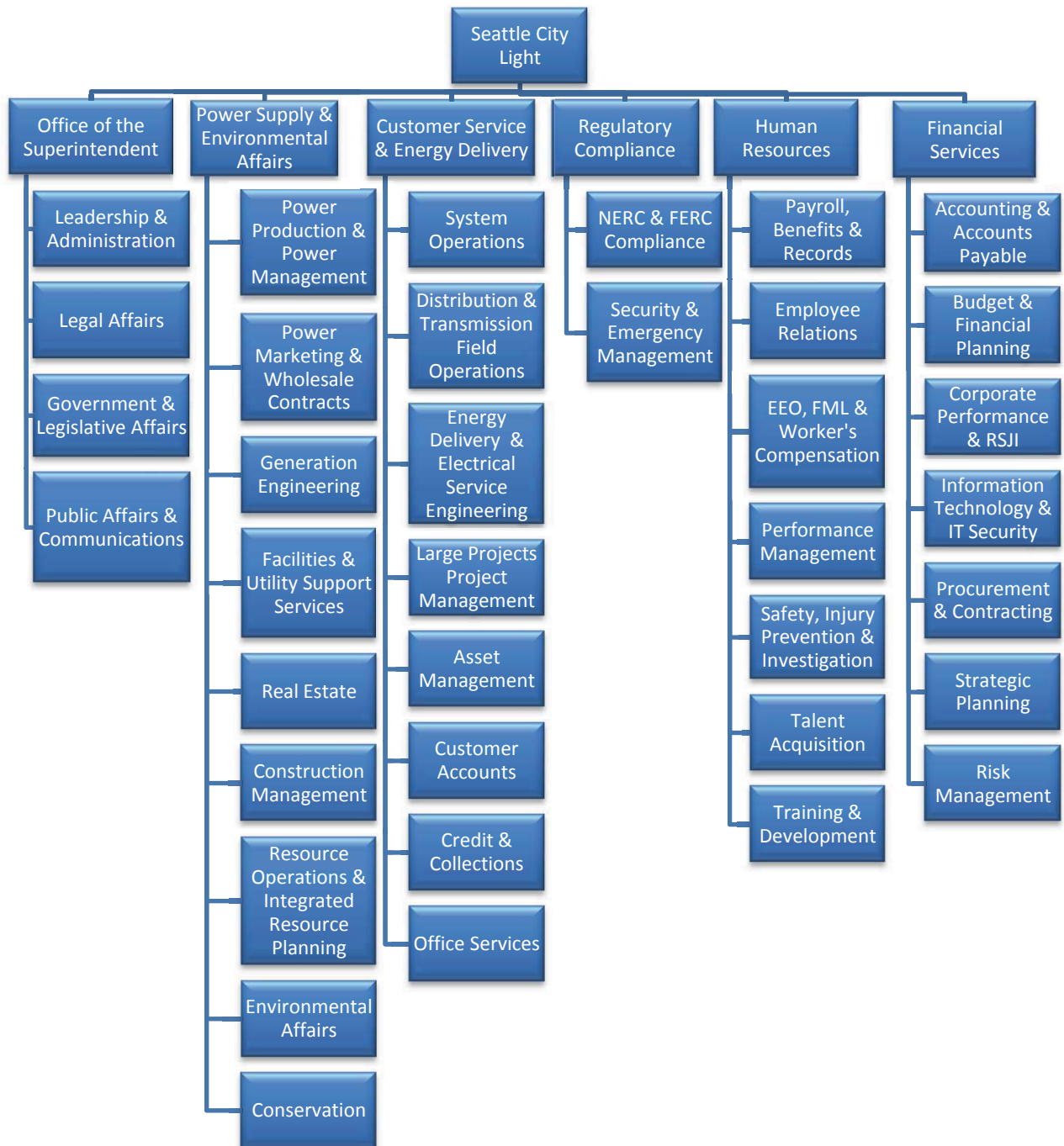


# Seattle City Light

Jorge Carrasco, Superintendent

Department Information Line: (206) 684-3000

On the Web at: <http://www.seattle.gov/light/>



# Seattle City Light

## Department Overview

Seattle City Light (City Light or SCL) was created by the residents of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resource development, and environmental stewardship.

