

Ordinance No. 119351

the

Council Bill No. 112486

The City of Seattle
Council Bill/Ordinance

An Ordinance adding a new section 4.20.440 to the Seattle Municipal Code, adopting a Power Marketing Compensation Program and creating 8 new positions and reallocating 5 existing positions.

None 12-10-98

12-14-98 FOLL

CF No. _____

Date Introduced: <u>11-30-98</u>		
Date 1st Referred: <u>11-30-98</u>	To: (committee) <u>Utilities & Environ. Mgmt</u>	
Date Re- Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>JAN 19 1999</u>	Full Council Vote:	
Date Presented to Mayor: <u>JAN 20 1999</u>	Date Approved: <u>1/25/99</u>	
Date Returned to City Clerk: <u>1/28/99</u>	Date Published: <u>4 pg.</u>	T.O. <input type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetted by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

1-4-99 FOLL

(Excused)

1-11-99 FOLL COO
(Excused)

This file is complete and read

1/14/99: Passed as Amended
Full Council



Law Department

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Pagelet
Councilmember

Committee Action:

12-10-98 2-0 do pass

12-14-98 Full Council Action: Hold to 1/4/99
9-0

1-4-99 Full Council Action: Hold 1 week 8-0
(Excused: Choe)

1-11-99 Full Council: ~~Re~~-refer to Finance & Budget 8-0
(Excused: Melver)

This file is complete and ready for presentation to Full Council. Committee: _____

(initial/date)

1/14/99: Passed as amended by vote 3-0

Full Council Vote 8-0

M

Choe

Law Department

(V)

Law Dept. Review OMP Review City Clerk Review Electronic Copy Loaded Indexed

ORDINANCE 119351

AN ORDINANCE adding a new section 4.20.440 to the Seattle Municipal Code, adopting a Power Marketing Compensation Program and creating 8 new positions and reallocating 5 existing positions.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. There is added to Seattle Municipal Code Chapter 4.20 a new Section 4.20.440, as follows:

4.20.440 Power Marketing Compensation Program—Description

A. There is established a Power Marketing Compensation Program to which positions identified as "Power Marketer" will be assigned. The Personnel Director is authorized to implement the Power Marketing Compensation Program substantially in accord with the "Power Marketer Classification, Compensation and Sales Revenue Reward Plan Summary," which is incorporated by this reference. Revisions to titles and compensation components must be approved by the City Council. The title and pay zone established for the Power Marketer Compensation Program are:

<u>TITLE</u>	<u>PAY ZONE</u>
Power Marketer	\$24.90 - \$43.20

B. The Personnel Director shall recommend to the City Council for approval a market adjustment to the pay zone based on a labor market analysis to be conducted at least biennially.

C. The Personnel Director will recommend to the City Council the assignment of each position within the Power Marketer category to this pay zone, and will establish criteria for subsequent allocation of positions to and withdrawal of positions from the Power Marketing Compensation Program.

1 D. Each employee appointed to a position within the Power Marketing Compensation
2 Program will be assigned a base rate of pay within the pay zone by the appointing authority. If the rate
3 of pay received by an incumbent immediately prior to assignment to the Power Marketing
4 Compensation Program is higher than the upper limit of the pay zone recommended by the Personnel
5 Director, or is higher than the rate established for the position by the appointing authority upon
6 program implementation, the employee will retain an incumbency rate of pay until any market
7 adjustments to the pay zone equal or exceed the incumbency rate; provided, the incumbency rating
8 shall be maintained only as long as the duties assigned to the position are commensurate with the rate
9 of pay.

10 E. Establishing Sales Revenue Reward Plan. Up to 10% of individual base pay may be
11 awarded as a Power Marketing Team Reward in accordance with the "Sales Revenue Reward Plan",
12 which is incorporated by this reference. The specific provisions of awarding performance pay are
13 outlined in the Sales Revenue Reward Plan. Any lump sum payment made pursuant to this section
14 shall be considered a part of regular compensation, prorated annually for purposes of withholding
15 retirement contributions and determining retirement benefits for affected employees who are members
16 of the City Employees Retirement System.

17 Section 2. Reallocating of positions. As recommended by the Personnel Director in
18 Classification Determinations specified and attached hereto, positions in certain City employing units
19 are hereby reallocated, effective as noted in respective Classification Determinations as shown below:

20 City Light

21
22 1 position (#012706) of Power Dispatcher, Sr. reallocated to Power Marketer (Report #98-
23 2203).

24
25 1 position (#014205) of Power Dispatcher, Asst. reallocated to Power Marketer (Report #98-
26 2203).

1 position (#015293) of Economist, Sr. reallocated to Power Marketer (Report #98-2203).

1 position (#018505) of Power Analyst, Sr. reallocated to Power Marketer (Report #98-2203).

1 position (#019573) of Power Analyst, Sr. reallocated to Power Marketer (Report #98-2203).

Section 3. Establishing New Positions. As requested by the City Light Superintendent and recommended by the Personnel Director, there are hereby created eight (8) positions (#026169, 026170, 026171, 026172, 026173, 026174, 026175 and 026176) in the City Light Department with the job title of Power Marketer, effective as noted in respective Classification Determination report #98-2191, Exhibit A.

Section 4. City Light will conduct a comprehensive review and assessment of the Power Marketing Compensation Program 18 months following implementation. The results of this ~~review~~ review will be reported to the Council Committee responsible for oversight of the City's utilities.

Section 5. It is the express intent of the City Council that, in the event another ordinance has heretofore been enacted that amended any section or subsection of the Seattle Municipal Code amended or recodified herein, that earlier amendment should be effectuated with equal dignity to this ordinance if at all possible in the codification of the Seattle Municipal Code and by the courts, notwithstanding the use in this ordinance of an obsolete version of that part of the Seattle Municipal Code on which to show intended amendments.

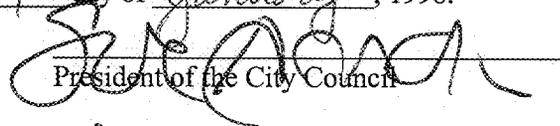
Section 6. It is the express intent of the City Council that, in the event a subsequent ordinance refers to or amends a section or subsection of the Seattle Municipal Code amended or codified herein, but the later ordinance fails to account for the change made by this ordinance, the two sets of amendments should be given effect together if at all possible.

