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Sandi Fukumoto
SCL Burien Franchise Agreement ORD
July 8, 2014
Version #1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118192

AN ORDINANCE relating to the City Light Department, approving a fifteen-year franchise to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way in the City of Burien.

WHEREAS Seattle City Light is authorized to construct, operate, maintain, replace and repair its electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way in the City of Burien under a franchise granted by the City of Burien Ordinance 247 and accepted by the City of Seattle by Ordinance 119348, through January 31, 2014; and

WHEREAS this franchise was extended through July 31, 2014 by City of Burien Ordinance 595 and City of Seattle Ordinance 124355 to allow time for continued negotiations; and

WHEREAS, representatives of Seattle City Light and the City of Burien have been meeting on a regular basis to come to agreement on the terms of a new long-term franchise; and

WHEREAS, comprehensive terms of such a long-term franchise have been agreed upon which are acceptable to both the City of Seattle and the City of Burien; NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City of Seattle hereby approves a franchise for the operation of an electric light and power system by Seattle City Light in the City of Burien substantially in the form of Ordinance No. 605 of the City of Burien, a copy of which is attached to this ordinance. The General Manager of the City Light Department is authorized to accept the franchise on Seattle's behalf.

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Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its passage this _____ day of _____, 2014.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2014.

_____

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: CITY OF BURIEN ORDINANCE NO. 605

ORDINANCE NO. 605

AN ORDINANCE OF THE CITY OF BURIEN, WASHINGTON, ("CITY") GRANTING THE CITY OF SEATTLE, BY AND THROUGH ITS CITY LIGHT DEPARTMENT ("SEATTLE CITY LIGHT"), A MUNICIPAL CORPORATION, A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR AN ELECTRIC UTILITY SYSTEM, OVER, ALONG, UNDER, AND THROUGH DESIGNATED PUBLIC RIGHTS-OF-WAY IN THE CITY OF BURIEN, WASHINGTON

WHEREAS, RCW 35A.11.020 grants the City broad authority to regulate the use of the public Right-of-way; and

WHEREAS, RCW 35A.47.040 authorizes the City "to grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for ... poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy ..."; and

WHEREAS, RCW 43.09.210, the State Accountancy Act, requires payment for services rendered to be paid at its true and full value to avoid any perception that a financial benefit has been conferred; and

WHEREAS, the Washington State Constitution prohibits municipal corporations from gifting money or property, or to loan its money or credit with the exception of support for the poor and infirm, and residential energy conservation; and

WHEREAS, Seattle City Light and the City of Burien entered into a Franchise Agreement on January 1, 1999 with a term of 15 years, with an extension effective through July 31, 2014; and

WHEREAS, Seattle City Light will endeavor to achieve generally consistent terms and conditions with all jurisdictions within the Seattle City Light service territory; and

WHEREAS, the Council finds that it is in the best interests of the health, safety and welfare of the residents of the Burien community to continue to grant a non-exclusive franchise to Seattle City Light for the operation of an electric utility system within the City Right-of-way;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON, DOES ORDAIN AS FOLLOWS:

1. **Definitions.** The following terms contained herein, unless otherwise indicated, shall be defined as follows:

   1.1. Abandoned Facilities: Facilities in the City's Right-of-way that SCL has designated as abandoned or have not been used by SCL and/or other third party utility service providers for more than 180 Days.

1.2. City: The City of Burien, a municipal corporation of the State of Washington, specifically including all areas incorporated therein as of the effective date of this ordinance and any other areas later added thereto by annexation or other means.

1.3. Days: Calendar days.

1.4. Director: The Public Works Department Director or his or her designee.

1.5. Facilities: All wires, lines, cables, conduits, equipment, and supporting structures, including utility poles, located in the City's Right-of-way, utilized, owned or co-owned by SCL associated with activities authorized by this Agreement.

1.6. Major Relocation Project: A Public Project greater than 500 linear feet in distance.

1.7. Minor Relocation Project: A Public Project 500 linear feet or less in distance.

1.8. Permitting Authority: The head of the City department authorized to process and grant permits required to perform work in the City's Right-of-way, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.

1.9. Person: An entity or natural person.

1.10. Power Distribution Infrastructure: Facilities owned and operated by Seattle City Light, up to and including 26,000 volt distribution lines.

1.11. Primary Project Costs: All costs associated with Project for providing the path for the utility infrastructure, including, but not limited to design, project management and construction management, trench and vault excavation and backfill, and repaving, resurfacing, installation and restoration of hard surfaces, including all labor, materials, tools, and equipment.

1.12. Private Property Infrastructure: The underground infrastructure, including the service lines to be located on private property that is necessary for SCL to complete an underground service connection to the private property. Private Property Infrastructure is not the responsibility of SCL.

1.13. Project Management Costs: Labor time, equipment and materials costs internal to each party directly related to management of Public Projects.

1.14. Public Project: City-initiated capital improvement project in the City Right-of-way, including, but not limited to, roadway improvement, multi-modal transportation, stormwater improvement, and pedestrian improvement projects listed in the City's Capital Improvement Plan or Transportation Improvement Plan, or a Minor Relocation Project not included in the City's Capital Improvement Plan.

1.15. Rate Differential: The difference in the rate charged by SCL to customers within the City of Seattle and the rate charged by SCL to customers in the City, not including any utility tax that may be permitted by state law and levied by the City.

1.16. Relocation: Moving above grade facilities to another above grade location (overhead to overhead relocation) and below grade facilities to another below grade location (underground to underground relocation).

1.17. Revenue: This term as used herein shall have the same meaning as utilized by the City of Seattle in calculating the amount of utility tax payable by SCL to the City of Seattle for revenue derived from SCL customers in the City.

1.18. Right-of-way: As used herein shall refer to the surface of and the space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement, and/or road Right-of-way now or hereafter held or administered by the City of Burien.

1.19. SCL: Seattle City Light, an electric utility owned and operated by the City of Seattle and its respective successors and assigns.

1.20. SCL Civil Infrastructure Engineering Standards: The most current engineering guidelines, construction guidelines, materials standards, and engineering operations and practices adopted by SCL that govern the design, location, alignment, depth, materials, and engineering specifications determined by SCL in its sole discretion that apply to Civil Infrastructure associated with SCL Facilities.

1.21. Underground Civil Infrastructure: SCL's underground infrastructure necessary to contain, facilitate, and operate SCL's Underground Electrical System, including but not limited to conduit, ducts, duct banks, vaults, handholes, casing, and other non-energized electrical facilities.

1.22. Underground Electrical System: SCL's underground electrical distribution system and underground service lines, including but not limited to cables, connections, terminations, transformers, switches, and associated components.

