



SEATTLE CITY COUNCIL

Legislative Summary

CB 118801

Record No.: CB 118801

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125136

In Control: City Clerk

File Created: 08/18/2016

Final Action: 09/29/2016

Title: AN ORDINANCE relating to the City Light Department; amending subsection 21.49.086.D of the Seattle Municipal Code to create Net Wholesale Revenue targets for 2017 and 2018 consistent with those assumed in the City Light 2017-2022 Strategic Plan adopted by Resolution 31678.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Sawant

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: Kirsty.Grainger@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	08/30/2016	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	08/30/2016	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	09/01/2016	sent for review	Energy and Environment Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Energy and Environment Committee Notes:						
1	Full Council	09/12/2016	referred	Energy and Environment Committee			

1 Energy and Environment 09/13/2016 pass Pass
Committee
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:

In Favor: 2 Chair Sawant, Member González

Opposed: 0

1 Full Council 09/19/2016 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 09/23/2016 submitted for Mayor
Mayor's signature

1 Mayor 09/29/2016 Signed

1 Mayor 09/29/2016 returned City Clerk

1 City Clerk 09/29/2016 attested by City
Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

CITY OF SEATTLE

ORDINANCE 125136

COUNCIL BILL 118801

AN ORDINANCE relating to the City Light Department; amending subsection 21.49.086.D of the Seattle Municipal Code to create Net Wholesale Revenue targets for 2017 and 2018 consistent with those assumed in the City Light 2017-2022 Strategic Plan adopted by Resolution 31678.

WHEREAS, the City established the City Light Rate Stabilization Account ("RSA") within the Light Fund in part to buffer the City Light Department and its rate payers from shortfalls in the amount of Net Wholesale Revenue actually earned relative to that specified in budgets and assumed in electricity rates; and

WHEREAS, Ordinance 123260 provided a funding mechanism for the RSA and established rules for its operation, including a formula for computing the target level of Net Wholesale Revenue for the purpose of developing budgets and retail electricity rates, and for determining deposits to, and withdrawals from, the RSA; and

WHEREAS, Ordinance 123989 changed the methodology for computing the Net Wholesale Revenue target, eliminating the formula and establishing specific dollar amount targets consistent with those assumed in the City Light Strategic Plan adopted by Resolution 31383; and

WHEREAS, the City Light 2017-2022 Strategic Plan, adopted by Resolution 31678, assumes specific targets for Net Wholesale Revenue for the years 2017 to 2022, and electricity rates consistent with those targets; and

WHEREAS, the City Council intends to adopt retail electricity rates for 2017 and 2018 that are consistent with those in the 2017-2022 Strategic Plan; and

WHEREAS, the City Council will reconsider spending plans, the targets for Net Wholesale Revenue, and the retail electricity rates to support them for subsequent years as part of the update and extension of the Strategic Plan in 2018; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.49.086.D of the Seattle Municipal Code, which section was last amended by Ordinance 124752, is amended as follows:

21.49.086 Rate Stabilization Account

* * *

D. Baseline for the Net Wholesale Revenue forecast:

For the purpose of this Ordinance, "Net Wholesale Revenue" means gross wholesale revenue less the amount of wholesale purchases.

~~((The Net Wholesale Revenue forecast shall be \$65 million for 2015 and \$60 million for 2016.))~~ The Net Wholesale Revenue forecast shall be \$60 million for 2017 and \$60 million for 2018.

The forecast thus established shall be the amount of Net Wholesale Revenue assumed by the City Council for the purpose of establishing City Light rates and budgets. The City Council will determine Net Wholesale Revenue forecasts for subsequent years prior to adopting City Light rates for those years.

The annual forecast for each year will be distributed over the quarters of the year as follows:

30% for January 1 to March 31;

35% for April 1 to June 30;

15% for July 1 to September 30; and

20% for October 1 to December 31.

The amounts determined in this way will be the quarterly Net Wholesale Revenue forecasts for the purpose of ((Subsection E)) subsection 21.49.086.E and will be reported by City Light in its annual budget proposals.

* * *

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 19th day of September, 2016,
and signed by me in open session in authentication of its passage this 19th day of
September, 2016.



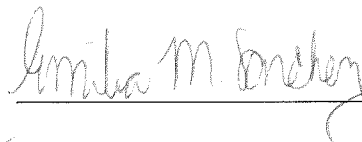
President _____ of the City Council

Approved by me this 29th day of September, 2016.



Edward B. Murray, Mayor

Filed by me this 29th day of September, 2016.



for Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle City Light	Kirsty Grainger/684-3713	Gregory Shiring/386-4085

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the City Light Department; amending subsection 21.49.086.D of the Seattle Municipal Code to create Net Wholesale Revenue targets for 2017 and 2018 consistent with those assumed in the City Light 2017-2022 Strategic Plan adopted by Resolution 31678.

Summary and background of the Legislation: This ordinance establishes City Light Net Wholesale Revenue targets for 2017 and 2018 that are consistent with those assumed in the City Light 2017-2022 Strategic Plan adopted July 26, 2016 by Resolution 31678.