1 Section 7. It is the express intent of the City Council that this ordinance makes only those
2 changes to the Seattle Municipal Code shown by striking out, inside double parentheses, text to be
3 deleted, and underlining text to be added. To this end, errors in showing the pre-existing Seattle
4 Municipal Code are to be disregarded, and no change in the Seattle Municipal Code is intended
5 thereby.

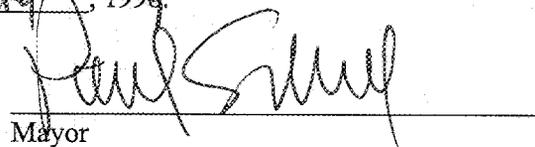
6 Section 8. The several provisions of this ordinance are declared to be separate and
7 severable and the invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this
8 ordinance, or the invalidity of the application thereof to any person or circumstance, shall not affect the
9 validity of the remainder of this ordinance or the validity of its application to other persons and
10 circumstances.

11 Section 9. This ordinance shall take effect and be in force thirty (30) days from and after its
12 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after
13 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.
14

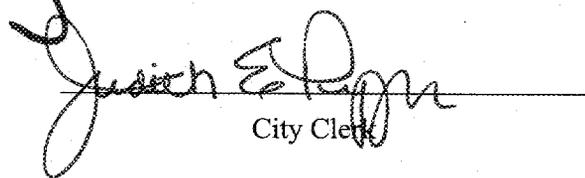
15 Passed by the City Council the 19 day of January, 1998 and signed by me in
16 open session in authentication of its passage this 19 day of January, 1998.

17 
18 President of the City Council

19 Approved by me this 27 day of January, 1998.

20 
21 Mayor

22 Filed by me this 28 day of January, 1998.

23 
24 City Clerk

25 (Seal
26
27
28

Council Bill #112486 - Power Marketers Legislation

1. Two Amendments adopted in Finance & Budget Committee:

- Amending Section E to add a sentence following the lead sentence to read, "The specific provisions of awarding performance pay are outlined in the Sales Revenue Reward Plan."
- Adding a new Section 4 which reads as follows: "City Light will conduct a comprehensive review and assessment of the Power Marketing Compensation Program 18 months following implementation. The results of this review will be reported to the Council Committee responsible for oversight of the City's utilities."

2. Please move to amend the legislation to delete a typographical error in Section 4. The word "review" is included twice in the second sentence.





City of Seattle

Paul Schell, Mayor

Executive Services Department

Dwight D. Dively, Director

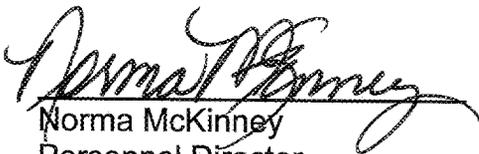
DATE: November 17, 1998

TO: Honorable Sue Donaldson, President
Seattle City Council

Attn: Kwan Wong
City Budget Office

FROM:


Dwight Dively, Director
Executive Services Department


Norma McKinney
Personnel Director

SUBJECT: Proposed Legislation - City Light Power Marketing Compensation Program

The attached ordinance will create a new title and compensation program for Power Marketers as recommended by the Personnel Director. The intent is to implement this program as part of City Light's 1999/2000 budget.

Section 1 establishes a Power Marketing compensation program. *Section 2* reallocates five existing positions to the new Power Marketer job title (position #012706, 014205, 015293, 018505 and 019573. *Section 3* establishes eight new positions with the job title of Power Marketer.

If you have any questions, or need additional information regarding this ordinance, please contact Carla H. Coward, Senior Personnel Analyst, at 684-7878. Thank you.

DD/NM:isl

Attachment: Power Marketing Compensation Program Ordinance

c: Councilmember Martha Choe
Councilmember Margaret Pageler
Maud Daudon, Deputy Mayor
Paula Green, Power Management Director
ESD Personnel Division Administrators

Fiscal Note

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

Department:
Seattle City Light

Contact Person/Phone:
Paula Green, 386-4530

CBO Analyst/Phone:
Kwan Wong, 684-8083

Legislation Title: AN ORDINANCE adding a new section 4.20.430 to the Seattle Municipal Code, adopting a Power Marketing Compensation Program; amending Seattle Municipal Code Sections 4.20.030 and 4.20.040 to exclude positions and position incumbents who are paid under a compensation program that grants the appointing authority discretion for setting base salary.

Summary of the Legislation: *Section 1* Establishes a Power Marketing compensation program. *Section 2* Reallocates five existing positions to the new Power Marketer job title (position #012706, 014205, 015293, 018505 and 019573). *Section 3* Establishes eight new positions with the job title of Power Marketer. *Section 4* Establishes a Team Sales Revenue Reward Plan.

Background (Included justification for the legislation and funding history, if applicable):

For the past three decades Seattle City Light has actively engaged in the wholesale power market to buy and sell power to maximize the value of its power supply portfolio. The annual seasonal variation of the portfolio of generating assets and power supply contracts does not precisely meet customer demand each hour or day of the year. Even in the wettest years City Light must buy power, and in the driest years it still has power to sell. The utility has developed significant expertise in executing a conservative, yet effective power marketing strategy, to produce a reliable source of electricity at a cost that is consistently among the lowest in the nation.

The City's power portfolio will shrink further in the next ten years with the loss of some of its resources, such as with the possible sale or closure of Centralia. As the gap between firm and expected resources expands, the need for power marketing increases, not only to earn surplus revenue as it has in the past, but also to insure service to firm loads in the future.

The recent restructuring of California's electric power market no longer allows sales to investor-owned utilities in that state. The federal government (through Federal Energy Regulatory Commission Orders 888 and 889) is also revising transmission rules to promote equal competitive access. New entrants have introduced new products and functions to the industry. These changes have forced Seattle to explore other options to maintain the historic roles of surplus sales in offsetting a portion of Seattle's net purchase power expense. In the 1999-2000 budget, City Light is proposing the separation of its power operations and power marketing functions in recognition of the increasing value of the City's power supply in a competitive market. The separation

plan earns additional power supply revenues in excess of its costs, enhances operational control for reliability and license compliance, and, formalizes market control for margin maximization and risk management.