1.23. Undergrounding: The process of placing electrical power distribution circuitry and support structures below finished grade (lot, sidewalk, or street, as appropriate).

2. Franchise Granted.

2.1. Pursuant to RCW 35A.47.040, the City hereby grants to SCL, its heirs, successors, and assigns, subject to the terms and conditions hereinafter set forth, a franchise beginning on the effective date of this Ordinance.

2.2. This Agreement shall grant SCL the right, privilege and authority, subject to the terms and conditions hereinafter set forth, to construct, operate, maintain, replace, and use all necessary equipment and facilities for an electric utility system, in, under, on, across, over, through, along or below the public Right-of-way located in the City of Burien, as approved under City permits issued by the Permitting Authority pursuant to this Agreement and City ordinances.

2.3. This Agreement shall not abridge, terminate or supersede any real property rights, including but not limited to fee ownership, easements, or rights or privileges for use of real property pursuant to any existing license or permit that SCL may hold for use or occupancy of the City Right-of-way or other City property.

2.4. This Agreement is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any Right-of-way. Such franchise shall in no way prevent or prohibit the City from using any Right-of-way or other City property or affect its jurisdiction over them or any part of them, and the City shall retain the authority to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of the same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of all new Rights-of-way or other public properties of every type and description.

3. Franchise Term. The term of this Agreement granted hereunder shall be for the period of fifteen (15) years counted from January 1, 2015.

4. Consideration. The City and SCL recognize that the City has the authority under state law to establish its own municipal electric utility, and the authority to acquire SCL electric distribution properties in the City for that purpose.

4.1. In consideration for the City agreeing not to exercise such authority during the term of this franchise, the City and SCL agree to the following:

4.1.1 Subject to the City's right to change the Rate Differential, SCL shall pay the City four percent (4%) of the total amount of revenue derived from SCL service to customers in the City.

4.1.2 SCL shall add a six percent (6%) Rate Differential to the base rates established for SCL customers within the City compared to the base rates charged to SCL customers within the City of Seattle. The rates from which the Rate Differential is calculated in the City shall be subject to the rate review process by the Seattle City Council, and subject to approval by Seattle City Council ordinance. However, the Rate Differential percentage shall not be affected by a change in the base rates.

4.1.3 During the term of this Franchise, and upon one year advance written notice to SCL, the City may elect to change the Rate Differential established in 4.1.2. above from six percent (6%) to eight percent (8%). In that event, and beginning upon the effective date of the Rate Differential change, SCL shall increase its payments to the City as defined in Section 4.1.1 above to six percent (6%) of the amount of revenue derived from SCL service to customers in the City.

4.1.4 Within a reasonable time of the City's written request, SCL shall provide the City with a good faith estimate and supporting information of the likely impact to SCL customer rates in the City, should the City consider changing the Rate Differential from the one currently in place, as provided by Section 4.1.3. above.

4.1.5 The Mayor of Seattle shall appoint a member nominated by the City and other suburban cities to the Seattle City Light Review Panel who will represent the interests of suburban cities served in whole or in part by SCL.

4.2. Should the City of Seattle be prevented by judicial or legislative action from collecting a utility tax on all or a part of the revenues derived by SCL from customers

in the City, SCL shall reduce the payments to the City provided in Subsection 4.1.1 above by an equivalent amount.

4.3. Should a court of competent jurisdiction declare the consideration to be paid to the City in Subsection 4.1.1 above invalid, in whole or in part, or should a change in law make the consideration to be paid to the City in Subsection 4.1.1 above invalid, in whole or in part, this entire Agreement may be terminated by the City at any time thereafter upon 180 days written notice. During such notice period, however, SCL and the City shall attempt to agree upon acceptable, substitute provisions.

4.4. Payments by SCL to the City provided for under this Subsection 4.1 shall be paid monthly within 30 days following the end of each calendar month. A statement showing the total amount of revenue derived from SCL service to customers in the City and the total calculated amount of Rate Differential paid by customers in the City shall be included with each payment.

4.5 Should the City, following a public hearing and approval by the Burien City Council, levy a utility tax on SCL that is permitted by and complies with state law, SCL may, in its sole discretion, add said utility tax to the monthly bills of its customers within the City as a separate line item. Any utility tax levied by the City on SCL shall not be part of the Rate Differential as defined in this Agreement.

5. City Ordinances and Regulations.

5.1 Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of this franchise, including any reasonable ordinance made in the exercise of its police powers in the interest of public safety and for the welfare of the public. The City shall have the authority at all times to control, by appropriate regulations, the location, elevation, and manner of construction and maintenance of any facilities of SCL located within the City Right-of-way. SCL shall promptly conform with all such regulations, unless compliance would cause SCL to violate other requirements of local, state or federal law, or industry codes or standards for the safe installation, maintenance and operation of its Facilities, including but not limited to regulations specified by the American National Standards Institute (ANSI), the North American Electrical Reliability Corporation (NERC), the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and written and duly executed SCL policies and procedures.

5.2 The City is obligated to promptly inform SCL of any expected or proposed changes to codes or ordinances that may impact any terms or conditions of this Agreement within a reasonable time prior to adoption.

6. Right-of-Way Management.

6.1. Excavation, Permits and Notice of Entry.

6.1.1 During any period of relocation or maintenance, all surface structures, if any, shall be erected and used in such places and positions within the Right-of-way so as to interfere as little as possible with the safe and unobstructed passage of traffic and the unobstructed use of property adjoining the Right-of-way. SCL shall at all

times post and maintain proper traffic controls and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or state law, including RCW 39.04.180, for the construction of trench safety systems.

6.1.2 Public Right-of-Way Permits. Prior to performing any work in the City's Right-of-way for the purpose of installation, construction, repair, testing, maintenance or relocation of its facilities, SCL shall first apply for and obtain from the City appropriate permit(s) in accordance with the City's ordinances and regulations requiring permits to perform work or operate in the Right-of-way. SCL shall provide the City with plans, maps, and information showing the proposed and final location(s) of any facilities in accordance with Subsection 6.8 of this Agreement. Notwithstanding Subsection 6.1.4, SCL shall not commence any such work within City's Right-of-way without a permit.

The City shall endeavor to grant SCL all permits, rights of entry, and rights and permissions necessary to perform the work, in a timely, expeditious and consistent manner, but in no event more than 30 days from the date SCL submits a complete application for such permit or right-of-entry.

6.1.3. During the progress of the work, SCL shall not unnecessarily obstruct the passage or use of the Right-of-way.

6.1.4 Emergency Work, Permit Waiver. In the event of any emergency where any facilities located in the Right-of-way are broken or damaged, or if SCL's construction area for their facilities is in such a condition as to place the health or safety of any person or property in imminent danger, SCL shall immediately take any necessary emergency measures to repair or remove its facilities without first applying for and obtaining a permit as required by this Agreement. During normal work hours, SCL however, shall verbally notify the Director as soon as possible after the event of the need to perform emergency repairs. This emergency provision shall not relieve SCL from later obtaining any necessary permits for the emergency work. SCL shall apply for the required permits the next business day following the emergency work or as soon as practical.

