

Ordinance No. 123256

Council Bill No. 116804

AN ORDINANCE relating to the City Light Department; establishing the City Light Review Panel and defining its composition and role, and repealing Ordinances 122335, 123032, and 123148 relating to the City Light Rates Advisory Committee, and ratifying and confirming certain prior acts.

Related Legislation File: _____

Date Introduced and Referred: 3.1.10	To: (committee): Energy Technology + Civil Rights
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: 3-22-10	Date Presented to Mayor: 3-23-10
Date Signed by Mayor: 3.26.10	Date Returned to City Clerk: 3.29.10
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text <input type="checkbox"/>	Date Passed Over Veto:
Date Veto Published:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Hannell

Committee Action:

Date	Recommendation	Vote
3/17/2010	PASS AS AMENDED	BH, NL, MO

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
3-22-10	Passed	9-0

Law Department

ORDINANCE 123256

AN ORDINANCE relating to the City Light Department; establishing the City Light Review Panel and defining its composition and role, and repealing Ordinances 122335, 123032, and 123148 relating to the City Light Rates Advisory Committee, and ratifying and confirming certain prior acts.

WHEREAS, the City Light Department (City Light) is charged by the City with meeting the electricity needs of its customers cost effectively while complying with applicable policies and regulations; and

WHEREAS, to discharge that responsibility now and in the future, City Light must be prudently run with a view to its long-term viability; and

WHEREAS, City Light is the largest department in the City, with an annual budget of over one billion dollars and a workforce of over 1,600 people; and

WHEREAS, City Light manages generating assets, long-term power contracts, and transmission and distribution infrastructure required to meet the needs of its customers; and

WHEREAS, managing those assets wisely in the best interests of the rate-payers requires the utility to plan for the long term; and

WHEREAS, City Light faces significant challenges on a variety of fronts that require it to chart a course for the future; and

WHEREAS, to meet these challenges the utility is developing a strategic vision and plan to guide it over the next decade; and

WHEREAS, the Mayor and Council desire to have the input and engagement of the rate payers in formulating that plan; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Establishment of the City Light Review Panel.

The City Light Review Panel (Panel) is established.

Section 2. Composition of the Panel.

The Panel is comprised of nine members drawn from among City Light's customers, occupying numbered positions #1 through #9:

An economist or similar profession, preferably with a background in energy economics or commodity risk management (Position #1);

A financial analyst or similar profession, preferably with a background in financing large capital projects (Position #2);

A representative of a non-profit or non-governmental organization whose mission is to advocate for the efficient use of energy, preferably with knowledge of the electricity industry (Position #3);

A representative from among City Light's residential customers, preferably with knowledge of the electricity industry (Position #4);

A representative from among City Light's commercial customers, preferably with knowledge of financial planning and budgeting (Position #5);

A representative from among City Light's industrial customers, preferably with background in financial planning and budgeting (Position #6);

A representative from among the advocates for City Light's low income customers, preferably with experience navigating City government and knowledge of the electricity industry (Position #7);

At large (Position #8); and

A representative from among City Light's suburban franchise areas (Position #9).

1 The Mayor shall appoint the odd-numbered positions, beginning with Position #1 and the
2 Council shall appoint the even-numbered positions beginning with Position #2. All Panel
3 members shall be confirmed by the City Council.
4

5 **Section 3. Terms of Appointment to the Panel.**
6

7 The term of the appointment of members to the Panel shall, in general, be three years,
8 except that at the inception of the Panel Positions #1, #2, and #3 shall be appointed for a term of
9 one year and Positions #4, #5, and #6 shall be appointed for a term of two years. This will allow
10 for staggered appointments of three Panel members each year thereafter, thus ensuring a degree
11 of continuity of Panel membership. A member whose term has expired will continue to serve
12 until a successor has been confirmed by the Council.
13

14 By a majority vote of its members, the Panel may dismiss a member for three consecutive
15 unexcused absences. The Panel must advise the member to be dismissed, the Council, and the
16 Mayor in writing at least five days before taking the action.