The new marketing function being added by the creation of a separate power marketing group is the selling of energy in daily and hourly markets, where the lowest risk arbitrage opportunities exist. Another new revenue opportunity is to resell excess transmission capacity on the hour, as allowed under the new transmission tariffs. In the future, Seattle will likely be able to take advantage of other physical products, such as spinning and on-call reserves to continue to maximize the value of its assets to schedule loads for aggregators. These limited opportunities for low risk arbitrage transactions and services are not being fully exploited at this time, due to limited staff and the dual responsibilities of power dispatchers. This slight expansion in the utility's marketing portfolio is still conservative and is intended to not include the more aggressive marketing tactics.

More reliance on the power market means more power marketing, more transactions, fine-tuning market assessment capability, and market price forecasting techniques. A professionally trained marketing group is required to hedge the uncertainties of the City's hydroelectric system, and to leverage its regulated assets to obtain the maximum value for the citizens of Seattle. The stable window of opportunity is available for that in the next few years.

The creation of the Power Marketing section will require the hiring of five new positions plus one relief person to create a 24-hour market presence, 365 days a year. A new daily marketer and an after-the-fact accountant are added, plus a computer programmer to support the section. The section will be located in the Key Tower, and merged with the seven other positions that provide the existing monthly marketing, scheduling, and management functions. We are proposing that except for the two management and one computer staff, these power marketing staff are classified in the new "Power Marketer" classification.

Seattle also faces another hard reality of the new marketplace: the compensation package offered to existing and prospective power marketers is insufficient. During the past year, City Light has lost several highly qualified, experienced employees to better paying positions at other utilities and power marketing organizations. Therefore, to counteract continued staff attrition due to inadequate compensation, City Light has proposed to establish incentives for its power marketers to assure the highest value from power marketing activities. The proposed performance-based incentives align well with the existing marketplace and will be competitive.

The 1999-2000 budget and reorganization proposal for power marketing is expected to position City Light well into the future.

Sustainability Issues (related to grant awards): Not applicable.

Estimated Expenditure Impacts: The estimated incremental cost for the operations of the new marketing group is \$1.165 million. The estimated net power revenues in

1999 is \$1.55 million. The net revenues will more than offset the incremental cost for this new power marketing group.

Estimated Revenue Impacts: As mentioned above, the estimated net revenues in 1999 brought in by the new power marketing group is \$1.55 million.

Estimated FTE Impacts: There will be a total of nine new positions, reclassification of two management positions and reallocation of five existing positions.

Do positions sunset in the future? None. If so, when? Not applicable.

Other Issues (including long-term implications of the legislation): All issues will be resolved before the power marketing plan is approved by the Council. We are currently bargaining the impacts of reallocation of five represented existing positions. The long-term implication of this new power marketing group is the potential for increasing the net revenues brought into the utility and thus improving the utility's financial strength.

CYD:PwrMkt Ord.Fiscal Note
10/9/98

**POWER MARKETER CLASSIFICATION,
COMPENSATION AND SALES REVENUE REWARD
PLAN SUMMARY**

I. CLASSIFICATION

(Ordn, Section 1.A - Power Marketing Comp. Program - Description)

A. Job Description

- A draft Power Marketing Job description (**see attachment #1**) was created by City Light (dated 6/26/98).
- Class/Comp recommends that the Personnel Director adopt this description as the classification specification for this body of work.
- A Power Marketing team functional flow chart (**see attachment #2**) describes how the team will interact.

1. Description of Ideal Candidate

Scheduling experience
Marketing experience
Contacts they bring with them to the organization
Able to build good relationships
Selling "personality"
Communication skills
Honesty
Track record as a marketer
Team building skills

II. COMPENSATION

(Ordn, Section 1.A - Power Marketing Comp. Program - Description)

A. Base Pay

- Recommending one broad band from \$24.90hr to \$43.20hr with base pay set by criteria established by City Light. All positions must be paid at least the minimum of the salary band.
 1. A base pay grid will be used to determine individual base pay (**see attachment #3**)
 - Demonstrated breadth and depth of skills and abilities
 - Years of experience
 - Retention Issues
 - Recruiting Issues
 - Existing pay rate
 - Internal or external candidates

**POWER MARKETER CLASSIFICATION,
COMPENSATION AND SALES REVENUE REWARD
PLAN SUMMARY**

B. Eligibility for Overtime

- Employees covered by the Fair Labor Standards Act must receive overtime pay for hours worked in a week in excess of 40 at a rate not less than time and one half their regular rate of pay.
- Regular rate of pay include base pay plus any bonus received, commissions paid or standby pay received.

1. Exempt/Non-Exempt Status

- To be exempt from the FLSA overtime pay requirements depends on the incumbents duties and responsibilities and the salary they are paid. There are four exemption tests that positions must be evaluated by. The Executive, Administrative, Professional and Outside Sales Test.
- It is Class/Comp's opinion that these positions do not meet the criteria for FLSA exempt status, making them non-exempt employees who must be paid for any overtime hours worked in excess of 40 hours a week.
- Being a government entity, employee's may elect to be awarded comp time in lieu of pay, but it must be by mutual agreement between the employer and employee.

C. Eligibility For Cola

- These positions will not receive a COLA. The salary structure will be adjusted by a market survey done at a minimum every two years and more frequently if needed.
- Once base pay is set, individual base pay adjustments would be left up to the manager's discretion.

D. Exempt from Civil Service

- SMC 4.13 states that positions of City employment requiring a particularly high degree of professional responsiveness and individual accountability, or requiring a confidential or fiduciary relationship with the appointing authority, or being judicial positions requiring insulation as a third branch of government are declared to be exempt.
- The Power Marketing positions will be exempt from the Civil Service system due to a particularly high degree of professional responsiveness, individual accountability and fiduciary responsibilities.