6.1.5 Private Property Rights of Entry. On behalf of SCL, the City shall be responsible for obtaining all rights of entry, including permits, construction easements or temporary construction easements for any work SCL is required to perform on private property in connection with any City-initiated Right-of-way, street improvement, or Public Project.

6.1.5.1 SCL shall make a good faith effort to comply with the property owner/resident's preferences, if any, regarding the location or placement of underground facilities consistent with sound engineering practices, the City Code and City Road Design and Construction Standards.

6.1.6 Notice of Entry. At least ten (10) days prior to its intended construction of facilities, SCL shall inform all residents and property owners in the immediately affected area, that a construction project will commence, the dates and nature of

the project, and provide a toll-free or local number which the resident may call for further information. A pre-printed door hanger may be used for this purpose.

6.1.7 At least twenty-four (24) hours prior to entering Right-of-way adjacent to or on private property to perform the installation, maintenance, repair, reconstruction, or removal of facilities, except those activities exempted from permit requirements in accord with Subsection 6.1 of this Agreement, a written notice describing the nature and location of the work to be performed shall be physically posted upon the affected private property by SCL.

6.2 Abandonment of SCL's Facilities.

6.2.1 SCL will not permit new third party users to use its Facilities without certification that said third party users have a franchise or other permission to operate in the City.

6.2.2 SCL shall not have any Abandoned Facilities in the Right-of-way without the prior written consent of the Director. As needed, but no more than twice annually, SCL shall provide the City with written notice identifying Facilities that SCL will designate as abandoned or will likely become Abandoned Facilities due to non-use, prior to the Facilities being Abandoned, along with a reasonable plan for removal of such Facilities. The removal plan shall also include the removal of utility improvements, equipment, or lines attached to SCL's Facilities. All necessary permits must be obtained prior to such removal work, which will be granted in an expeditious manner by the City.

6.2.3 The City may request in writing that SCL provide a determination as to whether certain Facilities are Abandoned Facilities. SCL shall provide written notice to the City of its determination within thirty (30) Days of the City's request.

6.3. Restoration After Construction.

6.3.1 Except as may be provided for in a separate project relocation or undergrounding agreement between the City and SCL, SCL shall, after any abandonment, installation, construction, relocation, maintenance, or repair of facilities within the franchise area, restore the Right-of-way to at least the same condition it was in immediately prior to any such abandonment, installation, construction, relocation, maintenance or repair. All concrete encased monuments which have been disturbed or displaced by such work shall be restored pursuant to all federal, state and local standards and specifications. SCL agrees to promptly complete all restoration work and to promptly repair any damage caused by such work at its sole cost and expense.

6.3.2 If it is determined that SCL has failed to restore the Right-of-way in accordance with this Section, the City shall provide SCL with written notice including a description of actions the City believes necessary to restore the Right-of-way. If the Right-of-way is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Right-

of-way. SCL is responsible for all costs and expenses incurred by the City in restoring the Right-of-way in accordance with this Section.

6.4. City License and Bonding Requirements. SCL, as a public agency, is not required to comply with the City's standard bonding requirement for working in the City's Right-of-way. The issuance of this Franchise shall meet any and all requirements for SCL to procure a City Business License to operate, maintain, or provide other utility services within the City's jurisdiction. To the extent required by City code for issuance of a street use permit, SCL's contractors and agents are required to procure a City Business License and comply with the City's standard bonding requirements.

6.5. Safety.

6.5.1 SCL, in accordance with applicable federal, state, and local safety rules and regulations shall, at all times, employ ordinary care in the installation, maintenance, and repair utilizing methods and devices commonly accepted in its industry of operation to prevent failures and accidents that are likely to cause damage, injury, or nuisance to persons or property.

6.5.2 All of SCL's facilities in the Right-of-way shall be constructed and maintained in a safe and operational condition.

6.6. Dangerous Conditions, Authority for City to Abate.

6.6.1 Whenever Facilities or the operations of SCL cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the adjoining Right-of-way, public or private property, the Director may direct SCL, at no charge or expense to the City, to take actions to resolve the condition or remove the endangerment, with all necessary permits and authority granted by the City in an expeditious manner. Such directive may include compliance within a prescribed time period.

6.6.2 In the event SCL fails or refuses to promptly take the directed action or fails to fully comply with such direction, or if emergency conditions exist which require immediate action to prevent imminent injury or damages to persons or property, the City may take such actions as it believes are necessary to protect persons or property and SCL shall be responsible to reimburse the City for its costs.

6.7. Above-Ground Relocation of System Facilities.

6.7.1 Except as may be provided for in a separate project relocation or undergrounding agreement between the City and SCL, SCL agrees and covenants to protect, support, temporarily disconnect, relocate or remove from any Right-of-way its facilities without cost to the City to the extent permitted by State law, when so required by the City, provided that SCL shall in all such cases have the privilege to temporarily bypass, in the authorized portion of the same Right-of-way and upon approval by the City, any facilities required to be temporarily disconnected or removed. It is understood that conditions including, but not limited to, scope and complexity of project, and ability to gain necessary easements and permits will impact the relocation project and will be taken into consideration when establishing timeline for the relocation project.

6.7.2 If the City determines that a Public Project necessitates the relocation of SCL's existing facilities, the City shall:

6.7.2.1 As soon as possible prior to the commencement of a project, but in no event less than 90 days for Minor Relocation Projects and not less than one (1) year for Major Relocation Projects, provide SCL with written notice requiring such relocation; and

6.7.2.2 Provide SCL with copies of any plans and specifications pertinent to the requested relocation and a proposed temporary or permanent relocation for SCL's facilities once the City's project design process has commenced, with updates as they are prepared through final design.

6.7.2.3 Ensure that all necessary permits and easements are issued to SCL in an expeditious manner so SCL may maintain the timeline established under this or separate Agreement.

6.7.2.4 After receipt of such notice and such plans and specifications, SCL shall complete overhead to overhead relocation of its facilities at least ten (10) days prior to commencement of the project.

