

August 12, 2020

MEMORANDUM

To: City Council
From: Eric McConaghy, Analyst
Subject: Council Bill 119857 - Residents living in the City Light-owned housing in the Diablo and Newhalem communities are subject to the City Light rates

On August 17, 2020, the Council will discuss and possibly vote on [Council Bill \(CB\) 119857](#), proposed legislation that would clarify the Seattle Municipal Code (SMC) 21.56.030 to specify under what circumstances residents living in City Light-owned housing located in Whatcom County are or are not required to pay for electricity.

This memo provides background information on the proposed clarification.

Background

City Light owns rental housing in the towns of Newhalem and Diablo, near City Light's Skagit Hydroelectric Project (Project) in Whatcom County, Washington. The Project consists of three power generating developments on the Skagit River – Ross Dam, Diablo Dam, and Gorge Dam. City Light coordinates the functioning of the three dams as a single hydroelectric project. Together the three dams supply about 20 percent of Seattle City Light's power requirements.¹

Some City Light employees working at the Project receive housing and utilities according to the applicable collective bargaining agreement or pursuant to a specific condition set forth in an employment offer letter.

The proposed changes to SMC 21.56.030 would clarify that all residents living in the City Light-owned housing situated in Newhalem and Diablo must pay the City Light's rates for electricity, except those City Light employees who receive electric energy pursuant to an applicable collective bargaining agreement or employment offer letter. City Light has proposed the change to SMC 21.56.030 in order to minimize legal and administrative expenses necessary to respond to inquiries and challenges to the current provision in the SMC.

Amendment to SMC 21.56.030

The complete text if the proposed amendment, with deletions shown in ~~((strike-out))~~ and additions shown in underline reads:

Section 1. Section 21.56.030 of the Seattle Municipal Code, last amended by Ordinance 124167, is amended as follows:

21.56.030 Charges for electricity in Newhalem ~~((community.))~~ and Diablo communities

¹ SKAGIT RIVER HYDROELECTRIC PROJECT, <http://www.seattle.gov/light/skagit/>. Last accessed 08/03/2020

~~((As requested by the General Manager and Chief Executive Officer of City Light in C.F. 274449 all consumers of))~~ All residents of City Light-owned housing receiving electric energy from ((the City's) City Light's system in the Newhalem ((community other than Lighting Department facilities or employees)) and Diablo communities shall be charged the rates set forth in Chapter 21.49, except those City Light employees who receive electric energy pursuant to an applicable collective bargaining agreement or employment offer letter.

cc: Kirstan Arestad, Executive Director
Dan Eder, Deputy Director