

Ordinance No. 121926

Council Bill No. 115371

AN ORDINANCE authorizing City Light to accept funds from the Washington State Attorney General's Office to collaborate on a refund program to provide restitution back to the business consumers who paid high electricity prices during the energy crisis; authorizing the necessary agreements; and authorizing City Light to take the actions necessary to allocate the settlement funds proportionately to Commercial and Industrial customers by providing a credit on the bill of the receiving businesses.

CF No. _____

Date Introduced:	SEP - 6 2005	
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:	
9-19-05	7-0	
Date Presented to Mayor:	Date Approved:	
9-20-05	9/22/05	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
9/23/05	2 pgs	off
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Jean Godden
GODDEN

Councilmember

Committee Action:

9/12/05 DO PASS - JG, DD

9-19-05 Passed As Amended 7-0

(Absent: Rasmussen, Excused: Compton)

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

Committee: _____

(initial/date)

Law Department

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

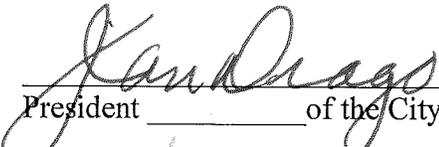
Indexed

1 Light Fund and will be used to apply credits directly to the Seattle City Light Commercial
2 customer and Industrial customer accounts determined eligible as set forth by Seattle City Light's
3 purposed methodology and approved by the AG Office.

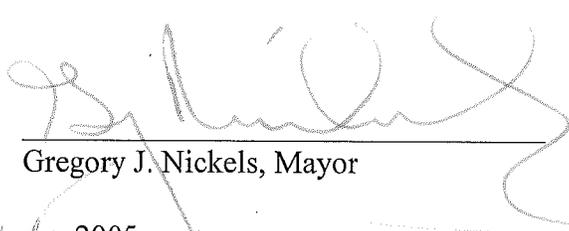
4 Section 2. Any acts consistent with the authority and prior to the effective date of this
5 ordinance are hereby ratified and confirmed.

6
7 Section 3. This ordinance shall take effect and be in force thirty (30) days from and after
8 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
9 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

10 Passed by the City Council the 19th day of September, 2005, and signed by me in
11 open session in authentication of its passage this 19th day of September, 2005.

12
13
14 
15 President _____ of the City Council

16 Approved by me this 21st day of September, 2005.

17
18 
19 Gregory J. Nickels, Mayor

20 Filed by me this 23rd day of September, 2005.

21 
22 City Clerk

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25
26
27
28 (Seal)





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

August 23, 2005

Honorable Jan Drago
President
Seattle City Council
City Hall, 2nd Floor

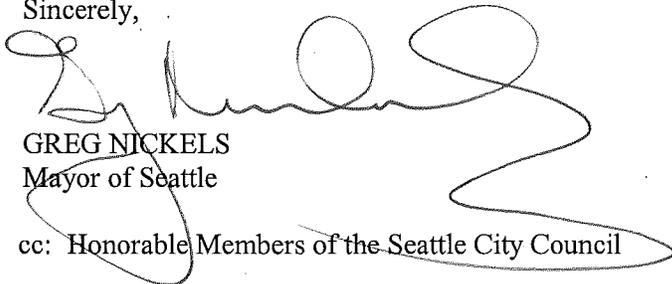
Dear Council President Drago:

I am pleased to present the attached proposed Council Bill that accepts grant funding from a restitution settlement reached by the State of Washington Attorney General and El Paso Energy. This settlement is in addition to a settlement reached earlier this year between the State of Washington Attorney General and a number of energy companies as a result of price gouging that occurred during the energy crisis in 2001. The commercial and industrial portion of the settlement is approximately \$10 million. Seattle City Light customers will receive approximately \$1,517,177 from the settlement funds, with \$1,192,000 going to its commercial customers and \$325,177 going to its industrial customers. We expect the Attorney General will award the funds in the third quarter of 2005, and intend to move quickly to distribute them as soon as they are received.

Seattle City Light plans to allocate the funds to all currently active accounts by providing a line-item credit on the bill. The credit will be based on total kilowatt-hour energy charges during the calendar year 2003, and applied to all active non-residential accounts, excluding streetlights and the Nucor Corporation (rates for Nucor and its predecessor, Birmingham Steel, were unaffected by the energy crisis). At the end of 2003, there were approximately 34,205 commercial/governmental accounts and 260 industrial accounts, which suggests that the average commercial/governmental account will receive a credit of approximately \$35, while the average industrial account credit will receive approximately \$1,250.

