



SEATTLE CITY COUNCIL

Legislative Summary

CB 118563

Record No.: CB 118563

Type: Ordinance (Ord)

Status: Passed

Version: 1

124978

In Control: City Clerk

File Created: 09/24/2015

Final Action: 01/14/2016

Title: AN ORDINANCE relating to the rates, terms, and conditions for the use and sale of electricity supplied by the City Light Department; adding a new Section 21.49.088 to the Seattle Municipal Code to create a utility tax pass through; and amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.081, and 21.49.100 of the Seattle Municipal Code to implement new distinct rates for the city of Lake Forest Park to allow for the potential addition of a utility tax.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Sawant

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: paula.laschober@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	10/13/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	10/13/2015	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	10/20/2015	sent for review	Energy Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Energy Committee						
	Notes:						

- 1 Full Council 11/09/2015 referred Energy Committee
Action Text: The Council Bill (CB) was referred. to the Energy Committee
Notes:
- 1 Energy Committee 12/11/2015 pass Pass
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:
In Favor: 1 Member O'Brien
Opposed: 0
- 1 Full Council 01/11/2016 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
Opposed: 0
- 1 City Clerk 01/12/2016 submitted for Mayor
Mayor's signature
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:
- 1 Mayor 01/14/2016 Signed
Action Text: The Council Bill (CB) was Signed.
Notes:
- 1 Mayor 01/14/2016 returned City Clerk
Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:
- 1 City Clerk 01/14/2016 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:
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CITY OF SEATTLE
ORDINANCE 124978
COUNCIL BILL 118563

AN ORDINANCE relating to the rates, terms, and conditions for the use and sale of electricity supplied by the City Light Department; adding a new Section 21.49.088 to the Seattle Municipal Code to create a utility tax pass through; and amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.081, and 21.49.100 of the Seattle Municipal Code to implement new distinct rates for the city of Lake Forest Park to allow for the potential addition of a utility tax.

WHEREAS, in May 2014, State of Washington Court of Appeals decision 31195-3-III ruled that it is permissible for one municipality to tax the revenue of another municipality if the revenue is from activity that is proprietary in character rather than governmental; and

WHEREAS, the City Light Department (City Light) provides electric service to customers in other municipalities outside The City of Seattle under terms specified by franchise agreements; and

WHEREAS, a new Lake Forest Park franchise agreement, adopted by Ordinance 124806, specified terms of the franchise agreement under which City Light provides electric service to customers in Lake Forest Park from May 1, 2015 until April 30, 2030; and

WHEREAS, the aforementioned new franchise agreement allows the city of Lake Forest Park the option to levy a utility tax on the bills of City Light customers within Lake Forest Park on or after January 1, 2016; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.49.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 124818, is amended as follows:

21.49.020 Definitions

1 A. The following terms or abbreviations, as used in this Chapter 21.49, have the
2 following meanings:

3 1. "Applicant" means any person, firm, corporation, government agency, or other
4 entity requesting electrical service from the Department.

5 2. "BPA" means the Bonneville Power Administration or successor agency.

6 3. "Burien customer" means a customer receiving service at a location in the City
7 of Burien.

8 4. "City" means The City of Seattle.

9 5. "City customer" means a customer receiving service at a location in The City of
10 Seattle or in Whatcom County at a site related to the Department's Skagit facilities.

11 6. "Customer" means any person, firm, corporation, government agency, or other
12 entity that uses, has used, contracts, or has contracted for electric service from the Department.

13 7. "Customer-generator" means a user of a net metering system.

14 8. "Department" means the Seattle City Light Department of the City, its General
15 Manager and Chief Executive Officer, or any duly authorized employee of the Department.

16 9. "Duplex" means a detached building containing two ((2)) dwelling units.

17 10. "Dwelling unit" means a single unit providing complete independent living
18 facilities for one ((1)) or more persons, including provisions for living, sleeping, eating,
19 cooking, and sanitation. "Dwelling unit" excludes dwellings where tenancy is typically of a
20 transient nature, such as hotels, motels, lodges, transitional housing and student dormitories.
21 "Dwelling unit" also excludes living arrangements, such as residences for religious orders, the
22 elderly or the disabled, in which the residents do not live independently.