City Light provides electric power to approximately 395,000 residential, business, and industrial customers within a 130 square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

City Light owns about 2,000 megawatts of very low-cost, environmentally-responsible, hydroelectric generation capacity. In an average year, City Light meets about 50% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration (BPA). City Light is the nation's tenth largest publicly-owned electric utility in terms of customers served.

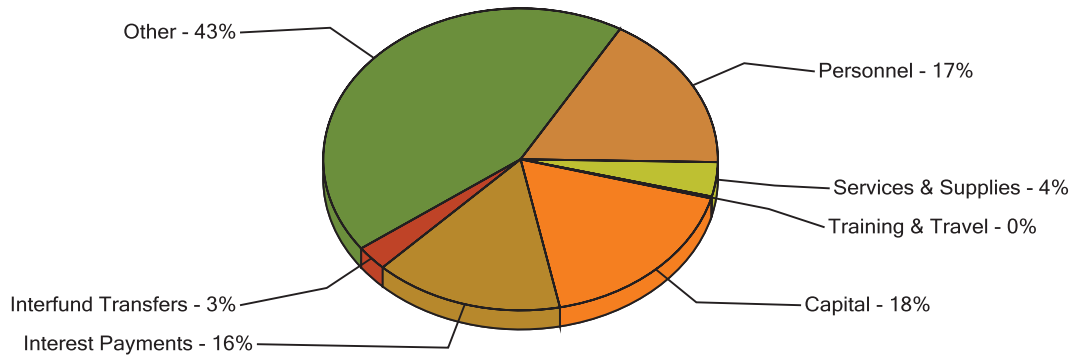
## Budget Snapshot

Department Support	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Other Funding - Operating	\$796,892,651	\$945,423,195	\$941,197,896	\$979,993,442
<b>Total Operations</b>	<b>\$796,892,651</b>	<b>\$945,423,195</b>	<b>\$941,197,896</b>	<b>\$979,993,442</b>
Other funding - Capital	\$125,061,587	\$190,126,315	\$201,081,881	\$219,989,718
<b>Total Appropriations</b>	<b>\$921,954,238</b>	<b>\$1,135,549,510</b>	<b>\$1,142,279,777</b>	<b>\$1,199,983,160</b>
Full-time Equivalent Total*	1,810.75	1,810.75	1,830.25	1,830.25

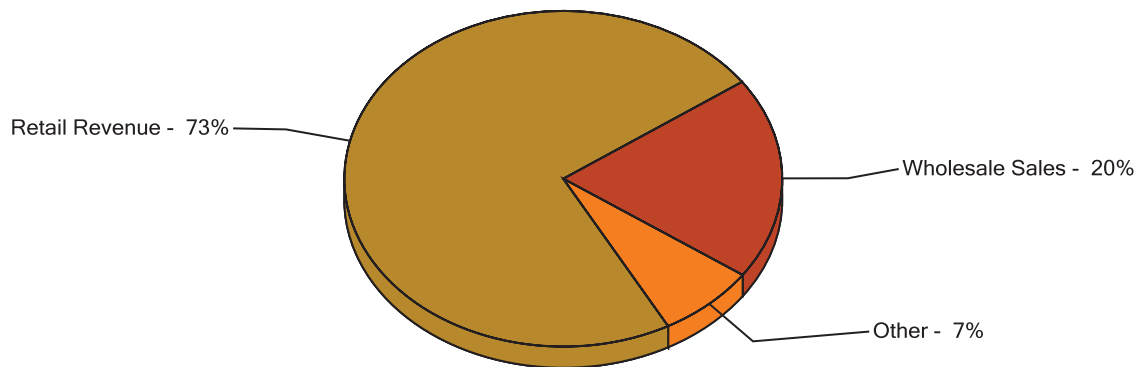
\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

# Seattle City Light

## 2013 Adopted Budget - Expenditure by Category



## 2013 Adopted Budget - Revenue by Category



# Seattle City Light

## Budget Overview

In 2009 and 2010, unexpectedly depressed energy prices and unusually low precipitation levels reduced both the value and the amount of surplus energy that City Light could sell on the wholesale market. This unexpected revenue shortfall forced SCL to cut costs, reduce spending on basic operations, and defer necessary capital investments. In response, City Council and the Mayor undertook a series of actions to help strengthen oversight and the financial management of SCL:

- The Rate Stabilization Account (RSA), which provides a source of funding to SCL when wholesale energy revenues fall short of projections, was created to protect against future fluctuations in those wholesale revenues.
- The City Light Review Panel, a committee of stakeholders representing City Light ratepayers which has met regularly since May 2010, was established to advise elected officials on rate and City Light issues.
- City Light was directed to develop a Strategic Plan, with input from the Review Panel and the public, to address broader changes in the electric industry and assess the SCL's ability to adapt to these challenges. By identifying key challenges and prioritizing spending, the Strategic Plan provides a venue for engaging elected officials, customers, and the public on the future of City Light. The Strategic Plan provides the framework for City Light's projected rate path for the subsequent six years and is expected to be updated every two years.

In July 2012, City Council adopted the City Light 2013-2018 Strategic Plan, endorsed an average system rate increase for the six-year period, and directed SCL to prepare the 2013-2014 Budget and rates in support of the Strategic Plan (Resolution 31383). The Strategic Plan document is available on-line at:

<http://clerk.ci.seattle.wa.us/~ordpics/31383AttA.pdf>

Separate legislation to establish 2013-2014 rates consistent with the Strategic Plan was approved by Council in September 2012 (Ordinance 123988). The adopted rates reflect average system rate increases of 4.4% in 2013 and 5.6% in 2014.

The Strategic Plan identified four key objectives:

1. **Improve customer experience and rate predictability.** The Strategic Plan includes infrastructure investments to improve the reliability of the distribution system (including development of the new Denny substation); replace out-dated customer interfaces, billing and metering systems; and increase maintenance and optimized performance of power-generating facilities. The Strategic Plan also moves towards more conservative assumptions of Net Wholesale Revenue to reduce the risk of triggering automatic customer surcharges, as provided in the RSA legislation, and separate legislation to revise these revenue targets was approved by Council in September 2012 (Ordinance 123989).
2. **Increase workforce performance and safety practices.** The Strategic Plan invests in workforce safety and training programs (including development of a new training facility), and addresses employee recruitment and retention issues given the challenges of an aging workforce. Half of SCL's employees are or will be eligible to retire within the next five years, and despite some significant improvements in workplace safety, SCL's employee injury rate is nearly twice the national average.
3. **Enhance organizational performance.** The Strategic Plan targets \$18 million of efficiencies a year by 2015 in SCL's operations, capital spending, and business practices. Realizing these efficiencies requires investments in management and information systems, on-going performance benchmarking, internal auditing, monitoring and reporting. As directed by Resolution 31383, City Light will propose a reporting framework to the City Council for tracking progress on the Strategic Plan by the end of 2012, with special attention to track the achievement of these efficiencies.
4. **Continue conservation and environmental leadership.** The Strategic Plan maintains City Light's on-going commitment to energy conservation, fish-friendly operation of its hydroelectric projects, climate-neutral operations, and other environmental liabilities and commitments.

The 2013 Adopted and 2014 Endorsed budgets were developed to reflect the Strategic Plan's objectives within the resource constraints of the 2013-2014 rates. City Light will revisit the Strategic Plan every two

## Seattle City Light

years with the City Light Review Panel and City Council, extending the six-year planning window by two years each time, refining expectations for the following biennial budget, and setting the projected rate path for the subsequent six years. The Strategic Plan will continue to be an integral part of the budgeting process by vetting key policy choices facing SCL and providing a framework for establishing stable and predictable rates. The annual budget remains the legal authority governing spending and provides accountability for implementing the Strategic Plan.

Recognizing the impact of increased electric bills on the City's low-income population, including seniors and disabled persons, the 2013 Adopted and 2014 Endorsed budgets include additional resources to increase the number of qualified customers who participate in City Light rate assistance and conservation programs. City Light will network with other housing and human services organizations and proactively identify and engage potential participants, rather than waiting for eligible customers to initiate contact. SCL has set a goal of increasing participation in the rate discount program by 10% in 2013 and 15% in 2014. Engaging low-income customers who have high energy consumption will be a priority for SCL's conservation programs and provide further opportunities for these customers to reduce their bills.

