

Ordinance No. 120413

Council Bill No. 113703

The City of Seattle
Council Bill/Ordinance

AN ORDINANCE relating to the City Light Department; authorizing the Department to enter into long term power sales contracts; and amending Seattle Municipal Code Section 21.49.130.

CF No. _____

Date Introduced:	JUN 11 2001	
Date 1st Referred:	To: (committee)	Energy & Environmental Policy Committee
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: 8-0 (Reintroduced later)	
Date Presented to Mayor:	Date Approved: 7-2-01	
Date Returned to City Clerk:	Date Published:	T.O. P.L. 5/10/01
Date Vetoes by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

FULL COUNCIL

This file is complete and ready

LAW DEPARTMENT

Law Dept. Review

Council Bill/Ordinance sponsored by: _____

WILLS

Councilmember

Committee Action:

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

Committee: _____

(initial/date)

DEPARTMENT

Law Dept. Review

OMP
Review

Wills
update
1/12

City Clerk
Review

Wills
committee
full text loaded

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ORDINANCE 120413

1
2 AN ORDINANCE relating to the City Light Department; authorizing the Department to enter into long-
3 term power sales contracts; and amending Seattle Municipal Code Section 21.49.130.

4 WHEREAS, the City Light Department has been delegated continuing authority to enter into power
5 supply contracts of up to eighteen months duration; and

6 WHEREAS, the City Light Department has been granted authority by Ordinance 113633 to enter into
7 any longer term power purchase contracts to assist it in managing the power crisis; and

8 WHEREAS, prudent management of its power portfolio in the face of market uncertainty also requires it
9 to have the authority to enter into longer terms sales agreements; Now Therefore,

10 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

11 Section 1. Seattle Municipal Code Section 21.49.130 is hereby amended to read as follows:

12 **21.49.130 Authority.**

13 A. The Department shall have the authority to interpret the provisions of this chapter where
14 necessary to implement and enforce its terms and provisions, provided, however, such interpretation shall
15 be consistent with the intent of the City Council in setting the rates and terms and conditions for the use of
16 the electric service provided under this chapter and shall not expand the scope and authority contained
17 therein.

18 B. Rule-making and Contract Authority.

19 1. The Department shall have authority to adopt and file as appropriate rules, regulations, policies,
20 and procedures relating to its performance of the provisions of this chapter and to the operation of the
21 Department's light and power system. The Department may require compliance with such rules, regulations,
22 policies and procedures as a condition for the supply or continued supply of electric service.

23 2. Upon determining availability or necessity for purchase, or a short-term surplus of nonfirm
24 energy, the Department may enter into contracts with any city or town, public utility district, governmental



1 agency, municipal corporation, mutual association, broker, agent, or with any person, firm, or corporation,
2 or any other member of the general public, outside its service area, terminable on not more than eighteen
3 (18) months' notice, providing for the acquisition, exchange or sale of energy on terms most favorable to the
4 Department under such circumstances and in compliance with state law, including RCW 43.09.210. Such
5 sale or exchange shall be made on a basis representing the value of such energy under existing market
6 conditions.

7 3. The Department may enter into or amend agreements with the Bonneville Power Administration
8 providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation
9 programs authorized by the City Council. The Department shall determine that such agreements or
10 amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing
11 any duties or obligations on the City which are inconsistent with the Department's budget appropriation for
12 such energy conservation programs. The Department shall provide a written notification prior to the
13 execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the
14 City Council.

15 4. In addition to the authority provided in subsection B.2 above, the Department, upon approval of
16 each such contract by Council resolution, also shall have the authority through April 1, 2002, to enter into
17 longer-term power sales, purchase or exchange contracts with any city or town, public utility district,
18 governmental agency, municipal corporation, mutual association, broker, agent, or with any person, firm, or
19 corporation, or any other member of the general public, either inside or outside its service area. Each such
20 contract shall have a term of not more than seven years. The combined total of all long-term contracts
21 entered into by the Department pursuant to the authority of this subsection may not exceed an average of
22 100 MW at any one time.