11. "Flat rate" means a fixed charge for a streetlight, floodlight, pedestrian light or a fixed amount of energy consumption.

12. "House service" or "house meter" means service for rooms or areas used in common by the occupants of a multiple unit building.

13. "KV" means kilovolt.

14. "KVA" means kilovolt-ampere.

15. "KVarh" means reactive kilovolt-ampere hours.

16. "KW" means kilowatt.

17. "KWh" means kilowatt-hour.

18. "Lake Forest Park customer" means a customer receiving service at a location in the city of Lake Forest Park.

~~((18))~~19. "Master meter" means service which supplies electrical energy to more than one ~~((1))~~ dwelling unit or boat moorage and is measured through a single inclusive metering system.

~~((19))~~20. "Medical life support equipment" ~~((is))~~ means any piece of equipment which is prescribed by a licensed medical physician, generally accepted in the medical industry as life support equipment, and dependent on electrical service for its operation, such as kidney dialysis units, iron lungs, etc.

~~((20))~~21. "MW" means megawatt.

~~((21))~~22. "Multiple dwelling building" means any building or any portion of the building which contains three ~~((3))~~ or more dwelling units used, rented, leased, let, or hired out to be occupied, or which are occupied and have provisions for living, sleeping, eating, cooking, and sanitation.

1 ((22))23. "Net metering program" means a Department program under which
2 eligible customers that operate net metering systems may generate electricity for their own use,
3 sell the excess to the Department and purchase any deficit from the Department.

4 ((23))24. "Net metering system" means a fuel cell, a facility that produces
5 electricity ((and used)) and useful thermal energy from a common fuel source, or a facility for
6 the production of electrical energy that generates renewable energy, and that:

7 ((f))a.((g)) has an electrical generating capacity of not more than ((one
8 hundred)) 100 kilowatts;

9 ((f))b.((g)) is located on the customer-generator's premises;

10 ((f))c.((g)) operates in parallel with the electric utility's transmission and
11 distribution facilities; and

12 ((f))d.((g)) is intended primarily to offset part or all of the customer-
13 generator's requirements for electricity.

14 ((24))25. "Peak" means the period Monday through Saturday, ((six (6:00) a.m. to
15 ten (10:00) p.m.)) 6 a.m. to 10 p.m., excluding major holidays New Year's Day, Memorial Day,
16 Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, as recognized by
17 ((NERC)) the North American Electric Reliability Corporation.

18 ((25))26. "Power factor" ((is)) means the ratio kW to kVA.

19 ((26))27. "Premises" means all of the real property at a single geographic location
20 utilized by a customer.

21 ((27))28. "RCW" means Revised Code of Washington.

22 ((28))29. "Renewable energy" means energy generated by a facility that uses
23 water, wind, solar energy, or biogas from animal waste as a fuel.

1 ((29))30. "Reserved distribution capacity" means capacity reserved by the
2 Department on a distribution circuit to which a customer can transfer its load when that
3 customer's normal, preferred or main service circuit is unavailable.

4 ((30))31. "Residence" means a single-family dwelling.

5 ((31))32. "SeaTac customer" means a customer receiving service at a location in
6 the City of SeaTac.

7 ((32))33. "Shoreline customer" means a customer receiving service at a location
8 in the City of Shoreline.

9 ((33))34. "Suburban customer" means any customer that is not a ((e))City
10 customer, Burien customer, Lake Forest Park customer, SeaTac customer, Shoreline customer, or
11 Tukwila customer.

12 ((34))35. "Transitional housing" means a unit or facility that serves as temporary
13 living quarters for individuals or families and is subsidized in whole or in part (e.g., rent and/or
14 utilities) by a non-profit corporation or a government entity, which is responsible for the unit or
15 facility as owner or master leaseholder, or through a written agreement with a landlord.

16 ((35))36. "Tukwila customer" means a customer receiving service at a location in
17 the City of Tukwila.

18 ((37))38. "Underground distribution network" means an electrical distribution
19 configuration in which two (((2))) or more City-owned secondary cables are bussed together so
20 that the loss of any one (((1))) associated distribution feeder cable will not interrupt service to the
21 customer.

22 ((38))39. "Var" means volt-ampere-reactive, the unit of measure of reactive power
23 in a circuit.