To support the capital program and other eligible SCL costs, the 2013 Adopted and 2014 Endorsed budgets anticipate a 2013 bond issue of approximately \$275 million and a 2014 bond issue of approximately \$200 million. For summary detail of SCL's capital spending and individual capital projects, please see the 2013-2018 Adopted CIP document.

### **City Council Changes to Proposed Budget**

The City Council did not make any programmatic changes to City Light's 2013-2014 Proposed Budget. However, as part of Council's review, the Council directed City Light to transfer up to \$22 million into the Rate Stabilization Account at the end of 2012 to reduce the likelihood of rate surcharges in 2013 (Ordinance 124059).

# Seattle City Light

## Incremental Budget Changes

### Seattle City Light

	2013		2014	
	Budget	FTE	Budget	FTE
<b>Total 2012 Adopted Budget</b>	<b>\$ 1,135,549,513</b>	<b>1,810.75</b>	<b>\$ 1,135,549,513</b>	<b>1,810.75</b>
<b>Baseline Changes</b>				
Citywide Adjustments for Standard Cost Changes and CIP Allocation Changes	\$ 45,717,658	0.00	\$ 44,774,979	0.00
<b>Proposed Policy Changes</b>				
Building the New Denny Substation Program	\$ 2,433,130	0.00	\$ 19,075,581	0.00
Transmission System Improvements in Puget Sound Area	\$ 419,199	0.00	\$ 413,733	0.00
Cable Rehabilitation and Replacement	\$ 0	0.00	\$ 1,110,184	0.00
Streetlight Infrastructure Replacement	\$ 1,954,706	0.00	\$ 2,933,984	0.00
Improve Hydro System Optimization and Generator Availability	\$ 306,701	0.00	\$ 523,178	0.00
Customer Portal Development	\$ 852,660	0.00	\$ 872,231	0.00
Compliance Tracking System and Compliance Program Standardization	\$ 1,072,823	2.00	\$ 523,178	2.00
Regional and Industry Leadership	\$ 306,704	2.00	\$ 313,907	2.00
Comprehensive Low Income Assistance	\$ 431,000	0.00	\$ 439,000	0.00
Safe Work Environment	\$ 609,301	1.50	-\$ 352,786	1.50
Attract and Retain Workforce	\$ 1,249,976	1.00	\$ 1,253,748	1.00
Workforce Development - Utility Training and Development Program	\$ 2,291,773	1.00	\$ 2,295,198	1.00
Technical Training Center Development	\$ 4,794,595	0.00	\$ 1,674,170	0.00
Efficiency and Process Improvement Savings	-\$ 6,177,680	0.00	-\$ 14,022,042	0.00
Performance Reporting and Business Intelligence System Expansion	\$ 1,418,009	0.00	\$ 1,216,136	0.00
Establish Internal Audit/Management Review Group	\$ 822,980	5.00	\$ 842,314	5.00
Project Management Training Increase	\$ 649,722	0.00	\$ 451,531	0.00
Standards Development Funding Increase	\$ 255,584	0.00	\$ 523,178	0.00
Insurance Policy for Generation Facilities	\$ 510,168	0.00	\$ 523,178	0.00
Benchmarking Performance - Funding Increase	\$ 281,142	0.00	\$ 287,748	0.00
Equipment Servicer Adds	\$ 0	2.00	\$ 0	2.00
Integrated Geospatial Information System (GIS)	\$ 693,480	3.00	\$ 2,811,385	3.00
IT Disaster Recovery Program	\$ 638,175	1.00	\$ 1,027,921	1.00