1 C. Contracts and Authorized Agents. The Department may also enter into contracts of a general
2 nature relating to the utility system. No promise, agreement, or representation of any employee or agent of
3 the Department with reference to furnishing electricity shall be binding on the Department unless it is
4 embodied in writing and signed by a duly authorized agent of the Department in accordance with the
5 provisions of this chapter.

6
7 D. Authority to Interrupt Service. The Department shall have the authority to restrict the use of
8 loads and/or services during scheduled maintenance outages and during periods of emergency when the
9 Department determines that the continued use of the loads would jeopardize the Department's generation,
10 transmission, or distribution system.

11
12 E. Special Service Charges and Interest Charges. The Department may add service charges or may
13 separately bill customers to recover certain administrative, investigative and collection expenses in addition
14 to any civil fine or forfeiture imposed under Section 21.49.140. These may include but are not limited to
15 dishonored checks; field calls on delinquent accounts; service disconnections and reconnections resulting
16 from City ordinance violations or failure to pay; and field calls, lab tests and office work involved in
17 detecting, reporting, investigating and correcting cases of current diversion. The Department may also add
18 interest charges on delinquent customer accounts and for other services including, but not limited to, C-bills
19 and bills for damage. The Department may develop a standard per month charge for accounts that are too
20 small to economically calculate interest. Such interest charges or standard charges may be added to the bill
21 for each month or part thereof that the bill is delinquent. The Department shall have authority to bill for
22 interest charges applied to the value of diverted current or unbilled service used during a billing period or
23 periods, with interest charges beginning to run on the established due date for each billing period during
24



1 which current was diverted or unbilled. Interest charged is to be at the statutory nominal percentage rate,
2 compounded monthly.

3
4 F. Recovery of Service Disconnection Costs. The Department shall have the authority to establish
5 and collect service disconnection charges based on cost when such charges are adopted pursuant to and in
6 accordance with the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02,
7 Ordinance 102228, as amended). If service is disconnected for any violation of the provisions of this
8 chapter, a service disconnection charge shall be added to the account. If service is disconnected at the
9 request of a customer or property owner, a service disconnection charge shall be billed to the customer or
10 property owner making the request, unless the service is disconnected when the purpose is to maintain
11 service entrance equipment or enhance its safety. If service is disconnected for failure to pay bills when due,
12 the service shall not be restored until payment in full has been received by the Department, or satisfactory
13 arrangements have been made for payment of all charges. Reconnection cannot be assured on the same day
14 payment is made.



1 G. Equipment Rental. The Department shall have authority to sell, rent, lease, construct, install,
2 operate, and/or service material, supplies, facilities, appliances, or equipment for the use or conservation of
3 electricity. The Department may also establish and collect charges based on cost, conservation, and/or the
4 use of electricity and enter into related agreements. Any agreements entered into or charges made prior to
5 the effective date of the ordinance codified in this chapter are ratified and confirmed.

6
7 Section 2. Any act taken in furtherance of this ordinance prior to its effective date is hereby ratified
8 and confirmed.

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

12 Passed by the City Council the 25th day of June, 2001, and signed by me in open
13 session in authentication of its passage this 25th day of June, 2001.

14
15 Margaret E. Papp
President _____ of the City Council

16
17 Approved by me this 27th day of July, 2001.

18 Paul S. Kelly
Mayor

19
20 Filed by me this 3 day of July, 2001.

21 Judith E. Pappin
22 City Clerk

23 (Seal)





City of Seattle

Paul Schell, Mayor

Seattle City Light

Gary Zarker, Superintendent

June 4, 2001

The Honorable Margaret Pageler, President
Seattle City Council

via: Joan Walters, Director
City Budget Office

Dear Councilmember Pageler:

Attached please find a proposed ordinance that will provide authority for City Light to enter into long-term power sales contracts. The terms, conditions, and duration of that authority are identical to the authority recently granted by the Council allowing City Light to enter into long-term power purchase contracts (Ordinance 120340).

The omission of the word "sales" from the new section 4 added to the Seattle Municipal Code by that Ordinance was an unfortunate oversight. It is now clear that if we are to manage the out-year risks inherent in long-term power purchase contracts, we will need authority to sell multiple years of the contract; however, we will face the same issues in trying to market the out-years of the contract as it encountered in trying to acquire a long-term power purchase in the first place—in current markets, buyers are simply unwilling to enter into meaningful negotiations with us unless we have pre-existing authority to sell.