* * *

Section 2. Section 21.49.030 of the Seattle Municipal Code, last amended by Ordinance 124818, is amended as follows:

21.49.030 Residential rates (Schedules RSC, RST, RSS, RSH, RSB, ~~((and))~~ RSE, and RSL)

A. Schedules RSC, RST, RSS, RSH, RSB, ~~((and))~~ RSE, and RSL are for all separately metered residential services, except those subject to Schedules REC, RET, RES, REH, REB, REE, REL, RLC, RLT, RLS, RLH, RLB, ~~((and))~~ RLE, and RLL.

* * *

Schedule RSE (Residential: SeaTac)

Schedule RSE is for residential SeaTac customers, except those subject to Schedules REE and RLE.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 5.84 cents per kWh

All additional kWh per day at 12.24 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 5.84 cents per kWh

All additional kWh per day at 12.24 cents per kWh

Base Service Charge:

14.51 cents per meter per day

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

1 Summer Billing Cycles (April — September)

2 First 10 kWh per day at 6.56 cents per kWh

3 All additional kWh per day at 13.12 cents per kWh

4 Winter Billing Cycles (October — March)

5 First 16 kWh per day at 6.56 cents per kWh

6 All additional kWh per day at 13.12 cents per kWh

7 Base Service Charge:

8 14.83 cents per meter per day

9 **Schedule RSL (Residential: Lake Forest Park)**

10 Schedule RSL is for residential Lake Forest Park customers, except those subject to Schedules

11 REL and RLL.

12 **RATES EFFECTIVE JANUARY 1, 2015:**

13 Energy Charges:

14 Summer Billing Cycles (April — September)

15 First 10 kWh per day at 5.84 cents per kWh

16 All additional kWh per day at 12.24 cents per kWh

17 Winter Billing Cycles (October — March)

18 First 16 kWh per day at 5.84 cents per kWh

19 All additional kWh per day at 12.24 cents per kWh

20 Base Service Charge:

21 14.51 cents per meter per day

22 **RATES EFFECTIVE JANUARY 1, 2016:**

23 Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 6.15 cents per kWh

All additional kWh per day at 12.84 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 6.15 cents per kWh

All additional kWh per day at 12.84 cents per kWh

Base Service Charge:

14.83 cents per meter per day

B. Normal residential service shall be limited to single-phase.

C. If Schedules RSC, RST, RSS, RSH, RSB, ~~((and))~~ RSE, and RSL are applied to transient occupancy in separately metered living units, billing shall be in the name of the owner on a continuous basis.

D. Duplexes using a single meter prior to October 13, 1978 shall be considered as a single residence for the purpose of applying Schedules RSC, RST, RSS, RSH, RSB, ~~((and))~~ RSE, and RSL. For a new duplex or a larger service to an existing duplex, each residence shall be separately metered.

E. All electrical service provided for domestic uses to a single residential account, including electrically heated swimming pools, shall have all consumption of electricity added together for billing on Schedules RSC, RST, RSS, RSH, RSB, ~~((and))~~ RSE, and RSL.

Section 3. Section 21.49.040 of the Seattle Municipal Code, last amended by Ordinance 124818, is amended to read as follows:

21.49.040 Residential rate assistance (Schedules REC, RET, RES, REH, REB, REE, REL, RLC, RLT, RLS, RLH, RLB, ~~((and))~~ RLE, and RLL)

A. Schedules REC, RET, RES, REH, REB, REE, REL, RLC, RLT, RLS, RLH, RLB,
((and)) RLE, and RLL are available to qualified low-income residential customers.

* * *

Schedules REE (Residential Elderly: SeaTac) and RLE (Residential Low-Income: SeaTac)

Schedules REE and RLE are available for separately metered residential service provided to
SeaTac customers who show satisfactory proof that they have a City Light residential account
and reside in the dwelling unit where the account is billed and that they:

1. For Schedule RLE, receive Supplemental Security Income pursuant to 42 USC
Sections 1381 — 1383; or

2. For Schedules RLE and REE, reside in a household in which the annual income of all
household members together does not exceed 70 percent of the Washington State median income
for the number of individuals in the household as computed annually by the state or the City.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 2.34 cents per kWh

All additional kWh per day at 4.90 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 2.34 cents per kWh

