

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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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 1.85 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: