

2011 - 2012 Seattle City Council Green Sheet

Ready for Notebook

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14	1	A	2

Budget Action Title: Reduce City Light's retail revenue in 2011 by \$13.9 million to reflect lifting the surcharge; reduce tax payments to the GSF by \$834,700 and GSF appropriation for streetlights by \$264,847 accordingly

Councilmembers: Conlin; Harrell; Licata

Staff Analyst: Tony Kilduff

Council Bill or Resolution:

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

Summary of Dollar Effect

See the following pages for detailed technical information

	2011 Increase (Decrease)	2012 Increase (Decrease)
General Subfund		
<i>General Subfund Revenues</i>	(\$834,700)	\$0
<i>General Subfund Expenditures</i>	(\$264,847)	\$0
<i>Net Balance Effect</i>	(\$569,853)	\$0
Other Funds		
<i>City Light Fund</i>		
<i>Revenues</i>	(\$13,911,000)	\$0
<i>Expenditures</i>	(\$834,700)	\$0
<i>Net Balance Effect</i>	(\$13,076,300)	\$0
<i>Total Other Funds</i>	(\$13,076,300)	\$0
Total Budget Balance Effect	(\$13,646,153)	\$0

Budget Action description:

This green sheet would reduce City Light's retail revenue by \$13.9 million in 2011 reflecting lifting the 4.5% current rate surcharge on January 1, 2011, instead of August 1, 2011 as assumed in the Proposed Budget. It reduces utility tax payments to the GSF by \$834,700 and GSF appropriation for streetlights by \$264,847 accordingly.

The net effect of the reduction in tax revenue and the reduction in streetlight costs is to reduce the GSF by \$569,853 in 2011.

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The rate surcharge was put in place in May, 2010 to help fund the utility's newly created Rate Stabilization Account. The surcharge is to be lifted once the Account reaches a balance of \$100 million. The 2011-2012 Proposed Budget assumes the surcharge would remain in place until mid-2011. However, City Light now believes it will be possible for it to lift the surcharge starting January 1, 2011.

By construction, the revenue generated by the surcharge is not available to City Light to cover operating expenses except under very specific conditions, and was therefore not reflected in its appropriation authority.

Although current financial conditions allow City Light to lift the surcharge by January 1, receipts of net wholesale revenue in 2011, relative to the amount assumed in the budget, will determine whether it will be re-imposed, and if so, at what level.

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Budget Action Transactions

Budget Action Title: Reduce City Light's retail revenue in 2011 by \$13.9 million to reflect lifting the surcharge; reduce tax payments to the GSF by \$834,700 and GSF appropriation for streetlights by \$264,847 accordingly

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Reduce retail revenue from lifting 4.5% surcharge in January				SCL	Energy Sales to Customers	443310	41000	2011	(\$13,911,000)	
2	Reduce appropriation for tax payments				SCL	Taxes	SCL820	41000	2011		(\$834,700)
3	Increase transfers from Light Fund to balance				SCL	Transfers from Construction Fund	379100	41000	2011	(\$13,076,300)	
4	Reduce GSF revenue reflecting lower City Light tax payments				GSF	Utilities Business Tax - City Light (100%)	516410	00100	2011	(\$834,700)	
5	Reduce appropriation for streetlights reflecting lower City Light rates				FG	Reserves	2QD00	00100	2011		(\$264,847)