All additional kWh per day at 4.90 cents per kWh

Base Service Charge:

5.80 cents per meter per day

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 2.62 cents per kWh

All additional kWh per day at 5.25 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 2.62 cents per kWh

All additional kWh per day at 5.25 cents per kWh

Base Service Charge:

5.93 cents per meter per day

Schedules REL (Residential Elderly: Lake Forest Park) and RLL (Residential Low-

Income: Lake Forest Park)

Schedules REL and RLL are available for separately metered residential service provided to

Lake Forest Park customers who show satisfactory proof that they have a City Light residential

account and reside in the dwelling unit where the account is billed and that they:

1. For Schedule RLL, receive Supplemental Security Income pursuant to 42 USC

Sections 1381 — 1383; or

2. For Schedules RLL and REL, reside in a household in which the annual income of all

household members together does not exceed 70 percent of the Washington State median income

for the number of individuals in the household as computed annually by the state or the City.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 2.34 cents per kWh

All additional kWh per day at 4.90 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 2.34 cents per kWh

All additional kWh per day at 4.90 cents per kWh

Base Service Charge:

5.80 cents per meter per day

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

Summer Billing Cycles (April — September)

First 10 kWh per day at 2.46 cents per kWh

All additional kWh per day at 5.14 cents per kWh

Winter Billing Cycles (October — March)

First 16 kWh per day at 2.46 cents per kWh

All additional kWh per day at 5.14 cents per kWh

Base Service Charge:

5.93 cents per meter per day

B. Applicants for Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ((and)) RLE, REL, and RLL shall verify the information required to certify their eligibility for residential rate assistance and shall provide such other data as is deemed appropriate upon forms and in the manner determined by the City's Human Services Department as directed by City Light. Customer eligibility to enter the program may also be established from data provided by affordable housing providers receiving federal, state, or local funding and subject to annual compliance monitoring by the granting authority, if the providers have entered into agreements

1 with City Light regarding the provision and use of the information. Such agreements do not limit
2 the City's right to confirm the information provided with the customer.

3 C. Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ((and))
4 RLE, REL, and RLL and any other form of residential rate assistance established by the
5 Department are not available to those otherwise eligible persons who own their dwelling unit and
6 who use electric heat as defined in Section 21.52.210 but who have not completed or who are not
7 in the process of completing the energy conservation measures required for participation in the
8 Comprehensive Residential Weatherization Program described in Section 21.52.260. Customers
9 who own their own dwelling unit and who use electric heat have one year from the date of
10 application for Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE,
11 ((and)) RLE, REL, and RLL to complete the energy conservation measures. Eligibility for
12 residential rate assistance may be continued by the Department, however, if the Department
13 determines that the customer's failure to complete the required energy conservation measures is
14 the fault of the City in failing to furnish or properly administer the Low-income Electric Program
15 set forth in Section 21.52.250.

16 D. Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ((and))
17 RLE, REL, and RLL shall not apply to any subsidized unit operated by the Seattle Housing
18 Authority, the Housing Authority of the County of King, or the federal government where utility
19 allowances are provided.

20 E. Normal residential service under Schedules REC, RLC, RET, RLT, RES, RLS, REH,
21 RLH, REB, RLB, REE, ((and)) RLE, REL, and RLL shall be limited to single-phase.

F. If Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ~~((and))~~ RLE, REL, and RLL are applied to transient occupancy in separately metered living units, billing shall be in the name of the owner on a continuous basis.

G. Duplexes using a single meter prior to October 13, 1978 shall be considered as a single residence for the purpose of applying Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ~~((and))~~ RLE, RLL, and REL. For a new duplex or a larger service to an existing duplex, each residence shall be separately metered.

H. All electric service provided for domestic uses to a single residential account, including electrically heated swimming pools, shall have all consumption of electricity added together for billing on Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ~~((and))~~ RLE, REL, and RLL.

Section 4. Section 21.49.052 of the Seattle Municipal Code, last amended by Ordinance 124818, is amended to read as follows:

21.49.052 Small general service (Schedules SMC, SMT, SMS, SMH, SMB, SMD, ~~((and))~~ SME, and SML)

A. Small general service is general service provided to customers who are not demand metered or, if demand metered, have had in the previous calendar year more than half of their normal billings at less than 50 kW of maximum demand. Classification of new customers as small general service customers will be based on the Department's estimate of maximum demand in the current year. Customers who are assigned flat rate bills shall be charged according to Small general service rates.

