

CITY OF SEATTLE
ORDINANCE 126819
COUNCIL BILL 120556

AN ORDINANCE relating to the City Light Department; authorizing the transfer of certain funds in the Light Fund into the Rate Stabilization Account in 2023; and superseding certain provisions of subsection 21.49.086.E of the Seattle Municipal Code.

WHEREAS, pursuant to Seattle Municipal Code Section 21.49.086, the City established the Rate Stabilization Account (RSA) within the Light Fund to protect the City Light Department (“City Light”) and its customers from deviations in revenues from surplus electricity sales, also called net wholesale revenue, compared to amounts assumed in budgets; and

WHEREAS, over its past 12 years in operation, the RSA has proven to be a useful and effective mechanism for shielding customer rates from financial risks brought on by uncontrollable external factors like temperatures, rainfall, and wholesale market conditions; and

WHEREAS, since November 2022 the RSA balance has declined rapidly and at the end of March was \$45.8 million, which triggers a four percent rate surcharge effective June 1, 2023 per the RSA operating rules codified in Seattle Municipal Code Section 21.49.086; and

WHEREAS, excellent financial performance in 2022 has left City Light with a surplus of operating cash; and

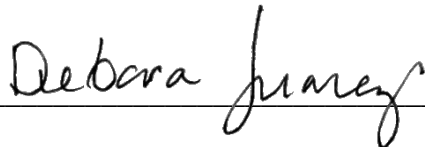
WHEREAS, City Light’s strong financial outlook for 2023 may allow the utility to both forestall a rate surcharge via an RSA deposit while still maintaining a high likelihood of exceeding debt service coverage targets; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:


1 Section 1. The City Light Department is authorized to transfer 2023 cash available in the
2 Light Fund for debt service coverage in excess of 1.85 times debt service for 2023 into the Rate
3 Stabilization Account so long as its balance does not exceed \$100 million. Multiple transfers
4 may be made during 2023. Notwithstanding the RSA replenishment requirements of Seattle
5 Municipal Code subsection 21.49.086.E, no RSA surcharge will be imposed on June 1, 2023.

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


4 Passed by the City Council the 16th day of May, 2023,
5 and signed by me in open session in authentication of its passage this 16th day of
6 May, 2023.

7 
8 _____
President _____ of the City Council

9 Approved / returned unsigned / vetoed this 19th day of May, 2023.

10 
11 _____
Bruce A. Harrell, Mayor

12 Filed by me this 19th day of May, 2023.

13 
14 _____
Anne Frantilla, Interim City Clerk

15 (Seal)