## Seattle City Light

Replace/Upgrade Peoplesoft Financial System	\$ 1,175,403	0.00	\$ 1,198,794	0.00
Enterprise Document Management System	\$ 574,985	0.00	\$ 395,280	0.00
Implement IT Security Upgrades	\$ 763,038	1.00	\$ 698,677	1.00
Climate Research Increase	\$ 224,914	0.00	\$ 230,198	0.00
Reduce Environmental Liability	\$ 635,978	0.00	\$ 925,392	0.00
<b>Proposed Technical Changes</b>				
Baseline Capital Program Adjustments	-\$ 26,236,176	0.00	\$ 527,460	0.00
Purchased Power Costs	-\$ 29,576,261	0.00	-\$ 24,525,475	0.00
City and State Tax Payment Increase	\$ 3,082,711	0.00	\$ 7,686,809	0.00
Debt Service Cost Changes	\$ 1,517,042	0.00	\$ 16,758,783	0.00
Restore IT Software Maintenance Budget	\$ 2,852,434	0.00	\$ 2,918,041	0.00
Technical Adjustments - Accounting Changes	-\$ 9,789,270	0.00	-\$ 10,065,410	0.00
Technical Adjustments - Other	-\$ 26,340	0.00	-\$ 1,826,536	0.00
<b>Total Incremental Changes</b>	<b>\$ 6,730,264</b>	<b>19.50</b>	<b>\$ 64,433,647</b>	<b>19.50</b>
<b>2013 Adopted/2014 Endorsed Budget</b>	<b>\$ 1,142,279,777</b>	<b>1,830.25</b>	<b>\$ 1,199,983,160</b>	<b>1,830.25</b>

## Descriptions of Incremental Budget Changes

### Baseline Changes

#### **Citywide Adjustments for Standard Cost Changes and CIP Allocation Changes - \$45,717,658**

Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. These adjustments reflect initial assumptions about these costs and inflators early in the budget process. Also included here are adjustments to reconcile SCL's appropriations to the 2013-2014 planned allocations shown in the 2012-2017 Adopted CIP.

### Proposed Policy Changes

#### **Building the New Denny Substation Program - \$2,433,130**

This adjustment provides additional funding to continue SCL's work to build a new north downtown substation. The new substation will create a stronger and better-integrated distribution system throughout the city and provide highly reliable power to serve the city's growing biotechnology research and information technology sectors. Since the year 2000, SCL has been studying how best to serve the new loads and emerging high load density in the South Lake Union (SLU)/ North Downtown (NODO) area and loads in adjacent areas. In late 2011, SCL completed the "Seattle City Light Load Serving Report" for the North-Central Seattle area. The analysis efforts have coincided with the rapid redevelopment of this area. In 2009, the Seattle City Council approved the purchase of parcels of land at the corner of Denny Way and Minor Street as the location of a substation. The Denny Substation Program has a total estimated cost of roughly \$201 million, including costs for network system, substation, and transmission line design and construction.

# Seattle City Light

## **Transmission System Improvements in Puget Sound Area - \$419,199**

This adjustment provides resources for capital projects designed to strengthen the City Light transmission system. Electric transmission congestion in the Puget Sound area is increasing due to changes in area generation, load growth, transfers of power to Canada required by treaty, and outages required to maintain the lines. City Light is collaborating with neighboring Puget Sound utilities to improve the regional transmission system through several transmission projects proposed to strengthen the Seattle City Light transmission system and for which City Light will be reimbursed partially by other utilities in the area.

## **Cable Rehabilitation and Replacement**

This adjustment provides additional funding of \$1.1 million in 2014 for SCL to increase its underground cable replacement rate by 10,000 feet per year with directional boring, a method of drilling and pulling conduit for new cable. City Light is currently funded to annually accomplish 25,000 feet of directional boring and 2,000 feet of open trenching followed by cable installation. Directional boring is the most cost effective, expeditious, and least disruptive conduit installation method.

## **Streetlight Infrastructure Replacement - \$1,954,706**

This adjustment adds funding to replace aging, non-functional, and damaged streetlight infrastructure, as identified in SCL's ten-year Streetlight Horizon Plan. The Plan provides for the prioritization of streetlight system replacement in conjunction with Complete Streets initiatives and other CIP projects. Affected streetlight infrastructure includes poles, fixtures, conduits, hand holes, and wiring. Current practice involves crew and engineering response to individual customer requests as needs emerge rather than planned replacement of aging infrastructure. Replacing failing systems will reduce customer complaints and stopgap repairs by crews. Costs for streetlight operation, maintenance, and improvement, including the cost of this adjustment, are supported by the General Fund.

## **Improve Hydro System Optimization and Generator Availability - \$306,701**

This adjustment provides resources for a consultant to develop a modeling software tool that will help City Light optimize its valuable hydro system and improve the availability of its generators. The software will facilitate more real-time power marketing and system control decisions by prioritizing crew deployment toward preventive maintenance and supporting planning to minimize generator outages. This will allow SCL to operate more efficiently, reduce unit outages, and improve system performance.