* * *

Schedule SME (Small General Service: SeaTac)

Schedule SME is for small standard general service provided to SeaTac customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

All energy at 8.22 cents per kWh

Minimum Charge:

\$0.26 per meter per day

Discounts:

Transformer losses in kWh —

$.53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

All energy at 8.79 cents per kWh

Minimum Charge:

\$0.26 per meter per day

Discounts:

Transformer losses in kWh —

$.53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

Schedule SML (Small General Service: Lake Forest Park)

Schedule SML is for small standard general service provided to Lake Forest Park customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

All energy at 8.22 cents per kWh

Minimum Charge:

\$0.26 per meter per day

Discounts:

Transformer losses in kWh —

.53285 x kW + .00002 x kW² + .00527 x kWh

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

All energy at 8.63 cents per kWh

Minimum Charge:

\$0.26 per meter per day

Discounts:

Transformer losses in kWh —

.53285 x kW + .00002 x kW² + .00527 x kWh

Transformer investment —

\$0.22 per kW of monthly maximum demand

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Section 5. Section 21.49.055 of the Seattle Municipal Code, last amended by Ordinance
124818, is amended to read as follows:

**21.49.055 Medium general service (Schedules MDC, MDT, MDS, MDH, MDB, MDD,
((and)) MDE, and MDL)**

A. Medium general service is general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 50 kW of maximum demand or greater and have more than half of their normal billings at less than 1,000 kW of maximum demand. Classification of new customers will be based on the Department's estimate of maximum demand in the current year.

* * *

Schedule MDE (Medium Standard General Service: SeaTac)

Schedule MDE is for medium standard general service provided to SeaTac customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

All energy at 6.70 cents per kWh

Demand Charges:

All kW of maximum demand at \$2.24 per kW

Minimum Charge (to be charged when the Department's billing system is updated to include it):

\$0.63 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

All energy at 7.31 cents per kWh

Demand Charges:

All kW of maximum demand at \$2.32 per kW

Minimum Charge (to be charged when the Department's billing system is updated to include it):

\$0.65 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

Schedule MDL (Medium Standard General Service: Lake Forest Park)

Schedule MDL is for medium standard general service provided to Lake Forest Park customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

All energy at 6.70 cents per kWh

Demand Charges:

All kW of maximum demand at \$2.24 per kW

Minimum Charge (to be charged when the Department's billing system is updated to include it):

\$0.63 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

All energy at 7.06 cents per kWh

Demand Charges:

All kW of maximum demand at \$2.32 per kW

Minimum Charge (to be charged when the Department's billing system is updated to include it):

\$0.65 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

* * *

Section 6. Section 21.49.057 of the Seattle Municipal Code, last amended by Ordinance 124818, is amended to read as follows:

21.49.057 Large general service (Schedules LGC, LGT, LGS, LGH, LGD, LGB, ((and)) LGE, and LGL)

A. Large general service is network general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000 kW of maximum demand or greater, and also standard general service provided to customers who have in the previous calendar year half or more than half of their normal billings at 1,000 kW of

maximum demand or greater and have more than half of their normal billings at less than 10,000 kW of maximum demand. Classification of new customers will be based on the Department's estimate of maximum demand in the current year.

* * *

Schedule LGE (Large Standard General Service: SeaTac)

Schedule LGE is for large standard general service provided to SeaTac customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

Peak at 7.91 cents per kWh

Off-peak at 5.27 cents per kWh

Demand Charges:

Peak at \$2.02 per kW

Off-peak at \$0.22 per kW

Minimum Charge:

\$18.58 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

Peak at 8.44 cents per kWh

Off-peak at 5.62 cents per kWh

Demand Charges:

Peak at \$2.08 per kW

Off-peak at \$0.22 per kW

Minimum Charge:

\$18.98 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment —

\$0.22 per kW of monthly maximum demand

Schedule LGL (Large Standard General Service: Lake Forest Park)

Schedule LGL is for large standard general service provided to Lake Forest Park customers.