The grant accepted by this Council Bill will help to partially repay Seattle City Light commercial and industrial customers who were harmed as a result of the energy crisis. Should you have any questions, please feel free to contact Carol Dickinson, Account Services Director for Seattle City Light, at (206) 684-3111.

Sincerely,



GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@seattle.gov

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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Carol Dickinson 684-3111 Eyvind Westby 684-3498	Thomas Dunlap 386-9120

Legislation Title:

AN ORDINANCE authorizing City Light to accept funds from the Washington State Attorney General's Office to collaborate on a refund program to provide restitution back to the business consumers who paid high electricity prices during the energy crisis; authorizing the necessary agreements; and authorizing City Light to take the actions necessary to allocate the settlement funds proportionately to Commercial and Industrial customers by providing a credit on the bill of the receiving businesses.

• **Summary of the Legislation:**

This ordinance allows Seattle City Light, on behalf of the City of Seattle, to join the Washington State Attorney General's Office (AG Office) in a collaborative refund program. This is the second of two refunds to business customers (the first was in 1st Quarter 2005) using the original methodology approved for calculating the refund amounts. This legislation will allow for the expeditious distribution of the refunds. There is no appropriation required. Upon receipt of the funds, they will be placed in a restricted cash account in the Light Fund. When the customer accounts are credited, an adjustment will be made to transfer the funds to the operating cash account.

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

The AG Office has negotiated monetary settlements with several large energy companies, and this refund program is a result of a monetary settlement with El Paso Energy. A fund for commercial and industrial customers has been established to provide restitution for harm suffered by these customers during the energy crisis of 2000-2001. The funds available for Seattle City Light's service area are expected to be \$1,191,999.54 for Commercial customers and \$325,176.98 for Industrial customers. The total refund to Seattle City Light's Commercial and Industrial customers will be \$1,517,176.52.

To distribute these funds in the most efficient, effective, and timely manner, Seattle City Light plans to allocate funds proportionately to all currently active accounts as a labeled, line-item credit on the bill. The credit will be based on total kilowatt-hour energy charges during the calendar year 2003 and applied to all non-residential accounts excluding



streetlights and the Nucor Corporation (rates for Nucor and its predecessor, Birmingham Steel, were unaffected by the energy crisis).

At the end of 2003, Seattle City Light had approximately 34,205 commercial/governmental accounts and 260 industrial accounts. Preliminary calculations suggest that the average commercial/governmental account would receive a credit of approximately \$35, while the average industrial account credit would be about \$1,250. Funding for the credit is available from the AG Office now and will need to be processed in an expeditious manner.

- 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.)

This legislation has financial implications. (Please complete all relevant sections that follow.)

Appropriations: This table should reflect appropriations that are a direct result of this legislation. In the event that the project/ programs associated with this ordinance have appropriations that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2004 Appropriation	2005 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes:

No appropriation is necessary. When the funds are received, they will be deposited in a restricted cash account in the City Light Fund. Once the commercial/governmental and industrial accounts are credited, the funds will be transferred to City Light's operating cash account.



Anticipated Revenue/Reimbursement: Resulting From This Legislation: This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Fund Name and Number	Department	Revenue Source	2004 Revenue	2005 Revenue
Light Fund 41000	City Light	WA State Attorney General's Office	\$0	\$1,517,176.52 *
TOTAL			\$ 0	\$ 1,517,176.52

Notes: * estimated revenues from source

City Light anticipates receiving the funds in 3rd Quarter 2005 once the agreement is signed. This will be prior to actually crediting the accounts. City Light expects to credit accounts by December 31, 2005.

Total Regular Positions Created Or Abrogated Through This Legislation, Including FTE Impact: This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2004 Positions	2004 FTE	2005 Positions**	2005 FTE**
TOTAL							

* List each position separately

** 2005 positions and FTE are total 2005 position changes resulting from this legislation, not incremental changes. Therefore, under 2005, please be sure to include any continuing positions from 2004

Notes:

N/A

- **Do positions sunset in the future?** (If yes, identify sunset date):



Spending/Cash Flow: This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name and Number	Department	Budget Control Level*	2004 Expenditures	2005 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes:

We will receive the funds prior to actually showing the credit on the customer accounts. Upon receipt of the funds, they will be placed in a restricted cash account in the City Light Fund. Once the credit shows on the commercial/governmental and industrial customer accounts, the funds will be transferred to City Light's operating cash account.

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)

This legislation is necessary for Seattle City Light to sign and accept funds from the AG Office. If not approved we would be unable to accept and provide monetary restitution to our commercial/governmental and industrial customers who were harmed during the energy crisis.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.) None
- **Is the legislation subject to public hearing requirements:** (If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.) No
- **Other Issues** (including long-term implications of the legislation): None

Please list attachments to the fiscal note below:



1 Light Fund and will be used to apply credits directly to the Seattle City Light Commercial
2 customer and Industrial customer accounts determined eligible as set forth by Seattle City
3 Light's purposed methodology and approved by the AG Office.