17 Upon the dismissal, resignation, or incapacity of a member of the Panel, the appointing
18 authority for that Position may appoint a replacement to serve the remainder of the member's
19 term without confirmation by the Council.
20

21 Panel members will serve without pay, but may be reimbursed for reasonable expenses
22 for attending meetings.
23
24
25
26
27
28

Section 4. Role of the Panel.

The Panel shall

- (a) review and assess City Light's strategic plan and provide an opinion on the merits of the plan and future revisions to it to the Mayor and the Council. The Council anticipates that the strategic plan will at a minimum consider long term strategies to rehabilitate and maintain City Light's infrastructure, provide for labor-force continuity, maintain a portfolio of resources adequate to meet the needs of its customers, and ensure continued regulatory compliance. The Panel will advise the Council to include other issues that should be part of City Light's strategic planning framework;
- (b) assist the Mayor and the Council in engaging rate payers in discussions of the merits and implications of the strategic plan and revisions thereto;
- (c) provide an assessment to the Mayor and the Council of the adequacy of financial policies to protect the financial integrity of the utility and the sufficiency of the policies to support implementation of the adopted strategic plan;
- (d) review changes to City Light's rates not already authorized by the Seattle Municipal Code and provide an opinion to the Mayor and the Council on the adequacy and prudence of such rate changes in light of adopted planning assumptions and financial policies;
- (e) in its second year or earlier, and at least once every three years thereafter, assess City Light's rate design to ensure that rates send the appropriate signals to customers to use electricity efficiently; and

1 (f) in its second year or earlier, and at least every three years thereafter, assess City
2 Light's implementation of marginal cost allocation among customer classes to ensure
3 that it provides a fair allocation of costs among customer classes and takes account of
4 changes in costs and consumption.
5

6
7
8
9 **Section 5. Panel Operating Rules.**

10 The Panel shall establish its own rules for meeting attendance, quorum, meeting
11 frequency, etc., except that the Panel shall meet at least four times in any 12-month period.
12 Meetings shall be open to the public, except that meetings or portions thereof may be closed if
13 RCW Chapter 42.30 would have allowed it to be closed had the Panel been subject to that law.
14

15 The minutes of Panel meetings and proceedings and Panel findings and recommendations
16 shall be made public.
17

18 **Section 6. Rate Setting.**

19 The Council will not adopt rate changes proposed by the Mayor for at least sixty days
20 after the Council Bill authorizing the rate change has been referred by the Council to the relevant
21 standing Committee to allow the Panel sufficient time to review the proposed changes and
22 sufficient opportunity for the public to provide input to both the Panel and the Council.
23 However, this restriction does not apply to rate changes initiated by the Council to address
24 emergent issues or to protect the financial integrity of the utility.
25
26
27
28

1 **Section 8.** Support for the Panel.

2 The Executive shall provide logistical and staff support to the Panel, and will make all
3 reasonable efforts to address Panel requests for information or analysis pertinent to the issues
4 under consideration by the Panel, and to do so in a timely manner.

5 The Panel shall work closely with staff designated by both the Council and the Mayor to
6 ensure that, as it discharges its duties, the Panel understands the issues and concerns of the
7 elected representatives of the City.

8 **Section 7.** Repeal of Prior Authority.

9 Ordinances 122335, 123032, and 123148 are repealed and any membership established
10 under their authority is terminated.

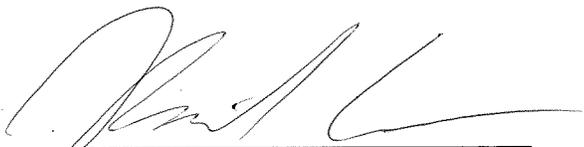
11 **Section 9.** Any act consistent with the authority of this ordinance that is taken after its
12 passage but prior to its effective date is hereby ratified and confirmed.

