outcome.

At Seattle City Light, the potential of AMI to enable utility cost savings opportunities and a broader range of customer services is something we are very excited about. We have completed a business case for AMI that looks very positive, and we will be making a determination of what recommendations we'll be bringing to the Mayor and Council for discussions in early 2008.

In the meantime, if you have questions regarding the AMR pilots, please contact Linda Lockwood, AMI Project Manager, in the Seattle City Light Account Executive Office.

RESULTS OF AMR PILOT PROJECTS

September 18, 2007

Background: Automated meter reading (AMR) is a communication system that collects meter reads remotely without requiring a meter reader to approach the meter. Detailed usage information, associated with the time interval of use and collected frequently, can enable utility cost savings opportunities and a broader range of customer services to support City Light's vision to provide the best customer service experience of any utility in the nation. In late 2003, the Mayor directed SCL and SPU to pilot AMR technologies in new development projects in order to understand better the benefits of AMR and develop a plan for the City to move in that direction. We embarked on two pilot projects, working jointly with Seattle Public Utilities/Water utility, which are now completed or nearly so. Reports on each are attached.

To summarize the results:

AMR Pilot #1: In the Seattle Housing Authority (SHA) High Point Development (in West Seattle), City Light equipped 700 new housing units in Phase I for monthly automated reads using Cellnet's existing 1-way radio system. Our goal was to evaluate the Utility's collections experience for the SHA's public subsidy housing occupants with monthly billing at High Point compared to similar occupants with bimonthly reads at SHA's Holly Park development area. The findings support the conclusion that these public subsidy housing occupants maintain lower balances when they are billed on a monthly rather than bimonthly cycle.

AMR Pilot #2: In the North Downtown area we are testing the read-to-bill capability and performance of an Advanced Metering Infrastructure (AMI, often called "Smart Metering"). The AMI system uses the Cellnet 2-way radio mesh network technology for electric meters combined with Cellnet's 1-way technology for reading water meters. The North Downtown area is the ideal test bed. The AMI system that works here will work anywhere in our service area. The Cellnet system is installed, integrated with our billing system, and reading (but not yet billing until testing is completed) 500 electric and 30 water meters. The full testing will take another four weeks, but based on what we have seen so far, the Project Team expects a satisfactory performance outcome.

Please contact Linda Lockwood, AMI Project Manager, in the Seattle City Light Account Executive Office, with any questions you may have.

LML:CH

**AMR PILOT #1: SEATTLE HOUSING AUTHORITY'S HIGH POINT
DEVELOPMENT**

Benefit of AMR for Monthly Billing of Public Subsidy Housing Occupants

Project Evaluation Report

Background: Automated meter reading (AMR) is a communication system that collects meter reads remotely without requiring a meter reader to approach the meter. The Seattle Housing Authority (SHA) requested AMR metering for its new low income housing development in West Seattle (High Point). City Light allocated funding from its 2004 budget to equip 700 electric meters with Cellnet AMR interfaces and from subsequent budgets to purchase monthly reads for these meters from Cellnet's existing 1-way radio system. All new housing units in Phase 1 of the High Point Development were equipped for AMR reads, but only the SHA's rental units with public subsidy housing occupants were included in this evaluation.

Study Objective: Evaluate the Utility's collections experience for the test group with monthly billing at High Point vs. a control group with bimonthly reads at SHA's Holly Park Development area. Both groups are public subsidy housing occupants in similar new developments. The goal is to see if providing monthly billing at High Point makes it easier for customers to pay their bills as compared to bimonthly billings at Holly Park (and for most other residential ratepayers).

Evaluation Results:

A twelve month billing period from April 2006 through March 2007 was chosen for analysis in order to include the complete 2006-07 heating season. The analysis uses average daily balance as the key measure of payment behavior for each account. The analysis also compares the number of accounts with one or more delinquencies (60 or 90 days past due balances.) *The results show that while the incidence of delinquencies is similar, the average amount past due, as well as the average daily balance, is lower for SHA tenants at High Point who were billed monthly. These findings support the conclusion that these public subsidy housing occupants maintain lower balances when they are billed on a monthly rather than bimonthly cycle.*

Findings: Number of Delinquencies

- An equal percentage of the accounts at High Point and Holly Park had one or more bills 60 days past due (36%) or 90 days past due (28%) during the study year.
- The average 60 day past due amount was 26% greater at Holly Park than at High Point (\$142 vs. \$113).
- The average 90 day past due amount was 24% greater at Holly Park than at High Point (\$138 vs. \$111).



Findings: Average Daily Balance

- The average annual bill at High Point is \$67 higher than at Holly Park while the average daily balance is \$12 lower. An average High Point customer's average daily balance is 21% of their average annual bill amount; for an average Holly Park customer it is 30%.
- Adjusted for differences in the size of the customer's average annual bill, the average daily balance for monthly billed residents at High Point would be \$28.63 lower than for the bimonthly billed Holly Park residents.