RATES EFFECTIVE JANUARY 1, 2015:

Energy Charges:

Peak at 7.91 cents per kWh

Off-peak at 5.27 cents per kWh

Demand Charges:

Peak at \$2.02 per kW

Off-peak at \$0.22 per kW

Minimum Charge:

\$18.58 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times kW + .00002 \times kW^2 + .00527 \times kWh$

Transformer investment —

\$0.22 per kW of monthly maximum demand

RATES EFFECTIVE JANUARY 1, 2016:

Energy Charges:

Peak at 8.37 cents per kWh

Off-peak at 5.58 cents per kWh

Demand Charges:

Peak at \$2.08 per kW

Off-peak at \$0.22 per kW

Minimum Charge:

\$18.98 per meter per day

Discounts:

Transformer losses in kWh —

$1756 + .53285 \times kW + .00002 \times kW^2 + .00527 \times kWh$

Transformer investment —

\$0.22 per kW of monthly maximum demand

* * *

Section 7. Section 21.49.081 of the Seattle Municipal Code, last amended by Ordinance
124818, is amended to read as follows:

21.49.081 Automatic BPA cost adjustment

Each time that BPA adjusts its rates that are applied to City Light through its then current power sales agreements (PSAs) and transmission service agreements (TSAs) with BPA, City Light will calculate the difference (in dollars) between what City Light would have paid for its BPA purchases under the previous BPA rates for a 12 month period beginning on the effective date of the BPA adjustment and what City Light will actually pay for the same period under the adjusted BPA rates. The dollar difference will then be multiplied by 1.1095, which is the effective tax rate, and the product divided by forecast load (in kWh) over the 12 month period to calculate a number (in dollars/kWh rounded to the nearest ten thousandth of a dollar) which will be called the "BPA increment."

For example, if an increase in BPA rates results in increased costs to the Department of \$18,422,543 per year, this amount would be multiplied by the 1.1095 effective tax rate to get required additional customer revenue of \$20,439,811. The additional revenue required would then be divided by the forecast kWh load to calculate the BPA increment.

As soon as practical after a BPA adjustment in rates, energy charges in effect under all rate schedules will be increased or decreased by the BPA increment, provided that for customers served under Schedules REC, RLC, RET, RLT, RES, RLS, REH, RLH, REB, RLB, REE, ((and)) RLE, REL, and RLL, energy charges shall be increased or decreased by 40 percent of the BPA increment. The BPA increment will increase or decrease equally first block and second block charges in residential rates and peak and off-peak rates for large and high demand general service customers as well as the single energy charges for small and medium general service customers and the energy charge portion of Schedules T, L, P, R, A, and F.

If at any time after December 31, 2006, BPA announces an adjustment in the rates to be charged to City Light, then City Light shall compute the BPA increment for the purpose of ensuring that

only the increase or decrease in costs from BPA will be passed through to City Light's customers. The increment will be based on the projected load for a 12 month period. City Light's rates shall be adjusted to give effect to the BPA increment, and the adjusted rates shall take effect after the effective date of the adjusted BPA rates as soon as the billing process can be implemented.

Section 8. A new Section 21.49.088 is added to the Seattle Municipal Code as follows:

21.49.088 Automatic utility tax for municipalities outside The City of Seattle

A. Should a municipality outside The City of Seattle decide to levy a utility tax on the Department for revenues derived by the Department from customers within that municipality, then the Department will implement that tax in accordance with state law.

B. Upon receiving notice that the municipality has decided to levy a utility tax, the Department may adjust the rate schedules and bills of customers in that municipality to collect that tax in full.

C. The Department has the discretion to implement the utility tax as a standalone line item on the customer bill, or by incorporating the effective tax rate into rates for customers in that municipality.