**POWER MARKETER CLASSIFICATION,
COMPENSATION AND SALES REVENUE REWARD
PLAN SUMMARY**

**III. TEAM REWARDS (GAINSHARING)
(Ordn, Section 4 - Establishing Sales Revenue Reward Plan)**

A. Sales Revenue Reward Plan (see attachment #4).

Reward proposed by City Light to be up to 10% of individual base pay based on sales revenue generated by the Power Marketing Team. The full 10% sales revenue reward will only be awarded if the net power marketing revenues minus the incremental cost of the marketing group exceed the net planned annual incremental revenues, or as later modified by the Deputy superintendent of the Power Management Branch and the Superintendent of Seattle City Light. Less than 10% sales revenue reward will be awarded for lesser net power marketing revenues. This reward will be applied as a percentage of the individual base pay, and will be awarded once a year, at the end of each calendar year.

Attachment #1

POWER MARKETER

GENERAL DESCRIPTION

The positions in this classification, under the general managerial direction of Power Marketing and Operations Managers, are responsible for marketing the utility's excess generation capacity, energy, and transmission paths on a real-time basis, both short term and long term. These positions are expected to capitalize on market opportunities for buy-resell, hedging, third-party transmission capacity sales, and any other energy related transactions. They are responsible for formulating native load forecasts and creating pre-schedules for use by the generation control dispatchers and may act as scheduling agents for any other utilities and agencies. Risk management, including financial analysis of market transactions, effectiveness of overall strategies, and cost-benefit analysis of alternatives, is a critical role for these positions.

The primary objective of these positions is to generate revenue and maximize the Utility's resource and transmission capability without compromising system reliability or safety. Accurate market/trend forecasting and analysis, innovative marketing strategies and techniques, and effective assessment of alternatives are key in accomplishing these goals. These positions are expected to capitalize on generation and transmission capacity in a fast paced, increasingly competitive and continually changing energy market place. The value of these transactions can be \$100,000 or more per day. These positions and their managers have authority to make day-to-day decisions regarding the marketing of power and transmission paths within the guidelines set forth in the Utility's risk management policy.

Positions in this classification have a regular assignment to specific tasks, i.e., daily to one month forecasting, buying and selling; one month to eighteen months forecasting, buying and selling, and contracting; formulating native load forecasts, acting as scheduling agent for other utilities and agencies, creating pre-schedules for generation control dispatchers; and risk management (overall market transaction analysis and reporting, development of market strategies, guidelines and instructions, cost/benefit analysis); but will be expected to perform assignments in all areas dependent upon the market dynamics. Six positions will be assigned to work rotating 12-hour shifts for 24-hour coverage, and others may work fixed 40-hour schedules that are not 8a.m.-5p.m., Monday through Friday.

DUTIES AND RESPONSIBILITIES:

- Manage the operation of bulk power supply system by optimizing the resource mix, including utility owned generation, power supply contracts and regional wholesale purchases to ensure that power supply obligations are met in the most economical and cost efficient manner.
- Meet the load of Seattle customers at the lowest possible price, using a combination of long and short term contracts.
- Market the Utility's excess electric power generation capacity and/or transmission paths regionally and nationally. Contribute to the Utility's efforts to maximize the utilization of, and return on, generating assets.
- Capitalize on market opportunities for buy-resell, hedging, third-party transmission sales and any other energy related transactions and post appropriately on the internet.
- Conduct energy trades with wholesale customers and other suppliers.
- Seek out and create innovative transactions which maximize economic benefits from market fluctuations and off-system power sale and purchase opportunities.
- Conduct research, formulate, and negotiate most cost effective/financially beneficial contracts for the purchase and/or sales of electric resources and services.

-
- Determine availability and profitability of ancillary services and combine utility owned products with off-system purchases to optimally meet contract obligations.
 - Confirm on an hourly basis the Utility's load, capabilities and excess/surplus with the generation control dispatchers.
 - Reserve transmission for power supply energy and ancillary service obligations and schedule deliveries with local and regional transmission providers.
 - Develop next day and other short term schedules to economically and effectively balance hourly power resource availability and load demands to assure City Light's uninterrupted provision of power to its customers.
 - Through scheduling, determine how System Control Center (SCC) dispatchers control generation; deal directly with some generating facilities and notify the SCC dispatchers.
 - Perform scheduling coordinator function for other utilities or independent system operators.
 - Perform near term price discovery and arbitrate price differences.
 - Develop forecasting models for load generation and transmission regional economic dispatch, ancillary services and resource pricing.
 - Advise and assist others in load curtailment procedures.
 - Develop and foster excellent cooperative professional relationships with customers, other utilities, marketers and industry organizations, including independent system operators, the Western Systems Power Pool (WSPP), Bonneville Power Association (BPA), Western System Coordinating Council (WSCC), etc. Establish and maintain excellent working relationships with the Utility's generation control dispatchers and other internal divisions.
 - Routinely review, analyze, and report operational strategies and actual operations.
 - Conduct risk management activities, including cost-benefit analysis of energy transactions; review, analyze, and report results of market operations.
 - Review, analyze, and report market trends.
 - Develop a regional computer model that compares transmission path transfer ratings, line losses, transmission point to point tariffs, location of loads, location of resources, transmission bottlenecks and predict economic dispatch and routing of energy using optimization techniques.
 - Develop marketing strategies with managers; assist managers with development of guidelines and instructions; implement strategies.
 - Initiate and review marketing proposals in accordance with guidelines and in adherence with the Utility's integrated marketing strategy.
 - Update database records, run spreadsheets and prepare various reports concerning weather, load, usage, power purchases, sales, exchanges and related accounting records.

- Miscellaneous other duties as assigned.

QUALIFICATIONS:

Education/Training:

Equivalent to a bachelor's degree in business administration, mathematics, finance, accounting, economics, engineering, or related field. Training in scheduling, load forecasting, watershed management, energy and transmission marketing, risk management and electric utility operations (or any combination) may be considered for comparability to required education.

Experience:

Three to five years experience scheduling, real-time power marketing, or risk management in a utility or power marketing organization.