6.7.3 SCL's ability to accommodate such requests shall take into consideration alternatives with the least amount of interference to SCL's customers and operations, provide a more cost-effective alternative, or provide a more efficient or appropriate design or method for such relocation. SCL may, after receipt of written notice requesting a relocation of its facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise SCL in writing if any of the alternatives are suitable to accommodate the work that necessitates the relocation of the Facilities. If so requested by the City, SCL shall submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by SCL full and fair consideration. In the event the City ultimately approves of SCL's relocation alternatives, SCL shall reimburse the City for any unavoidable and non-cancelable costs directly associated with redesign or adjustments necessary to accommodate the alternatives. In the event the City ultimately determines that there is no other reasonable alternative, SCL shall relocate its facilities as provided in this Section.

6.7.4 The provisions of this Section shall in no manner preclude or restrict SCL from making any arrangements it may deem appropriate when responding to a request for relocation of its facilities by any person other than the City, where the improvements to be constructed by said person are not part of a Public Project, provided that such arrangements do not unduly delay or increase the cost of a related Public Project or violate City Code.

6.7.5 Whenever any person shall have obtained permission from the City to use any Right-of-way for the purpose of moving any building or other oversized structure, SCL, upon fourteen (14) days written notice from the City that the use of the Right-of-way is permitted, shall raise or remove, at the expense of the person or

entity desiring to move the building or structure, any of SCL's facilities that may obstruct the movement thereof; provided, that the moving of such building or structure shall be done in accordance with regulations and general ordinances of the City. Where more than one path is available for the moving of such building or structure, the path of least interference, as determined by the City in consultation with SCL, shall be utilized.

6.7.6 This section applies only to Public Projects as defined in this Agreement. Any project requested or required by the City which does not meet this definition will be addressed through separate agreement between the parties.

6.7.7 SCL shall bear the entire cost of relocation required under this Section, including design, construction and construction management consistent with Subsection 6.7.1; provided, however, if the City requires the subsequent relocation of Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section, then the City shall bear the entire cost of such subsequent relocation.

6.8. SCL and City Maps and Records. Upon request, SCL and City mutually agree to provide each other with as-built plans, maps, and records without charge. Due to federal requirements, unless otherwise provided in the State Public Records Act, when the City makes a request for SCL records, City's request must set forth a legitimate business or governmental justification. Upon approval, such records will be provided to City in a format maintained by SCL. SCL reserves the right to withhold records or require City to sign a Non-Disclosure Agreement for the release of records which are deemed Critical Energy Infrastructure Information (CEII). CEII is defined as information that relates to the production, generation, transportation, transmission, or distribution of energy in which the release may cause incapacity or destruction that would negatively affect security, economic security, public health or safety, or any combination thereto.

6.9. Poles and Pole Attachments. SCL, subject to the applicable permit issued by the City as outlined in Subsection 6.1.2 of this Agreement, has the right to install, maintain, and remove poles in the Right-of-way. SCL will work with the City to ensure poles are removed and replaced safely and maintained properly in the City's Right-of-way to protect the welfare of the general public. The City acknowledges that SCL has existing agreements with third parties regarding the use and sharing of poles. Existing agreements with third parties for co-ownership of poles govern the use of such poles and attachments by pole co-owners. The City also acknowledges that SCL has separate agreements that govern pole attachments to such poles by third party renters.

6.9.1 SCL and SCL pole co-owners through their existing agreements with SCL shall remove all utility attachments and shall remove all poles prior to the poles becoming Abandoned Facilities, unless otherwise agreed to in writing with the City as outlined in Section 6.2 of this Agreement. SCL will use its rights available under existing written facilities use and ownership agreements with third parties to obtain timely removal of Abandoned Facilities.

6.9.2 SCL and SCL pole co-owners through their existing agreements with SCL shall not stage new or replacement poles in the City's Right-of-way more than thirty (30) days in advance of the pole installation or replacement.

6.9.3 If the City wishes to attach to a SCL owned or co-owned pole, the City must complete a pole attachment application and have a valid agreement with SCL.

6.9.4 Removal and installation of poles for which SCL is the responsible party must comply with the permitting requirements of Subsection 6.1.2.

6.9.5 SCL will provide the City with a listing of all authorized SCL pole co-owners and third party renters who have attached to SCL poles or SCL co-owned poles within the City. The list of SCL pole co-owners and third party renters will be updated annually by SCL.

6.10. Vegetation Management ("VM"). In accordance with City ordinances, SCL recorded easements, SCL policies and guidelines and all applicable law, including NERC requirements, WAC 296-24-960, RCW 64.12.035 and ISA Utility Pruning Best Practices, SCL has the authority to perform VM activities, which will be coordinated by an ISA certified arborist under the direction of SCL's Powerline Clearance Coordinator. VM activities include the maintenance of critical infrastructure, and trimming and removing trees and other plant life, including shrubs and vines, to prevent interference with SCL's Facilities.

6.10.1 Annual City Vegetation Management Plan. SCL shall provide the Director an Annual City Vegetation Management Plan by December 1 each year that identifies the general location of SCL's VM regularly scheduled maintenance plans for the coming year based on SCL's 4 year transmission and feeder trimming plan. These plans will be conducted in alignment with SCL's standards and practices.

6.10.2 VM Activity Notice and Permits. Notification and Permits for VM Activity shall comply with Section 6.1.

6.10.3 Property Owner Notification. SCL shall provide advance written notice to the owner of the private property where SCL desires to perform VM activities, or to the nearest adjacent property owner where SCL is performing VM activities in the City Right-of-way or on SCL Property. Said notice shall be in the form of a doorknob hanger or other City-approved communications method and shall contain a contact name, address, and telephone number where the property owner can obtain information regarding the VM activities and express concerns. This notice may range from several months to no less than seven (7) Days prior to commencement of work.

6.10.4 VM Clearance Distances. Clearance Distances for VM between SCL's electrical facilities and the surrounding vegetation shall align with SCL's Distribution and Transmission Tree Trimming Construction Guidelines (standard number D9-80) and shall be in accordance with clearance criteria found in WAC 296-24-960 and RCW 64.12.035. Clearance distances for distribution (lines rates 50kV or below)

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and transmission (lines rated 51kV or above) power lines shall conform with utility, ISA and SCL best practices.

6.10.5 VM on Private Property. SCL shall take into consideration property owners' requests regarding the trimming of trees or plant life on their property without jeopardizing the safety or the operational reliability of their Facilities. SCL reserves the right to remove trees that are an imminent hazard, a safety hazard or by following the notification requirements of R.C.W. 64.12.035 when the property owner does not respond if the trees are identified as dangerous or hazardous trees.

6.10.6 VM in City Right-of-Way. Only SCL approved small growing wire –friendly trees will be planted under and/or adjacent to SCL Facilities on the City Right-of-way. Should inappropriate species be planted by the City after the effective date of this franchise, City will be responsible for removing such plantings at their expense.