4 Section 2. Any acts consistent with the authority and prior to the effective date of this
5 ordinance are hereby ratified and confirmed.

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7 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
8 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

9 Passed by the City Council the ____ day of _____, 200 5, and signed by me in
10 open session in authentication of its passage this ____ day of _____, 2005.

11
12
13
14 _____
15 President _____ of the City Council

16 Approved by me this ____ day of _____, 2005.

17
18 _____
19 Gregory J. Nickels, Mayor

20 Filed by me this ____ day of _____, 2005.

21 _____
22 City Clerk

23 (Seal)



STATE OF WASHINGTON - KING COUNTY

--SS.

190480
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.

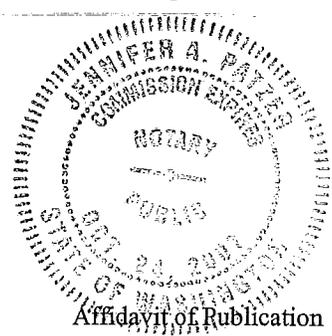
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121916,920-121930

was published on

10/03/05

The amount of the fee charged for the foregoing publication is the sum of \$ 145.75, which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

10/03/05

[Handwritten signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on September 19, 2005, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121930

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

ORDINANCE NO. 121929

AN ORDINANCE relating to security from terrorism; reducing appropriations in the 2005 Budgets of the Police Department, City Light, the Department of Planning and Development, Seattle Public Utilities, the Department of Information Technology, and the Seattle Department of Transportation; and reappropriating that money to the Fleets & Facilities Department, Seattle Center, and the Fire Department.

ORDINANCE NO. 121928

AN ORDINANCE relating to the acquisition and management of real property and property interests on the Cedar River below Landsburg Dam, in King County; authorizing Seattle Public Utilities to acquire specified properties or conservation easements and to accept applicable deeds; authorizing Seattle Public Utilities to enter into an agreement with Cascade Land Conservancy for land acquisition and management services; and authorizing Seattle Public Utilities to convey easements or stewardship assignments in connection with the Conservancy's management responsibilities.

ORDINANCE NO. 121927

AN ORDINANCE removing a budget proviso that restricted an appropriation in the Department of Information Technology's 2005 budget.

ORDINANCE NO. 121926

AN ORDINANCE authorizing City Light to accept funds from the Washington State Attorney General's Office to collaborate on a refund program to provide restitution back to the business consumers who paid high electricity prices during the energy crisis; authorizing the necessary agreements; and authorizing City Light to take the actions necessary to allocate the settlement funds proportionately to Commercial and Industrial customers by providing a credit on the bill of the receiving businesses.

ORDINANCE NO. 121924

AN ORDINANCE revising a budget proviso that had restricted spending on the Arterial Asphalt and Concrete Program; authorizing the Director of Transportation to enter into interlocal funding agreements with the Cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, and Yarrow Point; authorizing the Director of Transportation to enter into interlocal funding agreements with the Washington State Department of Transportation (WSDOT) and the deposit of funds to be received; contingently increasing an appropriation to the Seattle Department of Transportation; and amending the 2005-2010 Capital Improvement Program.

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ORDINANCE NO. 121922

AN ORDINANCE relating to the City Light Department, accepting various easements for overhead and underground electrical distribution rights in King County, Washington; and placing said easements under the jurisdiction of the City Light Department.

ORDINANCE NO. 121921

AN ORDINANCE related to Seattle City Light's Security Improvements Project, removing a restriction that prohibits spending of Seattle City Light's Finance and Administration CIP Budget Control Level appropriation in the 2005 Adopted Budget on that project.

ORDINANCE NO. 121920

AN ORDINANCE relating to the City Light Department; authorizing the acceptance of deeds to two properties in Skagit County, Washington, and authorizing the grant of a Conservation Easement on one of said properties to Skagit Land Trust, all for salmonid habitat protection purposes.

ORDINANCE NO. 121916

AN ORDINANCE relating to Seattle Public Utilities' security from terrorism; authorizing that department to accept grants from the State of Washington and King County for security improvements to certain City water system facilities and for creation of a regional contaminant response team; amending the 2005-2010 Adopted Capital Improvement Program with respect to such projects, and increasing that department's 2005 Adopted Budget by making appropriations reimbursable with grant funds.

Publication ordered by JUDITH PIPPIN,
City Clerk
Date of publication in the Seattle Daily
Journal of Commerce, October 3, 2005.
10/3(190480)