



Legislation Text

File #: CB 119350, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the City Light Department; amending Section 21.49.086 of the Seattle Municipal Code to create Net Wholesale Revenue targets for 2019 and 2020 consistent with those assumed in the City Light 2019-2024 Strategic Plan approved by the City Council via Resolution 31819.

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 for 2013 and 2014 consistent with those assumed in the City Light 2013-2018 Strategic Plan adopted by Resolution 31383; and

WHEREAS, the City Light 2019-2024 Strategic Plan, adopted by Resolution 31819, assumes specific targets for Net Wholesale Revenue for the years 2019-2024, and electricity rates consistent with those targets; and

WHEREAS, the City Council intends to adopt retail electricity rates for 2019 and 2020 that are consistent with those in the 2019-2024 Strategic Plan; and

WHEREAS, Ordinance 123260 established the quarterly percentages for the distribution of net wholesale revenue over the year based on the historical pattern of receipts of such revenue up to that time; and

WHEREAS, the distribution of net wholesale revenue has changed due to changes in City Light's power portfolio and wholesale energy prices, and reflection of that change would allow more appropriate quarterly transfers from and to the Rate Stabilization Account; 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 2020; 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 125136, 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 ~~(((\$60))~~ \$55 million for ~~((2017))~~ 2019 and ~~(((\$60))~~ \$50 million for ~~((2018))~~ 2020.

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%))~~ 35 percent for January 1 to March 31;

~~((35%))~~ 20 percent for April 1 to June 30;

15(~~(%)~~) percent for July 1 to September 30; and
~~((20%))~~ 30 percent 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 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 _____ day of _____, 2018, and signed by me in open session in authentication of its passage this ____ day of _____, 2018.

President _____ of the City Council

Approved by me this _____ day of _____, 2018.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2018.

Monica Martinez Simmons, City Clerk

(Seal)