6.10.7 Replacement and Restoration Requirements in City Right-of-Way. Replacement and Restoration shall comply with current City Code, as now or hereafter amended; however, replacement trees shall be a City and SCL approved variety of Street Tree, and shall be replaced in the area of removal. Tree replacement will take into consideration the replacement tree's future growth and impacts to SCL's critical infrastructure and access to such infrastructure.

6.10.8 Notice for Tree Removal. For trees in the City Right-of-way and on SCL Property that are identified for removal, SCL shall place signage on the tree at least ten (10) days in advance of the removal. Said signage shall explain that the tree is being removed and shall also provide an explanation for why removal is occurring.

6.10.9 VM Debris Removal. The Right-of-way shall be restored to a similar condition prior to VM activities taking place after VM activities have occurred. SCL will remove all debris generated by SCL VM activities. On City Right-of-way, the City may, at its sole discretion, remove and dispose of any such debris generated by SCL or its contractors that is not removed within twenty-four (24) hours of the SCL VM activity occurring and charge SCL for the reasonable cost of said removal and disposal.

6.10.10 Hazard Abatement. The forgoing notwithstanding, SCL shall at all times have the right to perform VM activities in the Right-of-way on vegetation that poses an imminent safety concern or has caused a system failure, or is in imminent risk of doing so, including storm and emergency events, without delay for prior notice.

7. Undergrounding. SCL will work cooperatively with the City on Public Projects to underground utility distribution infrastructure in Rights-of-way.

7.1. This Agreement shall be interpreted and applied consistently with City codes and/or ordinances, specifically Burien Municipal Code 12.40, that establish requirements and procedures for electric utility underground conversion projects.

7.2. As soon as possible prior to the commencement of a project, but in no event less than 90 days for Minor Relocation Projects and not less than one (1) year for Major Relocation Projects, the City must provide SCL with written notice of such projects that may require undergrounding of SCL electric facilities. SCL funding of electrical utility undergrounding projects in connection with a Public Project shall be subject to approval by ordinance of the Seattle City Council.

SCL will work cooperatively with the City in design, estimating, scheduling and construction of Public Projects that require undergrounding of SCL's electrical infrastructure, including but not limited to electrical conversions, to bring such Projects to completion in the most efficient manner, and in compliance with SCL Civil Infrastructure Engineering Standards. The specific Project scope of work, applicable terms and conditions, and obligations of the parties will be agreed upon and memorialized in a separate written Agreement that is executed by both parties, and that may be subject to approval by ordinance of either or both of the parties' respective City Councils but only to the extent the final budgets of the City or SCL require modification to authorize the expenditures necessary for each party's respective portions of such Public Project.

7.3. Standard cost allocation for City-initiated undergrounding projects will generally be as follows:

7.3.1. City shall pay for 100% of the Primary Project Cost not including SCL Project Management Costs, as well as 40% of the design, construction management and construction (including all labor, materials, tools, and equipment) of both the Underground Civil Infrastructure and Underground Electrical System.

7.3.2. SCL will pay for 60% of the design, construction management and construction (including all labor, materials, tools, and equipment) of both the Underground Civil Infrastructure and Underground Electrical System project costs. SCL shall have no responsibility for Primary Project Costs.

7.3.3. SCL will pay 100% of SCL Project Management Costs, City will pay 100% of the City Project Management Costs, and all other Project costs will be included in 60/40 cost allocation as defined in Sections 7.3.1 and 7.3.2 above.

7.3.4. The Parties agree that SCL's total cost responsibility for a specific Public Project shall be limited to a sum certain agreed upon by the Parties in a separate written agreement for the undergrounding of SCL's Facilities related to that Public Project. Further, the City shall agree to release and indemnify SCL from and against any and all claims, liens, demands, actions, costs, losses, expenses, harm, damages, and liability of any kind or character (collectively, "Claims") arising out of, related to, or in connection with any and all costs of a Public Project that exceed the maximum amount of SCL's cost responsibility for undergrounding of SCL Facilities contained in a specific undergrounding agreement; provided, however, that the City shall not be required to release and indemnify SCL for cost overruns or exceedances on

a Public Project to the extent such overruns or exceedances are caused by the negligent acts or omissions of SCL.

7.3.5. Private property owners will be responsible for providing the underground Private Property Infrastructure, subject to review and approval by SCL, that is needed to provide electrical service from the public right of way to the designated service point on the private property, as well as all costs related to installing and maintaining such Private Property Infrastructure.

7.3.6. The City will be responsible for providing the necessary funding for their portion of all project costs. SCL will be responsible for providing the necessary funding for its portion of undergrounding project costs, subject to approval by ordinance of the Seattle City Council but only to the extent the final budget of SCL requires modification to authorize the expenditures necessary for SCL's portion of the undergrounding project.

7.4. SCL's ability to accommodate undergrounding requests for Public Projects shall take into consideration alternatives with the least amount of interference to SCL's customers and operations. SCL may, after receipt of written notification of a Public Project requesting undergrounding of its facilities, submit to the City written alternatives to undergrounding of its facilities. The City shall evaluate such alternatives and advise SCL in writing if any of the alternatives are suitable to accommodate the Public Project. If so requested by the City, SCL shall submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by SCL full and fair consideration. In the event the City ultimately approves of SCL's relocation alternatives, SCL shall reimburse the City for any unavoidable and non-cancelable costs directly associated with redesign or adjustments necessary to accommodate the alternatives. In the event the City ultimately determines that there is no other reasonable alternative, SCL shall underground its facilities as provided in this Section.

7.5. The provisions of this Section 7 shall in no manner preclude or restrict SCL from making any arrangements it may deem appropriate when responding to a request for undergrounding of its facilities by any person other than the City, where the improvements to be constructed by said person are not part of a Public Project, provided that such arrangements do not unduly delay or increase the cost of a related Public Project.

7.6. This section shall apply only to Public Projects as defined in this Agreement. Any project requested or required by the City which does not meet this definition will be addressed through separate written agreement between the parties.

7.7. If the City requires the subsequent relocation, either underground or overhead, of Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section, then the City shall bear the entire cost of such subsequent relocation.

8. <u>Street Lighting.</u> Provided public streetlights are funded as a local government function, installation, ownership, maintenance, and operations of streetlights will be addressed under a separate agreement between the City and SCL.

CITY CLERK

9. Implementation of Service Requirements.

9.1. Rate Information. Prior to setting customer rates, SCL shall make available all studies, reports, memoranda, or other documents provided to the legislative branches of the City of Seattle regarding the establishment of the rates, or any portion thereof, to be charged to its customers. The City shall be provided a reasonable opportunity to review said documents and to comment or otherwise participate in Seattle's rate setting process. Opportunities for public hearings or public comment during Seattle's rate setting process will be made known through the Franchise City designated representative on the SCL Rate Advisory panel or online at www.seattle.gov.

