

Ordinance No. 122335

Council Bill No. 115813

AN ORDINANCE relating to the creation of a City Light Department Rates Advisory Committee; establishing a Rates Advisory Committee and the composition of its membership; and describing the mission and responsibilities of the Rates Advisory Committee

CF No. \_\_\_\_\_

Date Introduced:	<u>Jan. 22, 2007</u>	
Date 1st Referred:	To: (committee) <u>Energy and Technology</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor:	<u>1-29-07</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoes by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

OW

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: *Jan Golden*

Councilmember

*[Signature]*

*[Signature]*

## Committee Action:

01/24/07 DO PASS, - JG, DD

Richard Conlin

②

1-29-07 Passed As Amended 9-0

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_ (initial/date)

## LAW DEPARTMENT

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed

*[Signature]*

ORDINANCE 122335

AN ORDINANCE relating to the creation of a City Light Department Rates Advisory Committee; establishing a Rates Advisory Committee and the composition of its membership; and describing the mission and responsibilities of the Rates Advisory Committee.

WHEREAS, recommendations of Rates Advisory Committees established under previous City Council Resolutions have provided valuable policy direction for the City of Seattle; and

WHEREAS, the City Council is committed to ensuring that electric ratepayers have multiple opportunities to participate in each review of City Light Department rates; and

WHEREAS, in Resolution 30933, the City Council endorsed establishment of a Rates Advisory Committee to provide advice on issues relating to City Light Department rate proposals; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Establishment of a City Light Rates Advisory Committee. A City Light Department ("Department") Rates Advisory Committee is hereby established. The Rates Advisory Committee shall consist of fifteen members of which eight shall be appointed by the Mayor and seven by the City Council, all of whom shall be confirmed by the City Council. The Mayor shall appoint one representative from each of the following customer classes: residential; small business general service; medium general service non-network; large general service non-network; high demand general service; medium general service network; large general service network and contract cities. The City Council shall appoint seven at-large members, at least one of which shall be from the residential class and one from a suburban city served by the Department or from Tukwila. The names of the Mayor's proposed initial members shall be sent



1 to the City Council by April 1, 2007, and all proposed initial members shall be confirmed or  
2 rejected by the City Council no later than June 1, 2007.

3 The members shall be appointed to four year terms subject to reappointment, except that  
4 initially four members appointed by the Mayor and three appointed by the City Council shall be  
5 appointed for a two-year term. Upon the resignation, retirement, death, incapacity or removal of  
6 a Rates Advisory Committee member, the authority appointing such member may appoint a  
7 replacement for the balance of the outgoing member's term. Members may be discharged from  
8 further service by three (3) consecutive unexcused absences and for other cause. Members shall  
9 serve without pay, but may be reimbursed for their expenses while attending meetings.  
10

11 The Rates Advisory Committee may adopt rules for its own procedures, including  
12 quorum requirements and the frequency of meetings. Meetings of the Rates Advisory Committee  
13 will be open to the public, unless, had the Rates Advisory Committee been subject to Chapter  
14 42.30 RCW, that law would not have required that the meeting or portion of the meeting be open  
15 to the public. The Rates Advisory Committee shall select a chair.  
16

17 Section 2. Mission of the Rates Advisory Committee. The mission of the Rates  
18 Advisory Committee is to provide advice to the Mayor, City Council, and City Light  
19 Superintendent on issues relating to Department rate proposals.  
20

21 Section 3. Workplan. The Rates Advisory Committee shall work on rate related issues,  
22 including those contained in a work plan developed collaboratively with the Mayor, Council, and  
23 City Light Superintendent. The Department shall provide staff and logistical support for the  
24 Rates Advisory Committee.  
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1 Section 4. Reporting Requirements. The members of the Rates Advisory Committee  
2 shall hold regular meetings and keep a written record of proceedings which shall be a public  
3 record. Recommendations of the Rates Advisory Committee, including votes on policy  
4 recommendations, shall be included with all future rate proposals submitted to the City Council.  
5 The Rates Advisory Committee shall make annual reports to the Mayor and the City Council.

6  
7 Section 5. This ordinance shall take effect and be in force thirty (30) days from and after  
8 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
9 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

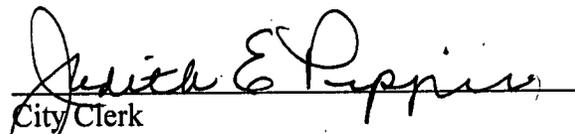
10 Passed by the City Council the 29<sup>th</sup> day of January 2007, and signed by me in open  
11 session in authentication of its passage this 29<sup>th</sup> day of January, 2007.