13 **Section 10.** Effective Date. This ordinance shall take effect and be in force thirty (30)
14 days from and after its approval by the Mayor, but if not approved and returned by the Mayor
15 within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section
16 1.04.020.

17 Passed by the City Council the 22nd day of March, 2010, and
18 signed by me in open session in authentication of its passage this

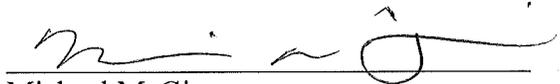
19 22nd day of March, 2010.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



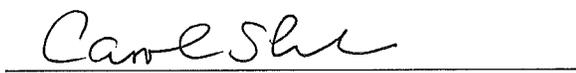
President _____ of the City Council

Approved by me this 20th day of March, 2010.



Michael McGinn

Filed by me this 29th day of March, 2010.



City Clerk

(Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
LEG	Tony Kilduff/4-3580	

Legislation Title:

AN ORDINANCE relating to the City Light Department; establishing the City Light Review Panel and defining its composition and role, and repealing Ordinances 122335, 123032, and 123148 relating to the City Light Rates Advisory Committee, and ratifying and confirming certain prior acts.

• **Summary of the Legislation:**

This ordinance creates a standing review panel tasked with assisting the Mayor and the Council in reviewing City Light's strategic plan, financial policies, and rates.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

The new Review Panel will replace both the City Light Advisory Committee and the City Light Rate Advisory Committee, and combine some of the functions of both with a view to ensuring better coordination between rate setting and planning.

- *Please check one of the following:*

This legislation does not have any financial implications. *(Stop here and delete the remainder of this document prior to saving and printing.)*



ORDINANCE _____

AN ORDINANCE relating to the City Light Department; establishing the City Light Review Panel and defining its composition and role, and repealing Ordinances 122335, 123032, and 123148 relating to the City Light Rates Advisory Committee, and ratifying and confirming certain prior acts.

WHEREAS, the City Light Department (City Light) is charged by the City with meeting the electricity needs of its customers cost effectively while complying with applicable policies and regulations; and

WHEREAS, to discharge that responsibility now and in the future, City Light must be prudently run with a view to its long-term viability; and

WHEREAS, City Light is the largest department in the City, with an annual budget of over one billion dollars and a workforce of over 1,600 people; and

WHEREAS, City Light manages generating assets, long-term power contracts, and transmission and distribution infrastructure required to meet the needs of its customers; and

WHEREAS, managing those assets wisely in the best interests of the rate-payers requires the utility to plan for the long term; and

WHEREAS, City Light faces significant challenges on a variety of fronts that require it to chart a course for the future; and

WHEREAS, to meet these challenges the utility is developing a strategic vision and plan to guide it over the next decade; and

WHEREAS, the Mayor and Council desire to have the input and engagement of the rate payers in formulating that plan; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Establishment of the City Light Review Panel.

The City Light Review Panel (Panel) is established.



Section 2. Composition of the Panel.

The Panel is comprised of nine members drawn from among City Light's customers, occupying numbered positions #1 through #9:

An economist or similar profession, preferably with a background in energy economics or commodity risk management (Position #1);

A financial analyst or similar profession, preferably with a background in financing large capital projects (Position #2);

A representative of a non-profit or non-governmental organization whose mission is to advocate for the efficient use of energy, preferably with a knowledge of the electricity industry (Position #3);

A representative from among City Light's residential customers, preferably with a knowledge of the electricity industry (Position #4);

A representative from among City Light's commercial customers, preferably with a knowledge of financial planning and budgeting (Position #5);

A representative from among City Light's industrial customers, preferably with a background in financial planning and budgeting (Position #6);

A representative from among the advocates for City Light's low income customers, preferably with experience navigating City government and a knowledge of the electricity industry (Position #7);

At large (Position #8); and

A representative from among City Light's suburban franchise areas (Position #9).