I hope you will look favorably on this ordinance. I am available to answer any questions you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Zarker".

Gary Zarker
Superintendent

GZ:tk

Enclosure

700 Fifth Avenue, Suite 3300, Seattle, WA 98104-5031
Tel: (206) 684-3000, TDD: (206) 684-3225, Fax: (206) 625-3709

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The Honorable Margaret Pageler, President
June 4, 2001
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cc: w/enclosure
Mayor Paul Schell
Councilmember Jim Compton
Councilmember Richard Conlin
Councilmember Heidi Wills
Jim Echert, CBO
Jeff Davis, CBO



STATE OF WASHINGTON – KING COUNTY

--SS.

133384
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

Affidavit of Publication

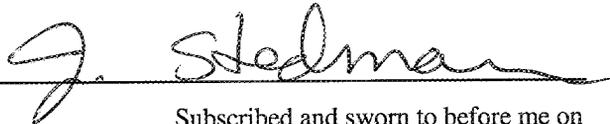
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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:120413/ORD.IN FULL

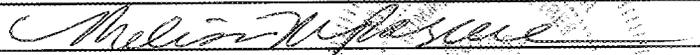
was published on

07/12/01



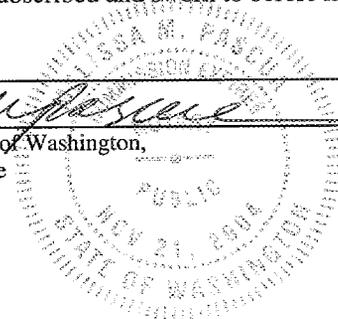
Subscribed and sworn to before me on

07/13/01



Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

ORDINANCE 120413

AN ORDINANCE relating to the City Light Department, authorizing the Department to enter into long-term power sales contracts and amending Seattle Municipal contracts; and amending Seattle Municipal contracts to require service entrance equipment or enhance its safety. If service is disconnected for failure to pay bills when due, the service shall not be restored until payment in full has been received by the Department, or satisfactory arrangements have been made for payment of all charges. Reconnection cannot be assured on the same day payment is made.

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Section 2. Any act taken in furtherance of this ordinance prior to its effective date is hereby ratified and confirmed.

Section 3. 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 25th day of June, 2001, and signed by me in open session in authentication of its passage this 25th day of June, 2001.

MARGARET PAGELER,

President of the City Council.

Approved by me this 2nd day of July, 2001.

PAUL SCHELL,

Mayor.

Filed by me this 3rd day of July, 2001.

(Seal) JUDITH E. PIPPIN,

City Clerk.

Publication ordered by JUDITH PIPPIN,
City Clerk.

Date of official publication in Daily Journal of Commerce, Seattle, July 17, 2001.

1002 (1)

CD484331/21/

Assess 98,338. Exempt \$6,938. HORN
Nelson, 364-7300. Ref 0117511. Filed on
June 29 (Ch. 7).
Nicholas John Nehmood 531-84-2722
Debra Laven Nehmood aka Debra Powell
524-98-2619, 17000 Military Rd. S, Seattle
98188. Debt \$28,235. Assets \$2,825.
Exempt \$2,826. Ruth Nelson, 364-7300. Ref
0117512. Filed on June 29 (Ch. 7).
Martha Alice Dewart aka Martha Ehen
Dworth, Martha Moore 154-34-8269,
1618 S 137th St, Mount Vernon 98273.
Debt \$38,321. Assets \$15,505. Exempt
\$5,905. Marilyn J. Allen (360) 419-9506,
Ref 0117513. Filed on June 29 (Ch. 7).
Shaun Jeffrey Dean, 524-86-9610-4920
200th St SW # A 102, Lynnwood 98036.
Debt \$169,445. Assets \$111,510. Exempt
\$27,510. Ruth Nelson, 364-7300. Ref
0117514. Filed on June 29 (Ch. 7).
Michael Gregory Jorgensen 504-98-4009,
26324 SE Summit-Landberg Rd,
Havensdale 98051. Debt \$21,302. Assets
\$17,200. Exempt \$9,600. Pro. Se. Ref
0117515. Filed on June 29 (Ch. 13).