

Ordinance No. 123125

Council Bill No. 116666

AN ORDINANCE relating to the City Light Department; amending Seattle Municipal Code Chapter 21.49 to add a new section establishing and setting rates, terms and conditions for an open access transmission tariff ("OATT"), authorizing the Superintendent of City Light or his designee to implement and administer the OATT, and ratifying and confirming prior acts.

1 of 2

CF No. _____

Date Introduced:	<u>9.28.09</u>	
Date 1st Referred:	To: (committee) <u>Energy & Technology</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor:	Date Approved: <u>10.6.09</u> <u>10.8.09</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Hunsell

Councilmember

Committee Action:

9-30-09 **PASSED** BH, JG, RC

10-5-09 Passed

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
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AN ORDINANCE relating to the City Light Department; amending Seattle Municipal Code Chapter 21.49 to add a new section establishing and setting rates, terms and conditions for an open access transmission tariff ("OATT"), authorizing the Superintendent of City Light or his designee to implement and administer the OATT, and ratifying and confirming prior acts.

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Date Vetoed by Mayor:		Date Veto Published: _____
Date Passed Over Veto:		Veto Sustained: _____

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce A. Hewell
Councilmember

Committee Action:

09-30-09 PASSED BH, JG, RC

10-5-09 Passed 9-0

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 The Department shall offer an open access transmission tariff (“OATT”). Due to the excessive
2 length of the OATT, it is not printed herein. However, a copy of the OATT, including its
3 Schedules 1 through 9, Attachments A through L, and Generator Interconnection Procedures and
4 Agreements, is available at the Seattle City Clerk’s Office and can also be found on Seattle City
5 Light’s public web page.

6
7 Section 2. The Tariff, Schedules, Attachments and associated interconnection procedures
8 and agreements authorized by this ordinance are attached as Attachment 1. The Superintendent
9 of Seattle City Light, or his designee, shall implement and administer this tariff and the OATT
10 shall only be available for service to Eligible Customers defined by the Federal Power Act as
11 follows: an electric utility, Federal power marketing agency, or person generating and selling
12 electric energy for resale by an electric utility.

13
14 Section 3. Any act pursuant to the authority and prior to the effective date of this
15 ordinance is hereby ratified and confirmed.

16
17 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after
18 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days
19 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.



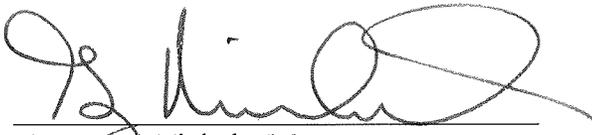
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Passed by the City Council the 5th day of October, 2009, and
signed by me in open session in authentication of its passage this
5th day of October, 2009.



President of the City Council

Approved by me this 8th day of October, 2009.



Gregory J. Nickels, Mayor

Filed by me this 8th day of October, 2009.



City Clerk

(Seal)

Attachment 1: Seattle City Light Department Open Access Transmission Tariff



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
City Light	Pamela Johnson (4-3718)	Karl Stickel (4-8085)

Legislation Title: AN ORDINANCE authorizing the Seattle City Light Superintendent to issue and administer an open access transmission tariff (OATT).

• **Summary of the Legislation:**

In this legislation, SCL proposes to issue and administer a new service tariff allowing SCL to provide transmission service within or through the SCL service area to eligible, wholesale customers.

- SCL's Open Access Transmission Tariff (OATT) responds to Federal statutes, and commitments made to FERC after passage of the Energy Policy Act of 2005.
- The OATT effort provides a basis for responding to inquiries from parties interested in interconnecting generators to SCL's transmission system, and obtaining transmission services from SCL.
- OATT service is only offered to Eligible Customers as defined by the Federal Power Act – it is not a retail wheeling tariff.
- OATT rates are based on revenue requirements developed for other classes of service provided by SCL to ensure comparability and cost recovery.
- Until a bona-fide Eligible Customer requests OATT service, staff action under the tariff is minimal.