The City established the City Light Rate Stabilization Account (RSA) within the Light Fund in part to buffer the City Light Department and its rate payers from shortfalls in the amount of Net Wholesale Revenue (NWR) actually earned relative to that specified in its budgets and assumed in its electricity rates. In March of 2010, Council adopted Ordinance 123260 which provided a funding mechanism for the RSA and established rules for its operation, including a formula for computing the target level of NWR for the purpose of developing budgets and retail electricity rates, and for determining deposits to, and withdrawals from, the RSA.

In 2012, Council adopted the City Light 2013-2018 Strategic Plan (Resolution 31383) which included more conservative NWR targets than the historical average originally determined by Ordinance 123260. The more conservative revenue targets reflected changing market and resource conditions which indicated that future NWR was likely to be significantly lower than historical levels, and served to reduce the likelihood of future RSA surcharges thereby providing rate payers with improved rate stability. Ordinance 123989 effected these changes, and established NWR targets for 2015 and 2016 which were consistent with the Strategic Plan and the adopted 2015 and 2016 electricity rates.

This proposed legislation establishes NWR targets of \$60 million for 2017 and \$60 million for 2018. These values are consistent with the new Strategic Plan Update for 2017-2022 and the electricity rates proposed for 2017-2018, which are in the accompanying legislation.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

☒ **This legislation does not have direct financial implications.**
(Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2016	2017	2016	2017
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2016	2017	2016	2017
Positions affected:	No. of Positions		Total FTE Change	
	2016	2017	2016	2017
Other departments affected:				

3.a. Appropriations

☐ **This legislation adds, changes, or deletes appropriations.**
(If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.)

Fund Name and number	Dept	Budget Control Level Name/##	2016 Appropriation Change	2017 Estimated Appropriation Change
TOTAL				

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

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

3.b. Revenues/Reimbursements

☐ **This legislation adds, changes, or deletes revenues or reimbursements.**
(If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.)

Anticipated Revenue/Reimbursement Resulting from this Legislation:

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?

The 2017 and 2018 proposed rates are predicated on the Net Wholesale Revenue target established by this legislation. Not passing this legislation would mean there would be no target NWR to inform the operations of the RSA.

b) Is there financial cost or other impacts of not implementing the legislation?

Not passing this legislation would mean there would be no 2017 or 2018 NWR target. The NWR target is critical to the financial operation of the RSA and the surcharge decision procedures established by Ordinance 123260. The RSA would be unusable.

c) Does this legislation affect any departments besides the originating department?

No

d) Is a public hearing required for this legislation?

No

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

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

No

i) 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

j) Other Issues: None

List attachments/exhibits below: N/A

STATE OF WASHINGTON -- KING COUNTY

--SS.

342202

No.

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.

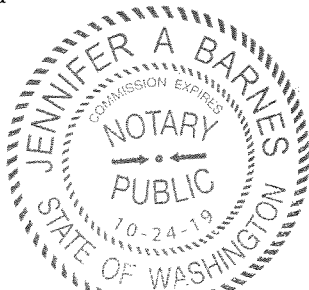
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:125133,135-137 TITLE

was published on

10/05/16

The amount of the fee charged for the foregoing publication is the sum of \$87.73 which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

10/05/2016

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on September 19, 2016, and published below by title only, will be mailed upon request, or can be accessed at <https://seattle.legistar.com/Legislation.aspx>. 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 125133

AN ORDINANCE relating to land use and zoning; amending Chapter 23.32 of the Seattle Municipal Code at page 60 of the Official Land Use Map to rezone property located at 5001 Brooklyn Ave NE from Lowrise 3 (LR3) to Neighborhood Commercial 3-65 (NCS-65), and accepting a Property Use and Development Agreement as a condition of rezoning approval. (Petition by Brooklyn 50 LLC, C.F. 314324, SDCI Project 3019997).

Ordinance 125135

AN ORDINANCE relating to employment in Seattle; adding a new Chapter 14.22 to the Seattle Municipal Code; establishing secure scheduling requirements for covered retail and food services establishments; prescribing remedies and enforcement procedures; amending Section 14.20.025 of the Seattle Municipal Code to add good faith estimates of work schedules to notice of employment information; amending Section 6.208.020 of the Seattle Municipal Code to condition business license registration on compliance with secure scheduling requirements; and amending Section 3.14.945 of the Seattle Municipal Code to add Chapter 14.22 to the list of ordinances administered and enforced by the Office of Labor Standards.

Ordinance 125136

AN ORDINANCE relating to the City Light Department; amending subsection 21.49.086.D of the Seattle Municipal Code to create Net Wholesale Revenue targets for 2017 and 2018 consistent with those assumed in the City Light 2017-2022 Strategic Plan adopted by Resolution 31678.

Ordinance 125137

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Date of publication in the Seattle Daily Journal of Commerce, October 5, 2016.

10/5(342202)