Knowledge:

- Understanding of marketplace economics in general and power marketing concepts and techniques;
- Extensive knowledge of electrical generation, transmission, and distribution systems;
- Understanding and practical experience with financial and statistical analysis;
- Familiarity with Western Systems Coordinating Council (WSCC) and Western Systems Power Pool operating rules and guidelines;
- Specific knowledge of risk management methods and techniques.

Skills:

- Negotiating, problem solving, decision making, and sales skills;
- Record and relay information timely, legibly, and accurately;
- Computer literacy with common application programs (i.e., spreadsheet, word processor, e-mail, internet browser);
- Statistical analysis and reporting
- Deal with urgent timelines, make expedient, economical and reliable decisions;

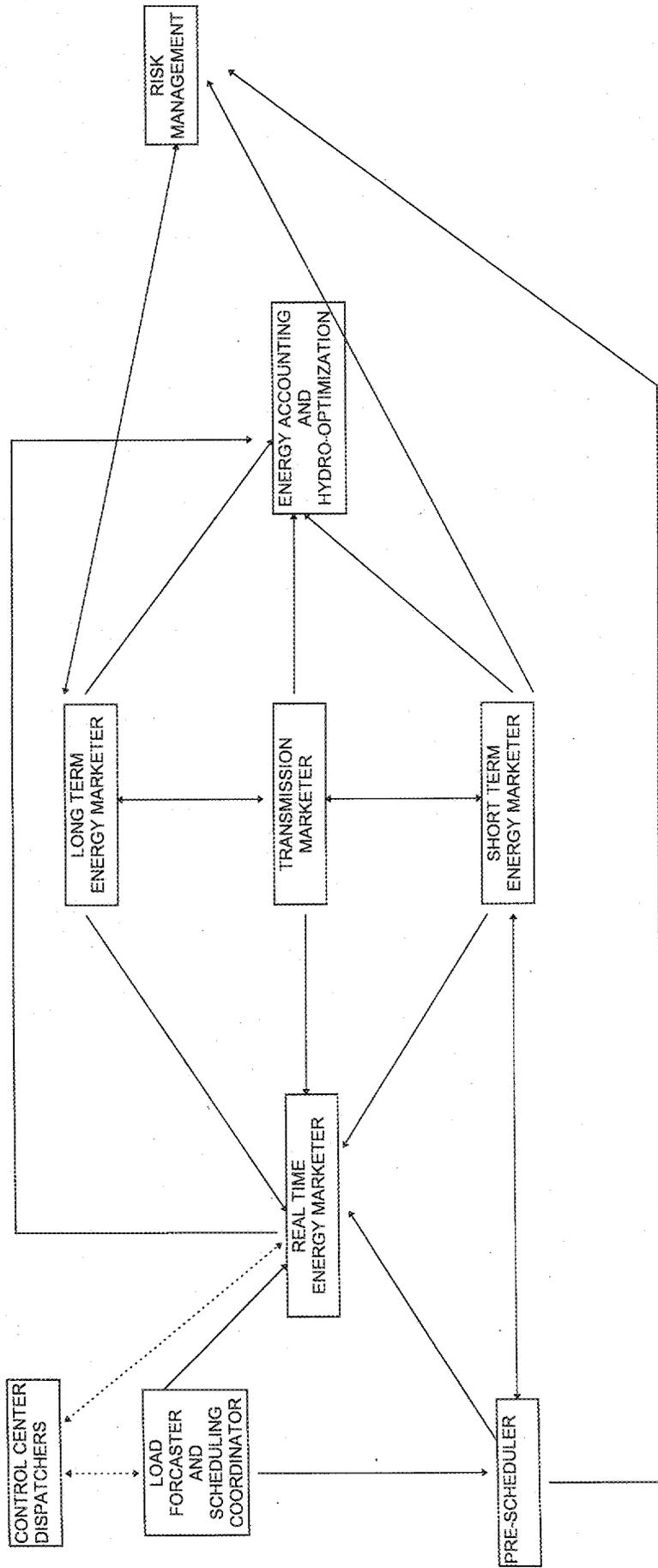
Abilities:

- Ability to understand, read and predict energy market;
- Ability to communicate effectively with a variety of people, including co-workers, customers and industry peers both verbally and in written form;
- Ability to establish and maintain professional working relationships with peers, co-workers, customers and industry organizations and to become well known within the wholesale market industry
- Ability to work in team-oriented environment in order to achieve the goals of the organization;
- Ability to work under pressure, in fast paced competitive market environment;
- Demonstrated ability to use independent and discretionary judgment and to manage confidential information;
- Ability to make correct decisions in emergency situations;
- Ability to work effectively within tight timelines and changing conditions on a continual basis;
- Personal drive and a commitment to succeed.

Willingness and Ability to:

- Work rotating, 12-hour shifts or alternative 8-hour shifts as required.

CITY LIGHT POWER MARKETING TEAM FUNCTIONAL FLOW CHART



DUTIES:

LOAD FORCASTER - Monitor weather conditions
Monitor demand for energy from customers for tomorrow (1,000 active contracts, daily 200 contracts) Settlements

PRE-SCHEDULER - Breakdown Load Forecaster's info into hourly plans to run generators
Notify marketers on what is available
Provide info to Dispatchers

REAL TIME ENERGY MARKETER - Day by day, hour by hour sell & purchase energy & other services; rotating shift work

LONG TERM ENERGY MARKETER - 1 to 18 months out, sell & purchase energy & other services

SHORT TERM ENERGY MARKETER - Current month, sell & purchase energy & other services

TRANSMISSION MARKETER - Sell & purchase energy & other services

ENERGY ACCOUNTING & HYDRO-OPTIMIZATION - After the fact accounting of energy bought & sold
Hydro-Optim. Is not currently done - will use software pgm for tracking & operation of water sheds

RISK MANAGER - Determines future pricing, actions & limits - to max rev. & min risk; Develops with mgmt oper. guidelines; Determines credit risk;

Salary Setting for Power Marketer Positions

Seattle City Light Power Marketer Functions	SCL Power Marketer Proposed Range \$52-90K
Long Term Mkter	\$60-82K
Short Term Mkter, Pre-Scheduling	\$60-82K
Real Time Mkter, Load Forecasting, Risk Mgmt.	\$60-82K
Energy Acctg, xmission remkting	\$60-82K

Note: Trainees may start off at \$53K. Whereas trained staff will have a base salary of \$60K. Employees who have demonstrated a wide range of skills in many of the functional areas may receive up to 90K in base pay.