9.2. Communication with City Customers. SCL will notify the City in advance of any planned communication to its customers in the City regarding the services and rates affected by this Agreement.

10. Planning Coordination.

10.1. Coordination of Projects and Activities

10.1.1 SCL and the City will meet by the end of December of each year to review planned capital improvements by SCL and any planned projects or activities by City which may affect the Right-of-way for the following year. Additional meetings for planning and coordination may be held as deemed necessary by both parties.

10.1.2 SCL shall meet with the City, other franchisees and users of the Right-of-way, according to a schedule to be determined by the City and SCL, to schedule and coordinate construction on specific projects.

10.1.3 All construction locations, activities, and schedules shall be coordinated, as required by the Director or his or her designee, to minimize public inconvenience, disruption, or damages.

10.2. Growth Management. SCL agrees to participate in the development of, and reasonable updates to, the utilities element of the City's comprehensive plan as follows:

10.2.1 For SCL's service within the City limits, SCL will participate in a cooperative effort with the City to develop a Comprehensive Plan Utilities Element which meets the requirements described in RCW 36.70A.070(4).

10.2.2 SCL will participate in a cooperative effort with the City to ensure that the Utilities Element of the City's Comprehensive plan is accurate as it relates to SCL's operations and is updated to ensure its continued relevance at reasonable intervals.

10.2.3 Upon reasonable written request, SCL shall make available information that is not deemed confidential, sensitive, or exempt from disclosure under state or federal law related to the general location, proposed location, and capacity of existing and proposed electrical lines as requested by the Director within a reasonable time.

10.2.4 SCL will update information provided to the City under this Section 10 whenever there are major changes in SCL's electrical system plans for the City.

10.3. Development of Right-of-Way Standards. SCL herein agrees to provide the staff-support necessary to enable SCL to meaningfully participate in the City's ongoing development of Right-of-way Standards. By way of illustration and not limitation, this participation shall include attendance at City planning meetings, review and comment of documents proposed for adoption, and any other activities that may be required in the formulation of Right-of-way Standards, as agreed by SCL and City.

10.4. Emergency Operations. The City and SCL agree to cooperate in the planning and implementation of emergency operations response procedures. SCL will be engaged in City emergency planning process at the request of the City. The City will provide current emergency contact information to SCL's Emergency Manager.

11. Service Quality. SCL is dedicated to exceeding its customers' expectations in producing and delivering environmentally responsible, safe, low-cost, and reliable power. SCL shall exercise the same degree of technical, professional and administrative quality in serving its customers in the City that is provided to all other customers within SCL's service territory. SCL shall at all times comply with the minimum regulatory standards, including, but not limited to, ANSI voltage Standard C84.1 presently in effect or as may be amended by the Seattle Municipal Code.

12. City Use of SCL Property. SCL owns real properties, and holds various property interests and facilities in the City which are essential to SCL's electrical utility operations. SCL will cooperate with the City in the same manner as it does with the City of Seattle in aligning the operation and management of its property and facilities to serve the goals and objectives of the City's Comprehensive Plan, while meeting the requirements of all applicable State Laws, and pursuant to SCL's applicable Department Policies and Procedures.

12.1. Favorable Consideration of City Requests. SCL shall give every favorable consideration to a request by the City for use of SCL property subject to applicable state law and for adequate monetary and/or non-monetary consideration, including for requests by the City to use SCL property for such public uses as public parks, public open space, public trails for non-motorized transportation, surface water management, or other specifically identified public uses.

12.2. Prior Approval of Specific Plans by SCL. Prior to any installation, modification or extension of any improvement on SCL property, property interest or facilities proposed by the City, the City shall supply SCL with detailed drawings and specifications relating to such proposed development. No construction, installation or modification shall be performed until the plans have been approved in writing by SCL and SCL has granted the City appropriate permission or consent to proceed with the City's work on, or use of SCL property.

12.3. Permit for City Use of SCL Property. SCL shall provide the City by separate agreement and with proper consideration for each use of SCL property requested by the City, which shall detail the terms of such use including provisions to assure the continued safe and efficient operation of the electric utility.

13. Finance.

13.1. Annual Reconciliation. Unless otherwise provided herein, and at the written request of a party to this Agreement, all charges between the parties, except for charges for electrical service, penalties, reimbursements for breach or other forms of cure, and payment pursuant to Subsections 4.1.1 and 6.1.2, shall be accrued and reconciled annually in accord with the following process:

13.1.1. Within thirty (30) days of the anniversary of the execution of this agreement, or upon such other date as the parties may agree, the parties shall exchange itemized invoices of charges that have been incurred over the previous twelve (12) month period. Said invoice shall include all information reasonably necessary to allow each party to evaluate the validity and magnitude of each charge.

13.1.2. Each party shall have forty five (45) days to provide the other with written notice disputing any specific charge on the other's invoice. If an invoice is not disputed within this period, then the invoice will be deemed accurate.

13.1.3. Undisputed charges shall be set off against each other. The party with a remaining balance due after the set off shall provide a reconciled invoice to the other party. Said invoice shall be satisfied within forty five (45) days of its receipt.

13.2. Other Charges. Unless otherwise provided herein, charges between the parties shall be paid within forty five (45) days of the receipt of a written invoice for said charge.

14. Indemnification.

14.1. SCL shall indemnify, defend and hold the City, its agents, officers or employees harmless from and against any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees, made against the City, its agents, officers or employees on account of injury, harm, death to persons or damages to property which is caused by, in whole or in part, to the extent the same is caused by the negligent acts or omissions of SCL or its agents, servants, employees, contractors, or subcontractors in the exercise of the rights granted to SCL by this Agreement. SCL shall further indemnify, defend and hold the City, its agents, officers or employees harmless from any and all claims, demands, liability, loss, cost, damage or expense, arising against the City by virtue of SCL's exercise of the rights granted herein or by virtue of the City's permitting SCL's use of the right-of-way or other public property based upon the inspection or lack of inspection of work performed by SCL, its agents and servants, officers or employees in connection with work authorized on the City's property or property over which the City has control, pursuant to this Agreement or pursuant to any other permit or approval issued in connection with this Agreement. The foregoing indemnity shall apply only to the extent of the negligent acts or omissions of SCL, and further provided, however, that such indemnification shall not extend to that portion of any claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and

attorneys' fees caused by the negligence of the City, its agents, employees, officers, contractors or subcontractors.