Section 9. Subsection 21.49.100.K of the Seattle Municipal Code, which section was last amended by Ordinance 124818, is amended to read as follows:

21.49.100 Application and contract provisions ((-))

* * *

K. Account Service Charge. An applicant or a customer shall be charged an account service charge for establishing an account. The charge shall be included in the initial billing to the first permanent occupant after the establishment of an account. The schedule of charges shall

1 be established through the Administrative Code process. The account service charge shall not
2 apply in the following cases:

3 1. For a name, address, or rate schedule change involving the same premises and
4 account, or the addition of names to existing accounts;

5 2. For temporary service used for the purpose of new construction;

6 3. For meters or other charges added to an existing account;

7 4. For customers billed on Schedules REC, RES, RET, REH, REB, RLT, RLC,
8 RLS, RLH, RLB, REE, ~~((and))~~ RLE, REL, and RLL;

9 5. For the transfer of responsibility for an existing account for service to an
10 existing premises from the occupant of record to another party, and the assumption by that other
11 party of the obligation to pay for the service, when no opening or closing of the account is
12 involved;

13 6. For billing of vacancy current to property owners or authorized agent;

14 7. For a change in status between vacant and occupied.

15 * * *

Section 10. 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 11th day of January, 2015, and signed by me in open session in authentication of its passage this

11th day of January, 2015.



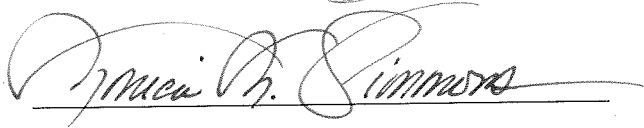
President _____ of the City Council

Approved by me this 14th day of January, ^{2016 AUS} ~~2015~~.



Edward B. Murray, Mayor

Filed by me this 14 day of January, ²⁰¹⁶ ~~2015~~ 2016



Monica Martinez Simmons, City Clerk

(Seal)

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle City Light	Paula Laschober 684-3168	Greg Shiring 386-4085

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the rates, terms and, conditions for the use and sale of electricity supplied by the City Light department; adding a new Section 21.49.088 to the Seattle Municipal Code to create a utility tax pass through; and amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.081, and 21.49.100 of the Seattle Municipal Code to implement new distinct rates for the City of Lake Forest Park to allow for the potential addition of a utility tax.

Summary and background of the Legislation: This ordinance creates distinct rates for customers in the City of Lake Forest Park, and adds a section to the SMC to allow the pass-through of a suburban utility tax. The new utility tax pass-through allows the department to automatically implement rate and bill changes for customers outside the City of Seattle to collect utility taxes implemented by their local government.

Per its new franchise agreement, the City of Lake Forest Park may levy a 6% utility tax on or after January 1, 2016. The department will recover the full tax-adjusted impact of the new utility tax by increasing bills for Lake Forest Park customers.

Cities served by investor-owned utilities often collect revenue from a utility tax that is administered through the utility. For example, the city of Bellevue taxes its residents via Puget Sound Energy bills. In the past, this tax was not an option for suburban cities served by the department (a part of the City of Seattle) because it is not legal for a municipality to tax the revenue of another municipality.

However, in May of 2014, in a case involving the City of Wenatchee and Chelan County PUD, the State of Washington Court of Appeals ruled (31195-3-III) that one municipality may tax the revenue of a another municipality if the revenue is from activity that is proprietary in character rather than governmental. This ruling means that a suburban utility tax is permissible because the department's electric utility function is proprietary rather than governmental in nature.

The City of Lake Forest Park has expressed interest in a tax, and has added a provision in its recently adopted franchise agreement (adopted via Seattle City Council Ordinance 124806) that allows for the possibility of up to a 6% (the maximum under state law) utility tax to be implemented on or after January 1, 2016. It also permits the department to add the utility tax to the monthly bills of its Lake Forest Park customers. Since there are no state procedural requirements for implementing the tax, this could happen at any time and with little warning. Other suburban cities may also pursue implementing a tax in the future.

The department is implementing a new billing system that would allow adding the tax as a

separate line item to customer bills. However, this system will not be operational until mid-2016, and the current billing system does not have this feature. To implement a Lake Forest Park utility tax with the current billing system, all rates of Lake Forest Park customers would need to be increased by the effective tax rate of 7.132%. The effective tax rate is higher than the tax rate since all additional revenue collected to pay the tax is also taxed.

Because both the timing of the tax implementation and billing system status is uncertain, the ordinance allows the department to pass through any tax implemented by Lake Forest Park, or another suburban municipality. (At least one other municipality has expressed interest in the past.) The mechanism also provides the department some flexibility in how the tax is administered, to allow for uncertainty around billing system capabilities.