Maximum points to move up from bottom of base for trained staff:

- 40 = Skills demonstrated, up to 10 points max for each of the above 4 functions
- 30 = Years of work experience in any of the functions (up to 10 pts =3-5 yrs, up to 20 pts =6-8 yrs, up to 30 pts = 9+ yrs)
- 15 = Existing pay rate at or above bottom of base/shift work requirements
- 15 = Retention/recruiting issues
- 100 Total maximum points to go from bottom of range to top of range

Example: Real time marketer, shift work, skills in energy accounting/real time marketing/prescheduling/short term marketing, 4 yrs experience. Currently paid \$65K, retention/recruiting issue.

25 pts for skills, 10 pts for experience, 5 pts for increasing base due to current salary, 5 pts for shift work, 10 pts for retention issue = 55 pts total. 55% x \$22K (spread from \$60K to \$82K top of range) equals \$12.1K + \$60K bottom of range = \$72.1K for this employee.

Power Marketer Evaluation

Skills:

Category	Breadth (Variety)	Depth (Years)
Economic dispatch		
Energy trading		
"Scheduling coordinator"		
Risk management		
Review, analyze, report market trends		
Load forecasts		
Negotiations		
Computer application tools		

POWER MARKETER - SALES REVENUE REWARD PLAN

Reward proposed by City Light to be up to 10% of base pay based on sales revenue generated by the Power Marketing Team. The full 10% sales revenue reward will only be awarded if the net power marketing revenues minus the incremental cost of the marketing group exceed the net planned annual incremental revenues, or as later modified by the Deputy superintendent of the Power Management Branch and the Superintendent of Seattle City Light. Less than 10% sales revenue reward will be awarded for lesser net power marketing revenues. This reward will be applied as a percentage of the individual base pay, and will be awarded once a year, at the end of each calendar year.

GOALS ACTIONS RESULTS & MEASURES

Key Indicator Basis Sheet

GOAL: Strengthen the Utility's competitive position.			
ACTION: Implement a Power Management Strategy to leverage City Light generation and control assets for the benefit of our owners, and keep them competitive with the market.			
RESULT TO BE ACHIEVED: Improve financial results related to power market activities.			
MEASURE: Comparison of spot market prices for sales and purchases.			
TARGET: Earnings to exceed incremental costs			
DETAILED DESCRIPTION OF MEASURE			
BASIS/ASSUMPTIONS: Count revenues generated from the three new power products proposed to be sold in 1999-2000 budget. Compare the revenues with incremental costs of the Power Marketing section. Compare weighted prices of all sales and purchases to actual market value for the same time period.			
ACTION ITEMS: Track new products separately from from other transactions. i.e. hourly sales, hourly transmission resales, and daily load factoring of capacity from light to heavy load hours above the level assumed in the budget, in the absence of the marketing group.			
DEFINITION: Sum of (Hourly sales revenues - Hourly purchases) = Revenue earned from Hourly market. (There are no hourly purchases or sales in base budget except those expected of the Marketing section.) Sum of Transmission sales revenue per day = Total Transmission sales revenue for period (There are no transmission revenues in the base budget other than those expected of the Marketing section) (MW of load factoring in budget = 1,157,739) - (MW of actual load factoring) = MW of Load factoring in Market section. (\$ of load factoring in budget = \$8,068,816) - (\$ of actual load factoring) = Load factoring value added of Market section. Mark to Market = (Transactions MWh/hrs*Spot price/hrs) = (Transaction MWh/hrs * Actual price/hr) = gain or loss.			
FORMULA: (Hourly Revenues + Transmission Revenues + Daily Load Factor Revenues) minus (Incremental actual costs of Marketing section) = Net Earnings above costs. Also compare Mark to market gains with incremental costs of Marketing section.			
SPONSOR:	Jay Whaley	ET SPONSOR:	Paula Green
CONTACT:	Power Management		

Attachment #4

PROPOSED REPORT FORMAT: Calculations
REPORT PREPARED BY: Power Management
FREQUENCY OF REPORTING: Quarterly by month
BASELINE DATA: 1999-2000 budget without Marketing Group
COMMUNICATION STRATEGY:
PARTNERS:



CLASSIFICATION DETERMINATION REPORT

Date: October 6, 1998	Report No.: 98-2203
POSITION IDENTIFICATION	
Department:	Seattle City Light
Classification Title:	See Exhibit A
Ordinance Title:	See Exhibit A
Position Number:	See Exhibit A
Bargaining Unit:	See Exhibit A
	Current Salary: See Exhibit A

RECOMMENDED ACTION	
Classification Title:	Power Marketer (New Class Title)
Ordinance Title:	Power Marketer
Legislation Required:	Yes
Bargaining Unit	030 Recommended Salary: \$24.90hr-\$43.20hr (No Range)
Remarks	See 1999 Budget Request No's: SCL052 to SCL056

Analysis and Recommendation:

The 1999 Budget requests, #SCL052 to SCL056, fully meets the class specification of Power Marketer. It is therefore the recommendation of this Team that these positions be allocated to the title of Power Marketer.

Recommended: ✓ Team 2 *[Signature]* Classification Analyst(s)

Approved: John Pearson *[Signature]* Classification Supervisor

Lidia Santiesteban *[Signature]* Classification/Compensation Director

Norma McKinney *[Signature]* Personnel Director

EXHIBIT A

October 6, 1998

Report #98-2203A

<u>POSITION IDENTIFICATION</u>		
Department:	City Light	
Classification Title:	Power Dispatcher Sr.	
Ordinance Title:	Pwr Dispatcher, Sr	
Position Number:	012706	
Bargaining Unit:	077	Current Salary \$31.73hr No Range
<u>INCUMBENT STATUS</u>		
Incumbent:	George Fewel	
Current Standing:	Pwr Dispatcher, Sr	
Recommended Standing:	Power Marketer	
In recommended standing, incumbent status is:		
<input type="checkbox"/> Regular;	<input type="checkbox"/> Probationary;	<input checked="" type="checkbox"/> Temporary.
Authority: Personnel Rule		
<input type="checkbox"/> 2.3.100;	<input type="checkbox"/> 2.3.200;	<input checked="" type="checkbox"/> 2.3.300.
Remarks: Budget Request - Reallocation effective with the Budget 1/99.		

