



Legislation Text

File #: CB 118801, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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

President _____ of the City Council

Approved by me this _____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)