

Ordinance No. 124426

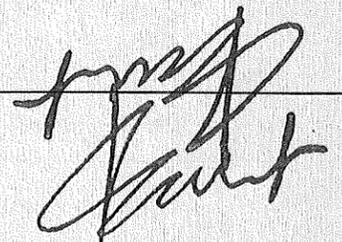
Council Bill No. ~~118030~~ 118030

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.

Related Legislation File: _____

Date Introduced and Referred: <u>2.10.14</u> 1.15.14	To: (committee): <u>Energy</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>2.18.14</u>	Date Presented to Mayor: <u>2.20.14</u>
Date Signed by Mayor: <u>2.24.14</u>	Date Returned to City Clerk: <u>2.25.14</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: 

Committee Action:

Date	Recommendation	Vote
<u>Feb 12, 2014</u>	<u>Pass as amended</u>	<u>2 (O'Brien, Sawant)</u> <u>0</u> <u>0</u>

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

Full Council Action:

Date	Decision	Vote
<u>2.18.14</u>	<u>Passed</u>	<u>9-0</u>

CITY OF SEATTLE
ORDINANCE 124426
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:

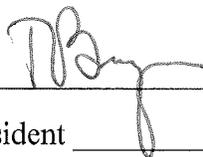
Section 1. By December 31, 2013, City Light shall transfer into the Rate Stabilization Account the lesser of \$21,000,000 or the amount of cash available in the Light Fund for debt service coverage that is in excess of 1.80 times the 2013 debt service.

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

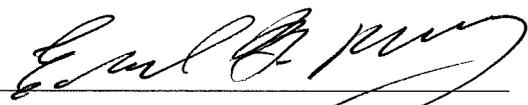
Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.



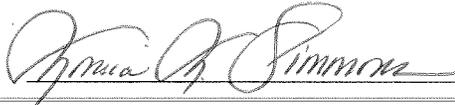
1 Passed by the City Council the 18th day of February, 2014, and signed by
2 me in open session in authentication of its passage this
3 18th day of February, 2014.

4
5 
6 President _____ of the City Council

7
8 Approved by me this 24th day of February, 2014.

9
10 
11 Edward B. Murray, Mayor

12
13 Filed by me this 25th day of February, 2014.

14
15 
16 Monica Martinez Simmons, City Clerk

17 (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, 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:



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 \$8,000,000 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.

THIS VERSION IS NOT ADOPTED

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

Passed by the City Council the ____ day of _____, 2014, and
signed by me in open session in authentication of its passage this
____ day of _____, 2014.

President _____ of the City Council

Approved by me this ____ day of _____, 2014.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

THIS VERSION IS NOT ADOPTED

FILED
CITY OF SEATTLE

2014 APR -3 PM 4:06

CITY CLERK

STATE OF WASHINGTON -- KING COUNTY

--SS.

308683

No.

CITY OF SEATTLE, CLERKS OFFICE

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.

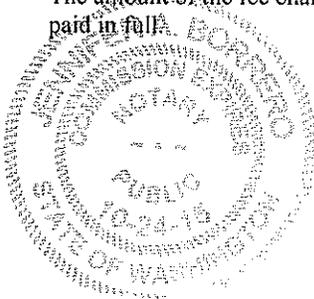
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124424-27 TITLE ONLY

was published on

03/13/14

The amount of the fee charged for the foregoing publication is the sum of \$59.80 which amount has been paid in full.



Affidavit of Publication

[Signature]
Subscribed and sworn to before me on

[Signature]
03/13/2014

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on February 18, 2014, 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. 124424

AN ORDINANCE relating to historic preservation, imposing controls upon Alexander Hall, a landmark designated by the Landmarks Preservation Board under Chapter 25.12 of the Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 25.32 of the Seattle Municipal Code.

ORDINANCE NO. 124425

AN ORDINANCE relating to historic preservation, imposing controls upon the Chiarelli-Dora House, a landmark designated by the Landmarks Preservation Board under Chapter 25.12 of the Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 25.32 of the Seattle Municipal Code.

ORDINANCE NO. 124426

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.

ORDINANCE NO. 124427

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

Date of publication in the Seattle Daily Journal of Commerce, March 13, 2014.
3/13(308683)