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

Following Energy Policy Act of 2005, Seattle City Light ("SCL") – through its participation in the Large Public Power Council ("LPPC") – committed to provide open access transmission service using a tariff developed in accordance with the LPPC Comparability Guidelines. This commitment states that the OATT will be: developed in open process, posted on the SCL website, and approved by local governing/regulatory body. By making this commitment, FERC refrained from imposing mandatory transmission tariff filing requirements on publicly-owned electric utilities.

SCL's T&D planning group hired a consultant to develop the OATT, and retained outside counsel to review the draft OATT for consistency with the LPPC commitment. Staff from T&D planning, system control center, power management, financial planning and the city attorney participated in developing and reviewing the draft tariff, including associated transmission service agreements, methodologies, policies and rate schedules, as well as generator interconnection procedures and agreements. A public notice and hearing invited comments on the draft tariff which resulted in no changes to the draft tariff. Documents related to this public



hearing are posted at <http://www.seattle.gov/light/news> under Notices, Announcements and Information dated 6/2/2008.

The tariff package for inclusion in the ordinance consists of: general tariff provisions, service agreement templates, procedures and methodologies for tariff administration processes, and service schedules that include rates developed for SCL. Most of these documents are based on the FERC Order 890 pro forma transmission tariff with changes to reflect City of Seattle jurisdiction over SCL tariffs and interconnection procedures. SCL expects that from time-to-time, the tariff, rates, contract templates, methodologies and business practices governing tariff administration will need to be revised to reflect new regulations, industry standards, and changing costs.

- 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 had, or will have, appropriations in other legislation please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2008 Appropriation	2009 Anticipated Appropriation
N/A				
TOTAL				

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

Notes:

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	2008 Revenue	2009 Revenue
			0	0
TOTAL				

Notes:

Customers making requests for interconnection and/or transmission service under the tariff are



required to post interest-bearing deposits that are used to reimburse SCL for expenses related to processing such requests. At this time, there are no pending requests or deposits associated with service under this tariff.

- Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: "0"

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 & #	Department	Budget Control Level*	2008 Expenditures	2009 Anticipated Expenditures
TOTAL				

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

Notes:

- **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 mitigates risk associated with Federal Power Act compliance and provides an orderly process for addressing legitimate requests for transmission service. Failure to timely respond to transmission service and/or interconnection requests may result in litigation and payment of liquidated damages.

- **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.)*

The current approach for complying with FERC OATT requirements is based on rapid development of a bilateral transmission service contract in lieu of a generally applicable tariff. In light of new Federal Power Act requirements and associated North American and regional standards, the complexity of the current approach is untenable in the long-run.

- **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?)*

A public hearing was conducted June 19, 2008, soliciting comments. No comments were



received. SCL representatives conducted outreach to the community of Eligible Customers during the period between July and October 2008.

- **Other Issues** (*including long-term implications of the legislation*):

The OATT activity is closely related to other national and regional transmission forums affecting SCL. Taking this proactive measure to address possible requests for transmission service will position City Light to expeditiously perform its responsibilities under the Federal Power Act.

Please list attachments to the fiscal note below:

1. No attachments to the Fiscal Note.





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 15, 2009

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

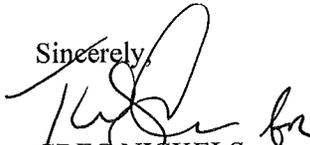
Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill authorizing the City Light Superintendent to issue and administer an Open Access Transmission Tariff (OATT). The OATT sets forth the rates and conditions under which eligible customers can request use of City Light transmission facilities. Adoption of such tariffs is encouraged by federal policy to promote access to interstate transmission and further supports development of large scale renewable projects that rely on such facilities.

Under existing statutes, Section 211A of the Federal Power Act could be invoked by an Eligible Customer to compel transmission service from City Light subject to a 60-day period for preparing a response. At this time, there are no Eligible Customers (from the perspective of FERC regulation) requesting or taking transmission service from City Light. This tariff prepares City Light to respond to such requests under the Federal Power Act.

Thank you for your consideration of this legislation. Should you have questions, please contact Pamela Johnson, Acting Customer Service and Energy Delivery Officer, at (206) 684-3718.