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15 President \_\_\_\_\_ of the City Council

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17 Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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19 Returned Unsigned by Mayor  
20 Gregory J. Nickels, Mayor

21 Filed by me this 8 day of FEB, 2007.

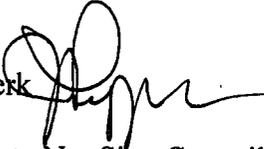
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24   
25 City Clerk

26 (Seal)





**Legislative Department  
Office of City Clerk  
Memorandum**

**Date:** February 8, 2007  
**To:** Councilmembers  
**From:** Judith E. Pippin, City Clerk   
**Subject:** Mayor Explains Decision to Not Sign Council Bill No. 115813,  
(relates to creation of City Light Rates Advisory Cmte, etc.)

On February 8, 2007, I notified you that Mayor Nickels had returned Council Bill No. 115813 (Ordinance 122335) to this office without his signature of approval. This is the Bill to establish a City Light Rates Advisory Committee, the composition of its membership, and the mission and responsibility of the committee. When returning the Bill, the Mayor did not provide a letter of explanation for his decision not to sign, but indicated such a letter was forthcoming.

**On February 21, 2007 a letter from Mayor Nickels was delivered to the City Clerk. The letter explains the Mayor's reasons for declining to sign Council Bill No. 115813. I have attached a copy of that letter for your reference.**

No official action with regard to this Bill is required of the Council at this time. Because it was returned unsigned, it will go into effect March 20, 2007, pursuant to provisions in the SMC and the City Charter.

If you have any questions, please don't hesitate to call me - 4-8361.

JP



**Legislative Department  
Office of City Clerk  
Memorandum**

FILED  
CITY OF SEATTLE  
07 FEB 22 AM 9:29  
CITY CLERK 9.35  
JP

**Date:** February 8, 2007  
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JP



Gregory J. Nickels  
Mayor of Seattle

FILED  
CITY OF SEATTLE

2007 FEB 21 PM 2: 20

CITY CLERK

February 16, 2007

The Honorable Nick Licata  
The Honorable Members of the Seattle City Council  
Seattle City Council  
CH-02-01

Dear Council President Licata and Members of the City Council:

On February 8, 2007 I returned Council Bill 115813 (Establishing a City Light Rates Advisory Committee) unsigned. My concerns about this legislation are three-fold: first, given our recent completion of a rate review in late 2006, it is premature to establish a Rates Advisory Committee (RAC) at this time. Second, our previous experience with a RAC was not useful and, in fact, proved to be detrimental to Seattle City Light (SCL) core functions. Finally, this ordinance was done without consultation with the executive branch.

The City disbanded the RAC over a year ago because it was our experience that members of the RAC exerted pressure on policy makers to lower electric rates without considering how their recommendations would impact the overall health of the utility. One of the results of previous RAC processes was that City Light was faced with a choice of foregoing essential infrastructure investments or relying too much on debt refinancing to fund critical improvements.

In lieu of using a RAC during the last rate review, the Superintendent of City Light and I chose to conduct a wide-ranging and inclusive public process that provided the City with a much broader snapshot of the interests of diverse stakeholders concerned about rate issues. This public outreach resulted in a comprehensive public process compared to previous reviews that saw a few select individuals representing their own interest on the RAC influencing decisions on rates.

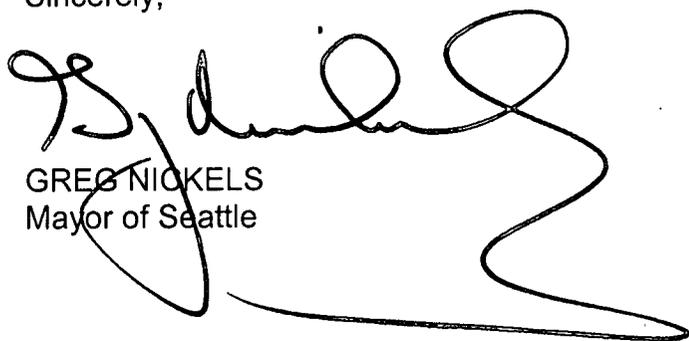
The City Light Advisory Committee, created last year with the mission to serve as technical experts and provide advice to the Mayor, City Council, and City Light Superintendent, is the appropriate group to work on rate review when next considered by the city. Creating a second advisory group such as a RAC would be duplicative, unnecessary and may confuse the committees' roles, leading to contradictory and confusing results. Members of the City Light Advisory Committee are currently being recruited and Council is authorized to directly appoint half of the committee membership.

