

Ordinance No. 124108

Council Bill No. 117695

AN ORDINANCE relating to the City Light Department, amending SMC 21.49.086.G relating to the operation of the Rate Stabilization Account.

Related Legislation File: _____

Date Introduced and Referred: <u>1.22.13</u>	To: (committee): <u>Energy + Environment</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>Feb. 4, 2013</u>	Date Presented to Mayor: <u>Feb. 5, 2013</u>
Date Signed by Mayor: <u>2.8.13</u>	Date Returned to City Clerk: <u>2.8.13</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text _____	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: [Signature]

Committee Action:

Date	Recommendation	Vote
<u>01-25-13</u>	<u>Pass</u>	<u>3-0</u>
		<u>TB, SC, MD</u>

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

Full Council Action:

Date	Decision	Vote
<u>2/4/13</u>	<u>Passed</u>	<u>9-0</u>

CITY OF SEATTLE

ORDINANCE 124108

COUNCIL BILL 117695

AN ORDINANCE relating to the City Light Department, amending SMC 21.49.086.G relating to the operation of the Rate Stabilization Account.

WHEREAS, the City established the Rate Stabilization Account within the Light Fund to buffer the City Light Department (City Light) and its customers from deviations of its Net Wholesale Revenues from those assumed in budgets; and

WHEREAS, the Council transferred operating fund balance at the end of 2012 into the Account to ensure that the Account is funded at a level that reduces the likelihood of rate surcharges in 2013, as provided for in SMC 21.49.086, should wholesale revenue be less than that assumed in the 2013 Budget; and

WHEREAS, The Account balance currently exceeds the threshold established in SMC 21.49.086.G, requiring the Council to take action to reduce the Account balance;

WHEREAS, The Council does not, at this point, wish to lower the Account balance; NOW, THEREFORE

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 2. SMC 21.49.086, which section was last amended by Ordinance 123757, is amended as follows:

21.49.086 Rate Stabilization Account

* * *

G. Disposition of excess funds in the Rate Stabilization Account:

Effective January 1, 201~~(3)~~⁴; whenever the amount in the Rate Stabilization Account exceeds \$125 million, the City Council will initiate a rate review, if the Mayor has not already done so, within forty-five days that will decrease rates, allow City Light to cover more of its capital expenditures with cash from operations or defease outstanding debt in order to keep future rates low, increase its expenditures, or a combination of these measures, to bring the amount in the Account down to \$125 million within a period of 12 or fewer months.



* * *

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2 Section 3. The provisions of this ordinance shall be retroactive to January 1, 2013.

3 Section 4. Any action consistent with this ordinance taken after its passage but prior to
4 its effective date is hereby ratified and confirmed.

5 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
6 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
7 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

8 Passed by the City Council the 4th day of February, 2013, and
9 signed by me in open session in authentication of its passage this
10 4th day of February, 2013.

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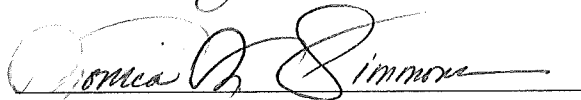
13 President _____ of the City Council

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15 Approved by me this 8th day of February, 2013.

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18 Michael McGinn, Mayor

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20 Filed by me this 8th day of February, 2013.

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23 Monica Martinez Simmons, City Clerk

24 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
LEG	Tony Kilduff/4-3580	n/a

Legislation Title:

AN ORDINANCE relating to the City Light Department, amending SMC 21.49.086.G relating to the operation of the Rate Stabilization Account.

Summary of the Legislation:

This legislation changes the effective date of SMC 21.49.086.G from January 1, 2013 to January 1, 2014.

Background:

The Council created the RSA through Ordinance 121637 and subsequently established the parameters for its funding and operation through Ordinance 123260. The parameters provide that City Light must withdraw any shortfall in net wholesale revenue relative to the amount assumed in the relevant budget, or deposit any overage, all done on a quarterly basis. The parameters also provide for automatic surcharges in the event the Account balance falls below certain thresholds. They further provide (SMC 21.49.086.G) that if the balance in the account exceeds \$125 million that the Council will take action to reduce the balance.

The target for net wholesale revenue in the 2013 Adopted Budget is \$90 million. However, City Light expects to generate at most \$50 million. The shortfall, should it occur, would result in large and persistent surcharges in 2013. To reduce the likelihood of this, the Council transferred \$22 million in excess City Light operating fund balance into the RSA at the end of 2012. At that time, City Light did not anticipate that the transfer would cause the Account balance to exceed \$125 million and hence trigger subsection G. However, it has. The Council does not wish to lower the Account balance as that would work against its intent in transferring the operating fund balance into the Account.

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.)



FILED
CITY OF SEATTLE
2013 MAR 29 AM 10:17
CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--SS.

294212
CITY OF SEATTLE, CLERKS OFFICE

No. 124107,108,109

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.

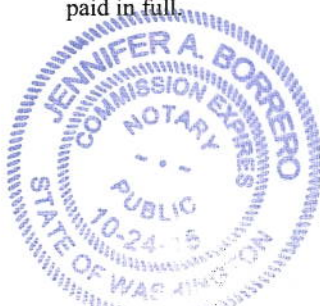
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY ORDINANCE


was published on

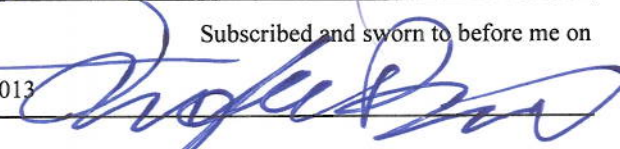
02/25/13

The amount of the fee charged for the foregoing publication is the sum of \$62.70 which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
02/25/2013 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle Title Only Ordinances

The full text of the following legislation, passed by the City Council on February 4, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124107

AN ORDINANCE relating to the City Light Department; adopting the Washington State Department of Commerce's advisory opinion on the eligibility of Nucor Steel's waste heat to power project as energy conservation under the Washington Energy Independence Act; authorizing the Superintendent of City Light, or his designee, to enter into a multi-year energy conservation funding agreement with Nucor Steel for the project; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124108

AN ORDINANCE relating to the City Light Department, amending SMC 21.49.086. G relating to the operation of the Rate Stabilization Account.

ORDINANCE NO. 124109

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

Date of publication in the Seattle Daily Journal of Commerce, February 25, 2013.
2/25(294212)