



2015-2016 Net Wholesale Revenue Baseline and 2015-16 Rates

Energy Committee

September 11, 2014

OVERVIEW

- **Two ordinances**
 - 2015-2016 Net Wholesale Revenue Baseline
 - 2015-2016 Rates
- **Implement Strategic Plan adopted June 30, 2014**

Annual rate increases

2015	2016	2017	2018	2019	2020	Avg.
4.2%	4.9%	5.0%	3.9%	3.6%	4.9%	4.4%

Net Wholesale Revenue Baseline

NET WHOLESALE REVENUE BASELINE

Ordinance 123260 adopted March 2010

- Established RSA and amount of NWR to assume in spending plan
- Shortfalls in NWR made up from \$100M reserve fund
- Rate surcharges top up fund when balance drops below \$90M, \$80M, \$70M
- Experience since 2010 shows assumed NWR still too high – repeated draws on fund

Strategic Plan 2013-2018 adopted July 2012

- Gradual reduction in NWR assumption (to reduce probability of surcharge)
- Ordinance 123989 established specific 2013-2014 NWR baseline only

Strategic Plan 2015-2020 adopted June 2014

- Further gradual reduction in NWR assumption (still too high)
- New ordinance will establish specific 2015-2016 NWR baseline: \$65M, \$60M

2015-2016 Rates

EXISTING RATE DESIGN

- Residential
 - 2 energy blocks, higher priced 2nd block
 - Base service charge
- Small General Service
 - Flat energy charge
 - Minimum charge
- Medium General Service (including Network)
 - Flat energy charge
 - Flat demand charge
 - Minimum charge
- Large (including Network) and High Demand General Service
 - Peak and off-peak energy charges
 - Peak and off-peak demand charges
 - Minimum charge

RESIDENTIAL RATES (CITY OF SEATTLE)

<i>Residential</i>	BSC per meter/ month	First Block (\$/kWh)	End Block (\$/kWh)	First Block Monthly kWh (Summer/Winter)
2014 Rates	\$4.82	\$0.0506	\$0.1149	300/480
2015 Rates	\$4.35	\$0.0557	\$0.1189	300/480
2016 Rates	\$4.45	\$0.0588	\$0.1249	300/480

<i>UDP (60% discount)</i>	BSC per meter/ month	First Block (\$/kWh)	End Block (\$/kWh)	First Block Monthly kWh (Summer/Winter)
2014 Rates	\$1.93	\$0.0216	\$0.0417	300/480
2015 Rates	\$1.74	\$0.0223	\$0.0476	300/480
2016 Rates	\$1.78	\$0.0235	\$0.0500	300/480

SMALL GENERAL SERVICE RATES (CITY OF SEATTLE)

<i>Small General Service</i>	Minimum Charge per meter/month	Energy (\$/kWh)
2014 Rates	\$8.10	\$0.0764
2015 Rates	\$7.80	\$0.0799
2016 Rates	\$7.80	\$0.0840

MEDIUM GENERAL SERVICE RATES (CITY OF SEATTLE)

<i>Medium General Service-Standard</i>	Minimum Charge per meter/month	Demand (\$/kW)	Energy (\$/kWh)
2014 Rates	\$18.90	\$2.18	\$0.0606
2015 Rates	\$18.90	\$2.24	\$0.0634
2016 Rates	\$19.50	\$2.32	\$0.0667

<i>Medium General Service-Network</i>	Minimum Charge per meter/month	Demand (\$/kW)	Energy (\$/kWh)
2014 Rates	\$18.90	\$4.39	\$0.0772
2015 Rates	\$18.90	\$4.52	\$0.0793
2016 Rates	\$19.50	\$4.54	\$0.0824

LARGE GENERAL SERVICE RATES (CITY OF SEATTLE)

<i>Large General Service-Standard</i>	Minimum Charge per meter/month	Peak/Off-Peak Demand (\$/kW)	Peak Energy (\$/kWh)	Off-Peak Energy (\$/kWh)
2014 Rates	\$503	\$1.52 / \$0.24	\$0.0690	\$0.0463
2015 Rates	\$557	\$2.02 / \$0.22	\$0.0717	\$0.0478
2016 Rates	\$569	\$2.08 / \$0.22	\$0.0759	\$0.0506

<i>Large General Service-Network</i>	Minimum Charge per meter/month	Peak/Off-Peak Demand (\$/kW)	Peak Energy (\$/kWh)	Off-Peak Energy (\$/kWh)
2014 Rates	\$503	\$3.65 / \$0.24	\$0.0863	\$0.0578
2015 Rates	\$557	\$4.00 / \$0.22	\$0.0869	\$0.0579
2016 Rates	\$569	\$4.05 / \$0.22	\$0.0906	\$0.0604

HIGH DEMAND GENERAL SERVICE RATES (CITY OF SEATTLE)

<i>High Demand General Service</i>	Minimum Charge per meter/month	Peak/Off-Peak Demand (\$/kW)	Peak Energy (\$/kWh)	Off-Peak Energy (\$/kWh)
2014 Rates	\$929	\$1.52 / \$0.24	\$0.0649	\$0.0436
2015 Rates	\$1,708	\$2.02 / \$0.22	\$0.0681	\$0.0454
2016 Rates	\$1,745	\$2.08 / \$0.22	\$0.0724	\$0.0483

RATES FOR SUBURBAN CITIES

Ordinance has to address each jurisdiction

- City of Seattle
- Shoreline
- Tukwila
- Burien
- Other (Lake Forest Park, Seatac, etc.)

Same rate schedule elements as the comparable City rates

OTHER RATES

Streetlights

- Monthly fixed charge
- Capital, maintenance and energy costs for each type of light

Duct, Vault and Pole Rental

- Annual fixed charge
- Capital, maintenance, space allocation for attachments
- Paid by cable companies, City of Seattle

Power Factor

- Cost of corrective equipment on City Light's distribution system
- Customers with power factor < 97% (City Light standard): 0.15 cents/kVarh

Reserved Distribution Capacity

- Capital cost of a feeder / kW of customers who request reserved capacity
2015: \$0.36/kW 2016: \$0.37/kW