

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Light	Kirsty Grainger/384-3713	Greg 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 rates, terms, and conditions for the use and sale of electricity supplied by the City Light Department for 2020; amending Seattle Municipal Code (SMC) Sections 21.49.030, 21.49.052, 21.49.055, 21.49.057, and 21.49.081; adding a new Section 21.49.070 to the SMC; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This technical ordinance implements three changes associated with Department rates and charges:

(1) Codifies 2020 electricity rates for customers within the city of Burien. The city of Burien has exercised an option in its current Franchise Agreement to increase the rate differential from 6% to 8%. In turn, the percent of Burien customer revenue used to calculate franchise payments will increase from 4% to 6%. This will be effective Jan 1, 2020.

(2) Amends the Automatic BPA cost adjustment to only pass through material costs differences defined as over \$1.5 million. It also provides City Light with up to three months of flexibility to implement a surcharge/credit in efforts to align the BPA pass through with other scheduled rate changes.

(3) Establishes the provisions for setting rental fees for the use of City Light charging stations. Rental fees are to recover the costs of owning and operating the charging stations and energy services will be recovered with the applicable retail rate.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes ___X___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes ___X___ No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No, electricity rates for City departments will remain the same. Material BPA cost adjustments will be the same size, just the timing of the implementation may vary slightly.

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

Not implementing this legislation would fail to honor the terms of the current Franchise Agreement with the City of Burien.

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	2019 Revenue	2020 Estimated Revenue
Light Fund	City Light	Retail Revenue		\$600,000
TOTAL				

Is this change one-time or ongoing?

Ongoing.

Revenue/Reimbursement Notes:

This revenue reflects the increased Burien rates. There would also be a corresponding incremental cost in the franchise contract payment to the City of Burien, which would increase by approximately the same amount.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No
- b. Is a public hearing required for this legislation?
No
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No

e. Does this legislation affect a piece of property?

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation results in increases to all Burien customers' electric rates. Burien customer participating in the Utility Discount Program receive a 60% discount on their bills.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

N/A

List attachments/exhibits below:

Summary Exhibit 1 – Letter from City of Burien directing City Light to increase the rate differential to 8 percent