



Legislation Text

File #: CB 118514, Version: 1

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light, or his or her designee, to execute the Amended and Restated Agreement Limiting Liability Among Western Interconnected Electrical Systems, which enables City Light to manage and resolve inter-utility incidents with members of the Western Interconnected Electrical System and fosters the City Light Department's customer relations and participation in important regional programs; and further authorizing the General Manager and Chief Executive Officer of City Light, or his or her designee, to execute amendments to such agreement that are consistent with the intent and authority set forth in this ordinance.

WHEREAS, in order to provide electricity to its customers reliably, the City Light Department is connected to a regional electric system on which many organizations exchange energy and cooperate for their mutual benefit; and

WHEREAS, there are four major Power Grids covering North America, namely: Hydro-Quebec System, Eastern Interconnection, Texas Interconnection, and Western Interconnection; and

WHEREAS, the City Light Department is in the Western Interconnect, and the Western Interconnected Electric Systems (WIES) program functions as a Joint Venture program providing a single mechanism to respond to inter-utility incidents, minimizing claim and legal expenses, and assists in the maintaining of utility customer goodwill; and

WHEREAS, while system design and operating criteria are intended to minimize creation of electric disturbances and to minimize damage from such disturbances, electric disturbances cannot be wholly avoided and human error cannot be entirely eliminated; and

WHEREAS, the members of the Western Interconnected Electric System have agreed to limit liability among themselves whereby each participant is released from liability for damage to each other's electric

system by executing the Amended and Restated Agreement Limiting Liability Among Western Interconnected Systems, distributed on March 11, 2013; and

WHEREAS, the City Light Department entered into the original such agreement in 1972, which included an excess liability policy shared by the membership to pay claims stemming from inter-utility incidents among Western Interconnected Electric Systems at a nominal shared premium; and

WHEREAS, the City Light Department wishes to continue to pool its risk with its fellow Western Interconnected Electric Systems members, thereby minimizing claim and legal expenditures, assisting in the maintenance of utility customer goodwill, and fostering the City Light Department's participation in important regional planning and communication programs; and

WHEREAS, the City Light Department's largest power supplier, the Bonneville Power Administrator, although not a member of the Western Interconnected Electric Systems, shall hold harmless each other party of this agreement, its directors, officers, and employees, from any claim or action for any loss or damage to the Federal Columbia River Power System caused by or arising from negligent, grossly negligent, or wrongful acts or omissions of such parties; and

WHEREAS, the original agreement was updated by the Western Interconnected Energy System Membership on March 11, 2013, and the restated and amended agreement no longer includes the excess liability policy because of overlap with individual companies' other insurance coverages and therefore each party insures its own electric system against aforementioned loss or damage, either by carrying insurance or self-insurance; and

WHEREAS, currently the City Light Department carries a self-insurance program that has been determined to adequately cover the aforementioned loss or damage; and

WHEREAS, more than three quarters of the Western Interconnected Electric Systems members have signed this agreement as of May 30, 2014, with the City Light Department among those remaining to execute it; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager and Chief Executive Office of City Light, or his or her designee, is hereby authorized to execute for and on behalf of The City of Seattle (the "City") the Amended and Restated Agreement Limiting Liability among Western Interconnected Systems substantially in the form attached hereto as Attachment A.

Section 2. In light of evolving regulatory requirements, the General Manager and Chief Executive Officer of City Light, or his or her designee, is further authorized to execute for and on behalf of the City such amendments to the Amended and Restated Agreement Limiting Liability Among Western Interconnected Systems that are consistent with the intent and authority set forth in this ordinance, as are necessary, convenient, and in the best interests of the City, in order to enable the City Light Department to manage and resolve inter-utility incidents with members of the Western Interconnected Electric System that are not governed by superseding agreements.

Section 3. 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 _____, 2015, and signed by me in open session in authentication of its passage this ____ day of _____, 2015.

President _____ of the City Council

Approved by me this ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment A: Amended and Restated Agreement Limiting Liability Among Western Interconnected Systems