1 The Mayor shall appoint the odd-numbered positions, beginning with Position #1 and the
2 Council shall appoint the even-numbered positions beginning with Position #2. All Panel
3 members shall be confirmed by the City Council.
4

5 **Section 3. Terms of Appointment to the Panel.**
6

7 The term of the appointment of members to the Panel shall, in general, be three years,
8 except that at the inception of the Panel Positions #1, #2, and #3 shall be appointed for a term of
9 one year and Positions #4, #5, and #6 shall be appointed for a term of two years. This will allow
10 for staggered appointments of three Panel members each year thereafter, thus ensuring a degree
11 of continuity of Panel membership. A member whose term has expired will continue to serve
12 until a successor has been confirmed by the Council.
13

14 By a majority vote of its members, the Panel may dismiss a member for three consecutive
15 unexcused absences. The Panel must advise the member to be dismissed, the Council, and the
16 Mayor in writing at least five days before taking the action.

17 Upon the dismissal, resignation, or incapacity of a member of the Panel, the appointing
18 authority for that Position may appoint a replacement to serve the remainder of the member's
19 term without confirmation by the Council.
20

21 Panel members will serve without pay, but may be reimbursed for reasonable expenses
22 for attending meetings.
23
24
25
26
27
28



Section 4. Role of the Panel.

The Panel shall

- (a) review and assess City Light's strategic plan and revisions thereto and provide an opinion on the merits of the plan and revisions to it to the Mayor and the Council;
- (b) assist the Mayor and the Council in engaging rate payers in discussions of the merits and implications of the strategic plan and revisions thereto;
- (c) provide an assessment to the Mayor and the Council of the adequacy of financial policies to protect the financial integrity of the utility and the sufficiency of the policies to support implementation of the adopted strategic plan;
- (d) review changes to City Light's rates not already authorized by the Seattle Municipal Code and provide an opinion to the Mayor and the Council on the adequacy and prudence of such rate changes in light of adopted planning assumptions and financial policies;
- (e) in its second year or earlier, and at least once every three years thereafter, assess City Light's rate design to ensure that rates send the appropriate signals to customers to use electricity efficiently; and
- (f) in its second year or earlier, and at least every three years thereafter, assess City Light's implementation of marginal cost allocation among customer classes to ensure that it provides a fair allocation of costs among customer classes and takes account of changes in costs and consumption.



1 **Section 5. Panel Operating Rules.**

2 The Panel shall establish its own rules for meeting attendance, quorum, meeting
3 frequency, etc., except that the Panel shall meet at least four times in any 12-month period.
4 Meetings shall be open to the public, except that meetings or portions thereof may be closed if
5 RCW Chapter 42.30 would have allowed it to be closed had the Panel been subject to that law.

6 The minutes of Panel meetings and proceedings and Panel findings and recommendations
7 shall be made public.
8

9
10 **Section 6. Rate Setting.**

11 The Council will not adopt rate changes proposed by the Mayor for at least sixty days
12 after the Council Bill authorizing the rate change has been referred by the Council to the relevant
13 standing Committee to allow the Panel sufficient time to review the proposed changes and
14 sufficient opportunity for the public to provide input to both the Panel and the Council.
15 However, this restriction does not apply to rate changes initiated by the Council to address
16 emergent issues or to protect the financial integrity of the utility.
17
18

19
20 **Section 8. Support for the Panel.**

21 The Executive shall provide logistical and staff support to the Panel, and will make all
22 reasonable efforts to address Panel requests for information or analysis pertinent to the issues
23 under consideration by the Panel, and to do so in a timely manner.
24

25 The Panel shall work closely with staff designated by both the Council and the Mayor to
26 ensure that, as it discharges its duties, the Panel understands the issues and concerns of the
27 elected representatives of the City.
28



Section 7. Repeal of Prior Authority.