14.2 SCL's indemnification obligations pursuant to this Section shall include assuming potential liability for actions brought by SCL's own employees and the employees of SCL's agents, representatives, contractors, and subcontractors even though SCL might be immune under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that this assumption of potential liability for actions brought by the aforementioned employees is limited solely to claims against the City arising by virtue of SCL's exercise of the rights set forth in this Agreement. The obligations of SCL under this section have been mutually negotiated by the Parties hereto, and SCL acknowledges that the City would not enter into this Agreement without SCL's waiver thereof. To the extent required to provide this indemnification and this indemnification only, SCL waives its immunity under Title 51 RCW as provided in RCW 4.24.115.

14.3 Inspection and written acceptance by the City of any work performed by SCL at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification.

15. Enforcement.

15.1. In addition to all other rights and powers retained by the City under this Agreement, the City reserves the right to revoke and terminate this Agreement and all rights and privileges of SCL in the event of a substantial violation or breach of its terms and conditions. Likewise, SCL may terminate this Agreement in the event of a substantial violation or breach of its terms and conditions by the City.

15.2. A substantial violation or breach by SCL shall include, but shall not be limited to, the following:

15.2.1. An uncured violation of any material provision of this Agreement, or any material rule, order or regulation of the City made pursuant to its power to protect the public health, safety and welfare;

15.2.2. An intentional evasion or knowing attempt to evade any material provision of this Agreement or practice of any fraud or deceit upon the system customers or upon the City;

15.2.3. Failure to begin or substantially complete any system construction or system extension as set forth in a franchise or Right-of-way use agreement;

15.2.4. Failure to provide the services specified in the Agreement;

15.2.5. Misrepresentation of material fact during negotiations relating to this Agreement or the implementation thereof;

15.2.6. A continuous and willful pattern of grossly inadequate service and failure to respond to legitimate customer complaints; or

15.2.7. An uncured failure to pay fees associated with this Agreement

BURIEN CITY CLERK

15.3. No violation or breach shall occur which is without fault of SCL or the City, or which is as a result of circumstances beyond SCL's or the City's reasonable control. The party alleging such violation or breach shall bear the burden of proof in establishing the existence of such conditions. Neither SCL, nor the City, shall be excused by economic hardship nor by nonfeasance or malfeasance of its directors, officers, agents or employees.

15.4. Except in the case of termination pursuant to Subsection 15.2.5 of this Agreement, prior to any termination or revocation, the City, or SCL, shall provide the other with detailed written notice of any substantial violation or material breach upon which it proposes to take action. The party who is allegedly in breach shall have a period of sixty (60) days following such written notice to cure the alleged violation or breach, demonstrate to the other's satisfaction that a violation or breach does not exist, or submit a plan satisfactory to the other to correct the violation or breach. If, at the end of said sixty (60) day period, the City or SCL reasonably believes that a substantial violation or material breach is continuing and the party in breach is not taking satisfactory corrective action, the other may declare that the party in breach in default, which declaration must be in writing. Within twenty (20) days after receipt of a written declaration of default from, the party that is alleged to be in default may request, in writing, either a hearing before a "hearing examiner" as provided by the City's development regulations or Alternative Dispute Resolution as set forth in Section 21 of this Agreement. The hearing examiner's decision may be appealed to any court of competent jurisdiction.

15.5. The City may, in its discretion, provide an additional opportunity for SCL to remedy any violation or breach and come into compliance with this agreement so as to avoid the termination or revocation.

15.6. In addition to any other remedy provided for herein for violation of any provision, or failure to comply with any of the requirements of this Agreement, the City may levy liquidated damages of up to $500.00 for each of the first five (5) days that a violation exists and up to $1,000.00 for each subsequent day that a violation exists. Payment of such liquidated damages shall not relieve any person of the duty to correct the violation.

15.7. Any violation existing for a period greater than thirty (30) days may be remedied by the City at SCL's expense.

16. Survival. All of the provisions, conditions and requirements of Sections 1 Definitions, 6.1 Excavation, Permits, and Notice of Entry, 6.2 Abandonment of SCL's Facilities, 6.3 Restoration After Construction, 6.6 Dangerous Conditions, Authority for City to Abate, 6.7 Above-Ground Relocation of System Facilities, 6.9 Poles and Pole Attachments, and 14 Indemnification, of This Agreement shall be in addition to any and all other obligations and liabilities SCL may have to the City at common law, by statute, or by contract, and shall survive the City's franchise to SCL for the use of the areas mentioned in Section 2 of this Agreement herein, and any renewals or extensions thereof. All of the provisions, conditions, regulations and requirements contained in this Agreement shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of SCL and all

privileges, as well as all obligations and liabilities of SCL shall inure to its heirs, successors and assigns equally as if they were specifically mentioned wherever SCL is named herein.

17. Severability. If any Subsection, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other Section, sentence, clause or phrase of this franchise Ordinance. The Parties may amend, repeal, add, replace, or modify any provision of this Agreement to preserve the intent of the parties as expressed herein prior to any finding of invalidity or unconstitutionality.

18. Assignment. This franchise shall not be sold, transferred, assigned, or disposed of in whole or in part either by sale, voluntary or involuntary merger, consolidation or otherwise, without the written approval of the City. Any costs associated with the City's review of any transfer proposed by SCL shall be reimbursed to the City by SCL.

18.1. An assignment of this Agreement shall be deemed to occur if there is an actual change in control or where ownership of fifty percent (50%) or more of the beneficial interests, singly or collectively, are obtained by other parties. The word "control" as used herein is not limited to majority stock ownership only, but includes actual working control in whatever manner exercised.

18.2. Except as otherwise provided herein, SCL shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of SCL's company. Every change, transfer, or acquisition of control of SCL's company shall cause a review of the proposed transfer. In the event that the City denies its consent and such change, transfer or acquisition of control has been affected, the Agreement is terminated.

19. Notice. Any notice or information required or permitted to be given to the parties under this Agreement may be sent to the following addresses unless otherwise specified:

CEO and General Manager of Seattle City Light	_____
700 Fifth Avenue, Suite 3100	City of Burien
Seattle, WA 98104-5031	_____
Phone: (206) 684-3200	_____
Fax: (206) 684-3158	Phone: _____
	Fax: _____

20. Non-Waiver. The failure of either party to enforce any breach or violation by the other party of any provision of this Agreement shall not be deemed to be a waiver or a continuing waiver by the non-breaching party of any subsequent breach or violation of the same or any other provision of this Agreement.

21. Alternate Dispute Resolution. If the parties are unable to resolve disputes arising from the terms of this Agreement, prior to resorting to a court of competent jurisdiction, the parties

may submit the dispute to a non-binding alternate dispute resolution process agreed to by the parties or requested by the party alleged to be in default as set forth in Section 15 of this Agreement. Unless otherwise agreed between the parties or determined herein, the cost of that process shall be shared equally.