To allow for changes to Lake Forest Park rates, this ordinance also creates new distinct rate codes for all Lake Forest Park customer classes, as shown in the table below. Lake Forest Park customers are currently assigned "Suburban" rates, which are common to Unincorporated King County, Renton and Normandy Park.

Rate Code	Rate Class
RSL	Lake Forest Park Residential Standard
REL/RLL	Lake Forest Park Residential UDP
SML	Lake Forest Park Small General Service
MDL	Lake Forest Park Medium General Service
LGL	Lake Forest Park Large General Service

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

 x This legislation has direct financial implications

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
	\$0	\$32,000	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
Other departments affected:				

Note: All incremental gross revenue of approximately \$500k is paid to the city of Lake Forest Park and to City and State Taxes.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
Light Fund	City Light	Retail Revenue	\$0	\$0*
General Fund	City Light	Incremental Utility Tax Revenue (6%)	\$0	\$32,000
TOTAL			\$0	na

Revenue/Reimbursement Notes:

*Note, gross revenue delta is approximately \$0.5 million, but this amount (less taxes) is paid to the City of Lake Forest Park. Net, the revenue impact for the department is approximately neutral.

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?
No.
- b) Is there financial cost or other impacts of not implementing the legislation?
If this legislation were not implemented, and the City of Lake Forecast Park implemented a utility tax, the department would be obligated to pay the City of Lake Forest Park a utility tax payment. If Lake Forest Park Rates were not designed (or could not be implemented quickly) then the cost would not be correctly allocated, and be borne by all ratepayers. This cost has not been budgeted for.
- c) Does this legislation affect any departments besides the originating department?
No.
- d) Is a public hearing required for this legislation?
No.

- e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

- f) Does this legislation affect a piece of property?**

No.

- g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

None.

- h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

N/A

- i) Other Issues:**

List attachments below:

STATE OF WASHINGTON -- KING COUNTY

--SS.

333019

No. 124977,978,979

CITY OF SEATTLE, CLERKS OFFICE

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.

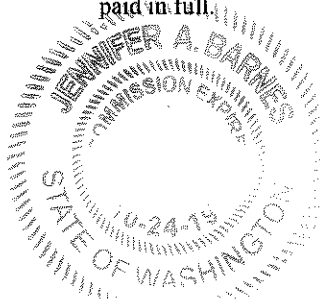
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCES

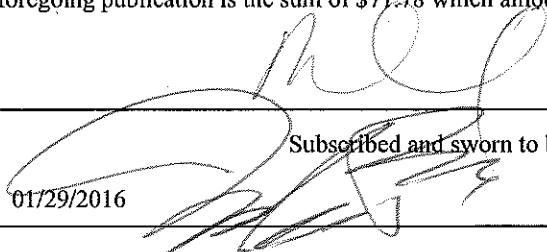
was published on

01/29/16

The amount of the fee charged for the foregoing publication is the sum of \$71.78 which amount has been paid in full.



Affidavit of Publication


Subscribed and sworn to before me on
01/29/2016

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on January 11, 2016, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124977 AN ORDINANCE relating to the City Light Department; declaring certain real property rights surplus to utility needs; authorizing the General Manager and Chief Executive Officer to execute an agreement for the City to grant an easement for access purposes over a portion of the City's fee-owned transmission corridor at 14365 Linden Avenue North in Seattle, Washington, and to accept the release of an easement at said address; accepting payment for the true and full value of the easement being granted from Rise Properties (Woodland Pointe) Limited Partnership; and ratifying and confirming certain prior acts.

Ordinance 124978 AN ORDINANCE relating to the rates, terms, and conditions for the use and sale of electricity supplied by the City Light Department; adding a new Section 21.49.088 to the Seattle Municipal Code to create a utility tax pass through; and amending Sections 21.49.020, 21.49.030, 21.49.040, 21.49.052, 21.49.055, 21.49.057, 21.49.081, and 21.49.100 of the Seattle Municipal Code to implement new distinct rates for the city of Lake Forest Park to allow for the potential addition of a utility tax.

Ordinance 124979 AN ORDINANCE authorizing an agreement with the Arboretum Foundation for support of the Seattle Japanese Garden.

Date of publication in the Seattle Daily Journal of Commerce, January 29, 2016.
1/29/2016(333019)