AMR PILOT #2: NORTH DOWNTOWN TEST AREA
Demonstrate Read-to-Bill Capability of Advanced Metering Infrastructure (AMI)

Project Status Report

Background: Funding was provided in the 2005-2006 budgets to begin implementing an AMR technology for both water and electric meters in the North Downtown neighborhoods of South Lake Union and Denny Triangle (SLU/DT). This area is ideal for testing the performance of the selected AMI system for metering and billing because it has:

- Rapid development underway with projections of up to 18,000 new electric and 600 new water meters by 2020
- Mix of customers, rate classes, and building types (commercial, high-rise residential)
- Geographical challenges (urban canyons between high rises, below ground meter rooms)
- Electric distribution systems: both downtown network and radial

Project Objective: Acquire and install an AMR data collection system with up to 1000 electric and 30 water meters, integrate it with the billing system, perform acceptance testing, and (given satisfactory performance) begin deploying in new buildings as they come on line (avoids labor costs of meter exchanges later.) Establish costs and benefits based on this experience and develop a business case for AMR deployments.

Performance Measures for AMR Project:

- Successful integration of AMR data collection with billing system.
- Demonstration of system performance and benefits that equal or exceed cost.
- Business case that will inform a go/no go decision for next stage.
- Full deployment of AMR in one focused geographic area.

Project Milestones:

- Hired nationally recognized consulting firm (Plexus Research) for help with selecting an AMR system and developing an AMR business plan (March 2005).
- Published an RFP to select an AMR System for SLU/DT (June 2005)
- Contracted for the purchase and installation of the selected System: 2-way Advanced Metering Infrastructure from Cellnet Technology Midwest Inc. (May 2006)
- Installed the AMR system, interfaces to the billing system, and the first 500 electric and 30 water meters and began read-to- bill Acceptance Testing (July 2007)
- Will recommend continued deployments in North Downtown contingent on satisfactory performance of AMI system (TBD September 2007)



Current Status as of August 29, 2007:

The AMI System is reading meters (but not yet creating bills) and Acceptance Testing is in progress. Results to date for 64 total requirement items: 1 waived, 23 passed, 22 expected to be passed, and 18 incomplete (still in testing). Based on what we have seen so far, the Project Team expects a positive outcome of the System Acceptance Test.

STATE OF WASHINGTON - KING COUNTY

--SS.

216477
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

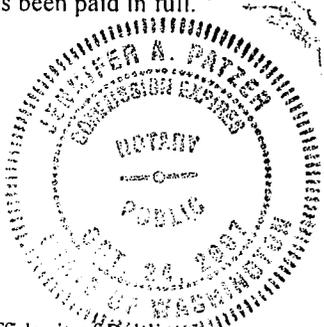
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122519-21,25-27,34-36

was published on

10/17/07

The amount of the fee charged for the foregoing publication is the sum of \$ 118.58, which amount has been paid in full.



Affidavit of Publication

McDevaney
Subscribed and sworn to before me on
10/17/07
John Cardigan
Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on October 1, 2007, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 122535

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 122534

AN ORDINANCE relating to the City Light Department, removing a budget proviso that limits spending of an appropriation in City Light's Customer Service and Energy Delivery CIP Budget Control Level in the 2007 Adopted Budget.

ORDINANCE NO. 122527

AN ORDINANCE relating to the Community Notification System for the City of Seattle, adopting usage policies and providing direction on implementation guidelines for the use of the system.

ORDINANCE NO. 122528

AN ORDINANCE relating to the water system of Seattle Public Utilities, declaring property in the City of Shoreline known as the Hamlin Park Reservoir Site to be surplus to the City of Seattle's needs, authorizing the Director of Seattle Public Utilities to execute an Option and Purchase and Sale agreement for the property with the City of Shoreline, and designating the disposition of sale proceeds.

ORDINANCE NO. 122525

AN ORDINANCE authorizing the Director of Seattle Public Utilities to enter into a contract with Rabanco, Ltd. to provide recycling processing services in the City of Seattle.

ORDINANCE NO. 122520

AN ORDINANCE relating to the Seattle Center Department, authorizing the execution of easement agreements with Experience Music Project regarding existing roof overhang encroachments and utility installations.

ORDINANCE NO. 122538

AN ORDINANCE relating to the Department of Transportation Corridor Projects Capital Improvement Program project, amending a budget proviso that restricts spending on the Corridor Projects project, amending the 2007-2012 Adopted Capital Improvement Program, authorizing the Mayor to submit to King County Metro a Direct Financial Partnership and Speed and Reliability Partnership Proposal, and authorizing the Mayor to execute a Transit Partnership Agreement with King County.

ORDINANCE NO. 122521

AN ORDINANCE relating to the Office of Economic Development, removing a budget proviso that restricted an appropriation in the 2007 budget of the Office of Economic Development.

ORDINANCE NO. 122519

AN ORDINANCE declaring three properties under the jurisdiction of the Fleets and Facilities Department to be surplus to the City's needs, approving the sale of the properties by public bid, authorizing execution of a Quit Claim Deed with respect to each such property, and designating the disposition of sales proceeds.

Publication ordered by JUDITH PIRPIN
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, October 17, 2007.

10/17(216477)