



Burien Franchise Agreement

Seattle City Council Energy Committee

September 10, 2014



Background

- 15 year Franchise Agreement
 - grants SCL a non-exclusive franchise to operate within Burien's right-of-way
 - establishes terms and conditions to work together on a variety of related issues, including rates as established by Seattle City Council, fees, and operational requirements
- Current Agreement expired August 1, 2014
- Burien City Council approved new agreement July 21, 2014, pending Seattle City Council's acceptance

Background

- Have been negotiating new terms and conditions since January 2013
 - Met with all franchise cities to understand what is working, as well as areas for improvement
 - Solicited input and expertise from internal SCL subject matter experts on terms and conditions
- Goal of agreement to maintain consistency with Strategic Plan and provide ratepayers with outstanding service
- Burien and SCL have reached agreement on a new 15 year Franchise Agreement

New Agreement

Terms Negotiated Include

Relocation of System Facilities and
Undergrounding

Right-of-Way Management

Contract Fees

Street Lighting

Indemnification

Some Areas of Improvement

Clarifies definitions

Establishes notification requirements
for public projects

References all regulatory agencies to
which SCL is accountable

SCL has active participation in
vegetation management standards

Removes language that is no longer
relevant to the Agreement

Undergrounding

- Burien residents are SCL or PSE electric customers
- Burien requested a consistent approach to undergrounding cost allocations for all residents
- Past Practice for SCL undergrounding
 - Full cost of electrical undergrounding has been financed by SCL and is paid back over 25 years by Burien customers through a line item on their bill
 - Burien has 2 completed projects that are being paid by SCL ratepayers in Burien

Undergrounding – Proposed

- Burien pays 100% primary project costs, including excavation and restoration
- Burien pays 40% civil and electrical system costs
- SCL pays 60% civil and electrical system costs
- All projects require separate negotiated agreement
- Only applies to Public Projects in their right-of-way

Undergrounding – Advantages/Disadvantages

Advantages

- SCL will no longer finance underground projects
- Easier to administer for SCL
- High percentage funded directly by Burien including 100% of primary project, excavation and restoration costs
- Retains SCL bonding authority for SCL projects

Disadvantages

- Currently, SCL ratepayers get costs back after 25 years; under proposed, SCL's share spread across all ratepayers