22. Most Favored Franchise. SCL will make a good faith effort to obtain similar terms and provisions to this Agreement in franchise agreements with other municipal jurisdictions served by SCL. The City reserves the right to request SCL to consider amending this Agreement to include terms or provisions in other SCL franchises that the City deems more favorable than the current terms of this Agreement. Any such amendment shall be subject to approval by the legislative authorities of the City and SCL.

23. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution and acceptance hereof.

24. Supremacy. This Agreement represents the dominant agreement between the parties for a franchise for an electric power system within the City. In the event of any conflict between this Franchise and any subsequent agreement between the parties for construction or relocation of SCL's facilities except a negotiated and executed agreement as provided for in Section 7.2 of this Agreement, the provisions of this Franchise shall control.

25. Directions to City Clerk. The City Clerk is hereby authorized and directed to forward certified copies of this ordinance to SCL set forth in this ordinance. SCL shall have one hundred twenty (120) days from receipt of the certified copy of this ordinance to accept in writing the terms of the Agreement granted to SCL in this ordinance.

26. Publication Costs. In accord with state law, this ordinance shall be published in full. The costs of said publication shall be borne by SCL.

27. Effective Date. This ordinance shall take effect and be in full force five days after publication. The Parties agree that the terms and conditions of the "Franchise Agreement Between The City of Burien and Seattle City Light" authorized by City of Burien Ordinance No. 247 and effective January 1, 1999, shall remain in full force and effect through December 31, 2014. If accepted by SCL, the terms and conditions of this agreement shall take effect and be in full force as of January 1, 2015. The City Clerk is hereby directed to publish this ordinance in full.

PASSED BY THE CITY COUNCIL ON _____

_____

Mayor _____

BURIEN CITY CLERK

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

Date of Publication: _____
Effective Date: _____

THIS COPY CLERK

Form revised: February 26, 2014

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle City Light	Phil West / 4-3718	Greg Shiring / 6-4085

Legislation Title:
AN ORDINANCE relating to the City Light Department, approving a fifteen-year franchise to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way in the City of Burien.

Summary of the Legislation:
This ordinance approves a fifteen-year franchise from the City of Burien to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way. The current Franchise Agreement expires on July 31, 2014. Seattle City Light and the City of Burien have been engaged in negotiations to renegotiate the current franchise and have successfully reached agreement on a new Franchise Agreement, which provides terms and conditions for Seattle City Light to operate within Burien's right-of-way.

Background:
Seattle City Light ("SCL") provides electric service to the residents and businesses in the cities of Shoreline, Burien, Lake Forest Park, SeaTac and Tukwila (the "Franchise Cities"), under individual Franchise Agreements with each of these cities. The current 15-year Agreements have been in effect starting in 1999. They grant Seattle City Light a non-exclusive franchise to operate within the Franchise Cities' right-of-way, and establish terms and conditions under which Seattle City Light and the Franchise Cities work together on a variety of related issues, including rates as established by Seattle City Council, fees, and operational requirements.

Burien's current Agreement expires on July 31, 2014.

In late 2012, Seattle City Light engaged the Franchise Cities in discussions to renegotiate the Agreements. Meetings were held with the Cities to understand what is working well with the current Agreements, as well as areas for improvement. Following these initial meetings, City Light staff met individually with Burien to negotiate an Agreement that maintained consistency with Seattle City Light's Strategic Plan, and provides Burien with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

X **This legislation does not have any financial implications.**

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
The proposed agreement would continue a legal framework that provides SCL the certainty of franchise rights when it operates an electrical system in the City of Burien. SCL's 2014 Adopted Budget and the 2015-2016 Proposed Budget and revised Strategic Plan assume that SCL continues this franchise with the associated operational and capital costs and related rate-based revenue. In addition, approval of this proposed Bill will allow SCL to continue to charge its customers in Burien a rate differential as specified by the City of Burien, and remit a contract fee to the City of Burien in consideration of Shoreline foregoing its rights to establish its own electric utility. The new structure of cost allocations for undergrounding public projects within the City of Burien will require less upfront funding from SCL, with a small portion of the costs spread across all rate payers, as opposed to the long-term financing of undergrounding projects which is paid from Burien ratepayers only.

b) **What is the financial cost of not implementing the legislation?**
Without a franchise agreement in place, there would be no legal framework in which to operate in the City of Burien's right-of-way. SCL and Burien would need to continue negotiations for a franchise agreement that would meet approval of both Cities' legislative bodies, which at the very least would have impacts on administrative costs. The assumption is SCL would continue to operate within Burien during this time, so there should be no short term negative impact to SCL's revenues. However, if the proposed Agreement is not approved, the contract fee payment to the City of Burien would not continue. Additional long term impacts are unclear, as a franchise is necessary to continue operations in Burien's Right-of-way.

c) **Does this legislation affect any departments besides the originating department?**
No

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
N/A – the City of Burien municipal code requires a franchise agreement for utilities to operate in their right-of-way.

e) **Is a public hearing required for this legislation?**
No

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No

g) **Does this legislation affect a piece of property?**
No

h) Other Issues:

List attachments to the fiscal note below:

N/A

City of Seattle
Edward B. Murray
Mayor

August 5, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that approves a fifteen-year Franchise Agreement from the City of Burien for Seattle City Light (SCL) to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way. SCL and the City of Burien have been engaged in negotiations to renegotiate the current Franchise and have successfully reached agreement on a new Franchise Agreement, which provides terms and conditions for SCL to operate within Burien's right-of-way.

SCL currently provides electric service to the residents and businesses in the City of Burien under a fifteen-year Franchise Agreement, which expires July 31, 2014. SCL and the City of Burien have been engaged in negotiations on a new Agreement which will grant SCL a non-exclusive franchise to operate within the City of Burien's public rights-of-way, and establishes terms and conditions under which SCL and the City of Burien work together on a variety of franchise issues, including rates as established by Seattle City Council, fees, and operational requirements. While the terms and conditions of the new agreement are generally consistent with the current agreement, they have been clarified and/or improved for better understanding and easier implementation. The section on cost allocations for undergrounding public projects in the City of Burien does represent a change from previous practice in Burien, to more closely reflect practices in undergrounding City Light portions of public projects within Seattle.

The negotiated agreement maintains consistency with Seattle City Light's Strategic Plan, and provides Burien with the same level of outstanding service, reliability, environmental stewardship, and accountability that we provide for customers within the Seattle city limits. Thank you for your consideration of this legislation. Should you have questions, please contact Phil West at (206) 684-3718.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Office of the Mayor
Seattle City Hall, 7th Floor
600 Fourth Avenue
PO Box 94749
Seattle, Washington 98124-4749

Tel (206) 684-4000
Fax: (206) 684-5360
Hearing Impaired use the Washington Relay Service (7-1-1)
www.seattle.gov/mayor

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