<u>POSITION IDENTIFICATION</u>		
Department:	City Light	
Classification Title:	Assistant Power Dispatcher	
Ordinance Title:	Pwr Dispatcher, Asst	
Position Number:	014205	
Bargaining Unit:	077	Current Salary \$24.04 - \$25.96hr No Range
<u>INCUMBENT STATUS</u>		
Incumbent:	Pat McNally	
Current Standing:	Pwr Dispatcher, Asst	
Recommended Standing:	Power Marketer	
In recommended standing, incumbent status is:		
<input type="checkbox"/> Regular;	<input type="checkbox"/> Probationary;	<input checked="" type="checkbox"/> Temporary.
Authority: Personnel Rule		
<input type="checkbox"/> 2.3.100;	<input type="checkbox"/> 2.3.200;	<input checked="" type="checkbox"/> 2.3.300.
Remarks: Budget Request - Reallocation effective with the Budget 1/99.		

<u>POSITION IDENTIFICATION</u>		
Department:	City Light	
Classification Title:	Senior Economist	
Ordinance Title:	Economist, Sr	
Position Number:	015293	
Bargaining Unit:	034	Current Salary \$24.75 - \$28.77hr Range: 38.5A
<u>INCUMBENT STATUS</u>		
Incumbent:	Steven Dadashi	
Current Standing:	Economist, Sr	
Recommended Standing:	Power Marketer	
In recommended standing, incumbent status is:		
<input type="checkbox"/> Regular;	<input type="checkbox"/> Probationary;	<input checked="" type="checkbox"/> Temporary.
Authority: Personnel Rule		
<input type="checkbox"/> 2.3.100;	<input type="checkbox"/> 2.3.200;	<input checked="" type="checkbox"/> 2.3.300.
Remarks: Budget Request - Reallocation effective with the Budget 1/99.		

<u>POSITION IDENTIFICATION</u>		
Department:	City Light	
Classification Title:	Senior Power Analyst	
Ordinance Title:	Pwr Anlyst, Sr	
Position Number:	018505	
Bargaining Unit:	032	Current Salary \$25.00 - \$29.10hr No Range
<u>INCUMBENT STATUS</u>		
Incumbent:	Dough Rough	
Current Standing:	Pwr Anlyst, Sr	
Recommended Standing:	Power Marketer	
In recommended standing, incumbent status is:		
<input type="checkbox"/> Regular;	<input type="checkbox"/> Probationary;	<input checked="" type="checkbox"/> Temporary.
Authority: Personnel Rule		
<input type="checkbox"/> 2.3.100;	<input type="checkbox"/> 2.3.200;	<input checked="" type="checkbox"/> 2.3.300.
Remarks: Budget Request - Reallocation effective with the Budget 1/99.		

<u>POSITION IDENTIFICATION</u>		
Department:	City Light	
Classification Title:	Senior Power Analyst	
Ordinance Title:	Pwr Anlyst, Sr	
Position Number:	019573	
Bargaining Unit:	032	Current Salary \$25.00 - \$29.10hr No Range
<u>INCUMBENT STATUS</u>		
Incumbent:	Don Tinker	
Current Standing:	Pwr Anlyst, Sr	
Recommended Standing:	Power Marketer	
In recommended standing, incumbent status is:		
<input type="checkbox"/> Regular;	<input type="checkbox"/> Probationary;	<input checked="" type="checkbox"/> Temporary.
Authority: Personnel Rule		
<input type="checkbox"/> 2.3.100;	<input type="checkbox"/> 2.3.200;	<input checked="" type="checkbox"/> 2.3.300.
Remarks: Budget Request - Reallocation effective with the Budget 1/99.		



CLASSIFICATION DETERMINATION REPORT

Date: October 6, 1998	Report No.: 98-2191
POSITION IDENTIFICATION	
Department:	Seattle City Light
Classification Title:	See Exhibit A
Ordinance Title:	See Exhibit A
Position Number:	See Exhibit A
Bargaining Unit:	See Exhibit A
	Current Salary: See Exhibit A

RECOMMENDED ACTION	
Classification Title:	Power Marketer (New Class Title)
Ordinance Title:	Power Marketer
Legislation Required:	Yes
Bargaining Unit	030 Recommended Salary: \$24.90hr-\$43.20hr (No Range)
Remarks	See 1999 Budget Request No's: SCL073 to SCL080

Analysis and Recommendation:

The 1999 Budget requests, #SCL073 to SCL080, fully meets the class specification of Power Marketer. It is therefore the recommendation of this Team that these positions be allocated to the title of Power Marketer.

Recommended: Team 2 *[Signature]* Classification Analyst(s)

Approved: John Pearson *[Signature]* Classification Supervisor

Lidia Santiesteban *[Signature]* Classification/Compensation Director

Norma McKinney *[Signature]* Personnel Director

EXHIBIT A

October 6, 1998

Report #98-2191A

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL073)
Ordinance Title: Power Marketer
Position Number: 026169
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL074)
Ordinance Title: Power Marketer
Position Number: 026170
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL075)
Ordinance Title: Power Marketer
Position Number: 026171
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL076)
Ordinance Title: Power Marketer
Position Number: 026172
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL077)
Ordinance Title: Power Marketer
Position Number: 026173
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL078)
Ordinance Title: Power Marketer
Position Number: 026174
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL079)
Ordinance Title: Power Marketer
Position Number: 026175
Bargaining Unit: 030 **Current Salary:** NA

POSITION IDENTIFICATION

Department: City Light
Classification Title: New - 1999 Budget (Request #SCL080)
Ordinance Title: Power Marketer
Position Number: 026176
Bargaining Unit: 030 **Current Salary:** NA

ORDINANCE _____

AN ORDINANCE adding a new section 4.20.440 to the Seattle Municipal Code, adopting a Power Marketing Compensation Program and creating 8 new positions and reallocating 5 existing positions.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS.