Sincerely,



GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



[Clerk's Note: This page was inserted by the City Clerk after filing for electronic display only. All files linked from this page are PDF documents requiring Adobe Acrobat or an equivalent program to view.]

Attachment 1 to Ordinance 123125

[Attachment 1](#) (9.9 MB)

Attachment 1, Exhibits A-F:

[Exhibit A](#) (1.2 MB)

[Exhibit B](#) (.8 MB)

[Exhibit C](#) (4.4 MB)

[Exhibit D](#) 3.1 MB)

[Exhibit E](#) (7.5 MB)

[Exhibit F](#) (9.9 MB)

STATE OF WASHINGTON – KING COUNTY

--SS.

245937
CITY OF SEATTLE, CLERKS OFFICE

No.

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.

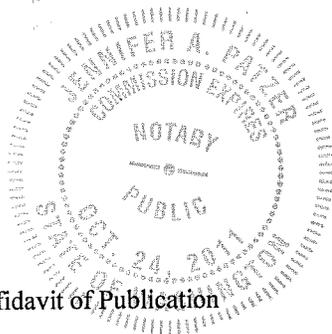
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123125 ORDINANCE

was published on

10/14/09

The amount of the fee charged for the foregoing publication is the sum of \$ 141.50, which amount has been paid in full.



Affidavit of Publication

Handwritten signature of Daniel Colaskey

Subscribed and sworn to before me on

10/14/09

Handwritten signature of Notary Public

Notary public for the State of Washington,
residing in Seattle

City of Seattle

ORDINANCE 123125

AN ORDINANCE relating to the City Light Department; amending Seattle Municipal Code Chapter 21.49 to add a new section establishing and setting rates, terms and conditions for an open access transmission tariff ("OATT"), authorizing the Superintendent of City Light or his designee to implement and administer the OATT, and ratifying and confirming prior acts.

WHEREAS, Under section 211(a) of the Federal Power Act, as amended and added to by the Energy Policy Act of 1992, the Federal Energy and Regulatory Commission ("FERC") may issue an order requiring the City Light Department ("City Light"), as a transmitting utility, to provide transmission services (including any enlargement of transmission capacity necessary to provide such services) to an Eligible Customer; and

WHEREAS, City Light has committed to voluntarily provide transmission service to Eligible Customers since passage of the Energy Policy Act of 1992; and

WHEREAS, City Light supports federal policies regarding open access to the interstate transmission system; and

WHEREAS, electric generators producing power for resale may request interconnection to the Seattle City Light transmission system; and

WHEREAS, development of large-scale renewable energy projects may result in requests for transmission service under the proposed tariff; and

WHEREAS, the proposed open access transmission tariff will provide comparable terms, conditions and pricing to services provided other City Light customers,

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code, Chapter 21.49 is amended to add a new section, Section 21.49.125, to read as follows:

21.49.125 Open Access Transmission Tariff, Rates and Interconnection Procedures.

The Department shall offer an open access transmission tariff ("OATT"). Due to the excessive length of the OATT, it is not printed herein. However, a copy of the OATT, including its Schedules 1 through 9, Attachments A through L, and Generator Interconnection Procedures and Agreements, is available at the Seattle City Clerk's Office and can also be found on Seattle City Light's public web page.

Section 2. The Tariff, Schedules, Attachments and associated interconnection procedures and agreements authorized by this ordinance are attached as Attachment 1. The Superintendent of Seattle City Light, or his designee, shall implement and administer this tariff and the OATT shall only be available for service to Eligible Customers defined by the Federal Power Act as follows: an electric utility, Federal power marketing agency, or person generating and selling electric energy for resale by an electric utility.

Section 3. Any act pursuant to the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 4. 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 5th day of October, 2009, and signed by me in open session in authentication of its passage this 5th day of October, 2009.

Richard Conlin

President of the City Council

Approved by me this 8th day of October, 2009.

Gregory J. Nickels, Mayor

Filed by me this 8th day of October, 2009.

Attachment 1: Seattle City Light Department Open Access Transmission Tariff

See City Clerk for Attachment

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, October 14, 2009.

10/14(245937)

State of Washington, King County