Ordinances 122335, 123032, and 123148 are repealed and any membership established under their authority is terminated.

Section 9. Any act consistent with the authority of this ordinance that is taken after its passage but prior to its effective date is hereby ratified and confirmed.

Section 10. Effective Date. 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 _____, 2010, and signed by me in open session in authentication of its passage this ____ day of _____, 2010.

President _____ of the City Council

Approved by me this ____ day of _____, 2010.

Michael McGinn



Filed by me this ____ day of _____, 2010.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

(Seal)

City Clerk



STATE OF WASHINGTON – KING COUNTY

--SS.

252789
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.

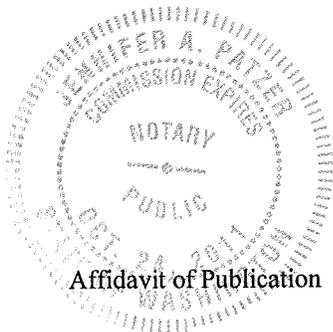
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123255-59,123261-62

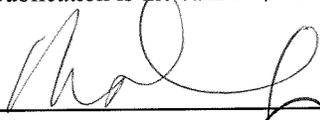
was published on

04/02/10

The amount of the fee charged for the foregoing publication is the sum of \$ 102.38, which amount has been paid in full.

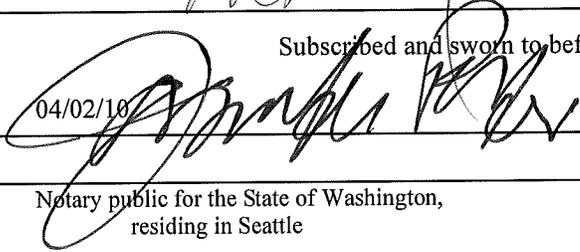


Affidavit of Publication



Subscribed and sworn to before me on

04/02/10



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 March 22, 2010, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123255

AN ORDINANCE relating to City employment; authorizing the Mayor to execute a collective bargaining agreement and three memoranda of understanding between the City of Seattle and the International Brotherhood of Teamsters, Local 763 Supervisors' Unit; and ratifying and confirming prior acts.

ORDINANCE NO. 123256

AN ORDINANCE relating to the City Light Department; establishing the City Light Review Panel and defining its composition and role, and repealing Ordinances 122335, 123032, and 123148 relating to the City Light Rates Advisory Committee, and ratifying and confirming certain prior acts.

ORDINANCE NO. 123257

AN ORDINANCE relating to Conservation Futures Levy proceeds; authorizing the Mayor to amend the Interlocal Cooperation Agreement between the City of Seattle and King County as authorized by City of Seattle Ordinance 114978; and authorizing the deposit of 2009 allocations from King County Conservation Futures Levy proceeds into the City of Seattle's 2000 Parks Levy Fund and 2008 Parks Levy Fund.

ORDINANCE NO. 123258

AN ORDINANCE relating to the Seattle Department of Parks and Recreation; authorizing the Superintendent to amend and restate the existing thirty-year lease with The Mountaineers for renovation and management of Building 67 at Magnuson Park.

ORDINANCE NO. 123259

AN ORDINANCE relating to jail services; authorizing the Mayor to execute an extension to the Interlocal Agreement with King County for the Provision of Jail Services; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123261

AN ORDINANCE relating to the electric system of The City of Seattle; increasing the authorized amount of municipal light and power revenue bonds to be issued for the purposes of providing funds for certain additions and betterments to and extensions of the existing municipal light and power plant and system of the City, capitalizing interest on and paying the costs of issuing and selling those bonds and providing for the reserve fund requirement; adjusting provisions relating to redemption, reserve requirements, calculation, additional bonds, and the implementation of a rate stabilization fund for those bonds; amending Ordinance 123169; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123262

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

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, April 2, 2010.

4/2(252789)