- over -

To conclude, the next time I am prepared to recommend new rates, I will instruct SCL to use the same inclusive public process that worked so well in 2006. I encourage Council to participate in that broad public process, and to utilize the outcome of that process as well as the expertise of the City Light Advisory Committee in Council's own rate review.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Nickels', with a large, sweeping flourish extending to the right and then curving back down.

GREG NICKELS  
Mayor of Seattle



**Legislative Department  
Office of City Clerk  
Memorandum**

**Date:** February 8, 2007  
**To:** Councilmembers  
**From:** Judith E. Pippin, City Clerk   
**Subject:** Mayor's Return of Council Bill No. 115813, **Unsigned**  
(relates to creation of City Light Rates Advisory Cmte, etc.)

Today, February 8, 2007, Mayor Nickels returned Council Bill No. 115813 (Ordinance 122335) to this office without his signature of approval. This is the Bill to establish a City Light Rates Advisory Committee, the composition of its membership, and the mission and responsibility of the committee.

Mayor's Office staff members have indicated that Mayor Nickels will provide a letter of explanation on February 9, 2007.

The absence of the Mayor's signature indicates neither his approval nor disapproval of the Council Bill, as addressed in Seattle Municipal Code 1.04.020 and City Charter Article IV, Section 12.

However, a Bill returned by the Mayor unsigned is considered "approved" for purposes of the Bill becoming an Ordinance, and therefore law, within the City of Seattle.

The effective date of this Ordinance is March 10, 2007, 30 days from the date it was returned by the Mayor.

No further action on the part of Council is required.

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Legislative	Carol Butler 684-3580	

**Legislation Title:** An ordinance relating to the creation of a City Light Department Rates Advisory Committee; establishing a Rates Advisory Committee and the composition of its membership; and describing the mission and responsibilities of the Rates Advisory Committee.

- **Summary of the Legislation:** This ordinance establishes a Rates Advisory Committee consisting of fifteen members, eight to be appointed by the Mayor and seven by the City Council with all appointments to be confirmed by the City Council. The fifteen members will serve four year terms, except that four of those appointed by the Mayor and three of those appointed by the City Council will serve two year terms in order to ensure that not terms end at the same time.

The Mayor will appoint one representative from each from the residential, small business, medium non-network, medium network, large non-network, large network, high demand, and contract cities rate classes. The City Council will appoint seven at-large members, at least one of which shall be from the residential class and another from either a suburban city or Tukwila.

Unlike the City Light Citizens' Advisory Committee which will focus on wider policy issues, the Rates Advisory Committee will focus on issues directly related to rate proposals as they are being developed by the City Light Department and presented to the Mayor and to the City Council.

In addition to any specific recommendations relating to rate issues, the Rates Advisory Committee will file an annual report and will determine the frequency with which the members should meet.

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

A Rates Advisory Committee has a long history in the City of Seattle relating to participation in City Light rate proposals, both while the proposal is under development and after submission to the City Council. For most of those years, members of the Rates Advisory Committee were appointed by both the Mayor and the City Council. These appointments also reflected City Council policy direction as expressed in multiple rate resolutions adopted over a more than twenty-year period. In the latest review of a City Light rate proposal,



however, the Rates Advisory Committee was appointed solely by the Mayor and disbanded by the Superintendent almost one year before the submission the rate proposal. This occurred despite the City Council's continued policy support for a Rates Advisory Committee as stated in Resolution 30685.

Though City Light did conduct a public participation process before presenting the 2007-2008 Mayor's Rate Proposal, this process did not include reconstituting a Rates Advisory Committee as requested. Nevertheless, to help inform issues for a future rate proposal the City Council once again included language supporting use of the Rates Advisory Committee in Resolution 30933 adopted on November 20, 2006. To ensure that this will occur, this legislation creates a Rates Advisory Committee to implement the City Council's policy direction.

- *Please check one of the following:*

**This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)* Note that here may be minor costs associated with this legislation related to validating parking for members of the committee and providing drinks and snacks for the meetings.



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2 rejected by the City Council no later than June 1, 2007.

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16 President \_\_\_\_\_ of the City Council

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19 \_\_\_\_\_  
20 Gregory J. Nickels, Mayor

21 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2007.

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24 \_\_\_\_\_  
25 City Clerk

26 (Seal)