Section 1. There is added to Seattle Municipal Code Chapter 4.20 a new Section 4.20.440, as follows:

4.20.440 Power Marketing Compensation Program—Description

A. There is established a Power Marketing Compensation Program to which positions identified as "Power Marketer" will be assigned. The Personnel Director is authorized to implement the Power Marketing Compensation Program substantially in accord with the "Power Marketer Classification, Compensation and Sales Revenue Reward Plan Summary," which is incorporated by this reference. Revisions to titles and compensation components must be approved by the City Council. The title and pay zone established for the Power Marketer Compensation Program are:

<u>TITLE</u>	<u>PAY ZONE</u>
Power Marketer	\$24.90 - \$43.20

B. The Personnel Director shall recommend to the City Council for approval a market adjustment to the pay zone based on a labor market analysis to be conducted at least biennially.

C. The Personnel Director will recommend to the City Council the assignment of each position within the Power Marketer category to this pay zone, and will establish criteria for subsequent allocation of positions to and withdrawal of positions from the Power Marketing Compensation Program.

1 D. Each employee appointed to a position within the Power Marketing Compensation
2 Program will be assigned a base rate of pay within the pay zone by the appointing authority. If the rate
3 of pay received by an incumbent immediately prior to assignment to the Power Marketing
4 Compensation Program is higher than the upper limit of the pay zone recommended by the Personnel
5 Director, or is higher than the rate established for the position by the appointing authority upon
6 program implementation, the employee will retain an incumbency rate of pay until any market
7 adjustments to the pay zone equal or exceed the incumbency rate; provided, the incumbency rating
8 shall be maintained only as long as the duties assigned to the position are commensurate with the rate
9 of pay.

10 E. Establishing Sales Revenue Reward Plan. Up to 10% of individual base pay may be
11 awarded as a Power Marketing Team Reward in accordance with the "Sales Revenue Reward Plan",
12 which is incorporated by this reference. Any lump sum payment made pursuant to this section shall be
13 considered a part of regular compensation, prorated annually for purposes of withholding retirement
14 contributions and determining retirement benefits for affected employees who are members of the City
15 Employees Retirement System.

16 Section 2. Reallocating of positions. As recommended by the Personnel Director in
17 Classification Determinations specified and attached hereto, positions in certain City employing units
18 are hereby reallocated, effective as noted in respective Classification Determinations as shown below:

19 City Light

20
21 1 position (#012706) of Power Dispatcher, Sr. reallocated to Power Marketer (Report #98-
22 2203).

23 1 position (#014205) of Power Dispatcher, Asst. reallocated to Power Marketer (Report #98-
24 2203).

25 1 position (#015293) of Economist, Sr. reallocated to Power Marketer (Report #98-2203).
26
27
28

1 1 position (#018505) of Power Analyst, Sr. reallocated to Power Marketer (Report #98-2203).

2 1 position (#019573) of Power Analyst, Sr. reallocated to Power Marketer (Report #98-2203).

3 Section 3. Establishing New Positions. As requested by the City Light Superintendent
4 and recommended by the Personnel Director, there are hereby created eight (8) positions (#026169,
5 026170, 026171, 026172, 026173, 026174, 026175 and 026176) in the City Light Department with the
6 job title of Power Marketer, effective as noted in respective Classification Determination report #98-
7 2191, Exhibit A.

8 Section 4. It is the express intent of the City Council that, in the event another ordinance
9 has heretofore been enacted that amended any section or subsection of the Seattle Municipal Code
10 amended or recodified herein, that earlier amendment should be effectuated with equal dignity to this
11 ordinance if at all possible in the codification of the Seattle Municipal Code and by the courts,
12 notwithstanding the use in this ordinance of an obsolete version of that part of the Seattle Municipal
13 Code on which to show intended amendments.

14 Section 5. It is the express intent of the City Council that, in the event a subsequent
15 ordinance refers to or amends a section or subsection of the Seattle Municipal Code amended or
16 codified herein, but the later ordinance fails to account for the change made by this ordinance, the two
17 sets of amendments should be given effect together if at all possible.
18

1 Section 6. It is the express intent of the City Council that this ordinance makes only those
2 changes to the Seattle Municipal Code shown by striking out, inside double parentheses, text to be
3 deleted, and underlining text to be added. To this end, errors in showing the pre-existing Seattle
4 Municipal Code are to be disregarded, and no change in the Seattle Municipal Code is intended
5 thereby.

6 Section 7. The several provisions of this ordinance are declared to be separate and
7 severable and the invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this
8 ordinance, or the invalidity of the application thereof to any person or circumstance, shall not affect the
9 validity of the remainder of this ordinance or the validity of its application to other persons and
10 circumstances.
11

12 Section 8. This ordinance shall take effect and be in force thirty (30) days from and after its
13 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after
14 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.
15

16 Passed by the City Council the _____ day of _____, 1998 and signed by me in
17 open session in authentication of its passage this _____ day of _____, 1998.

18 _____
19 President of the City Council

20 Approved by me this _____ day of _____, 1998.

21 _____
22 Mayor

23 Filed by me this _____ day of _____, 1998.

24 _____
25 City Clerk
26

27 (Seal)

TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

Margaret Payler

_____	_____
_____	_____
_____	_____
_____	_____

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

POWER MARKETER CLASSIFICATION,
COMPENSATION AND SALES REVENUE
REWARD PLAN SUMMARY

ATTACHMENT #1

POWER MARKETER JOB DESCRIPTION

ATTACHMENT #2
POWER MARKETING TEAM
FUNCTIONAL FLOW CHART.

ATTACHMENT #3
BASE PAY GRID

ATTACHMENT #4
SALES REVENUE REWARD PLAN

ATTACHMENT #5
CLASSIFICATION DETERMINATION
REPORTS