## **Customer Portal Development - \$852,660**

This adjustment provides consultant funding to support the implementation of a City Light Customer Portal. The portal will provide customers easy access to online tools, forms, and relevant information. The new site will enable customers the convenience of paying bills online, making online payment arrangements, and accessing web tools that will aid them in saving energy. The new portal is expected to enhance customer satisfaction, and reduce costs for SCL by reducing non-web customer contacts.

## **Compliance Tracking System and Compliance Program Standardization - \$1,072,823/2.00 FTE**

This adjustment provides funding and staff for City Light to standardize and automate its compliance with federal and regional reliability and cyber security standards. This initiative includes a capital investment for an online system that will manage workflows and track compliance with North American Electric Reliability Corporation (NERC) standards and requirements. This initiative will result in standardization and automation of SCL's compliance records so that bulk power systems in the region will be protected and their reliability insured.



# Seattle City Light

## **Regional and Industry Leadership - \$306,704/2.00 FTE**

This adjustment adds funding and staff to enhance City Light's strategic policy direction and regional leadership on various power supply and transmission matters. The adjustment would allow City Light to take proactive positions on various regional power supply and transmission matters by focusing on two major areas: (1) City Light's power and transmission agreements with BPA (which supply more than 40 percent of City Light's energy portfolio and most of its transmission service); and (2) emerging power supply and transmission operating issues that involve regional utilities, as well as state and federal agencies. These issues include wind power, regional transmission planning, and integration of renewable resources.

## **Comprehensive Low Income Assistance - \$431,000**

This adjustment establishes a new working group within the Customer Care area whose sole focus will be on helping low income customers reduce their electric bills. This group will provide customers a comprehensive approach to affording their electric bills through a combination of financial assistance, energy efficiency improvements, and increased customer outreach. The Comprehensive Low Income Assistance Program will increase the utilization of low-income rates for income-eligible customers. City Light will dedicate staff and work with other City departments and community-based organizations to identify and enroll eligible low-income customers. No new positions are requested, as City Light will reallocate existing staff resources; the requested funding will support temporary staffing for backfill and reassignments related to those reallocated staff resources.

## **Safe Work Environment - \$609,301/1.50 FTE**

This adjustment provides funding and staff to allow SCL to implement a comprehensive safety and health program incorporating electric utility best practices to significantly reduce injury frequency and severity rates. In addition to the decrease in employee injury and severity rates, the program will result in the reduction of motor vehicle accidents, a reduction in cost per injury, and a decrease in workers compensation costs and third party claims. The requested funding supports implementation of a safety management system, driver safety training, and staff costs. In 2014, the program is anticipated to generate savings, which are incorporated into SCL's 2014 Budget.

## **Attract and Retain Workforce - \$1,249,976/1.00 FTE**

This adjustment provides funding and staff for SCL to implement a comprehensive workforce strategy, to ensure SCL will continue to have a qualified, high performance workforce in place to meet its customers' needs. The strategy includes the development of compensation programs in line with the national market for talent with specific electric utility knowledge and expertise, with market rate compensation to be applied to job classifications that are currently paid below market. The strategy also includes providing flexibility for City Light to manage its workforce more effectively through the creation of broader utility-specific classifications; implementing programs that incentivize employee productivity and efficiency; and aligning labor agreements and work practices to promote workplace efficiency and customer service. Savings from reduced employee turnover and improved efficiency are expected to off-set a portion of the costs of this proposal.

## **Workforce Development - Utility Training and Development Program - \$2,291,773/1.00 FTE**

This adjustment provides funding and staff for comprehensive training, employee development, and succession planning. City Light is facing a critical talent shortage because of the impending retirement of a significant percentage of its workers and the continuing shortage of workers who possess the minimum qualifications or utility expertise to work in the electric utility industry. The adjustment includes expansion of the apprenticeship program, providing more on-the-job training, and smoothing out staff succession. This adjustment also includes developing a leadership training program, increasing training funding for every employee, and establishing trainee positions for non-field jobs that require a high level of utility-specific expertise.

# Seattle City Light

## **Technical Training Center Development - \$4,794,595**

This adjustment provides funding to design and construct a comprehensive Technical Training Center for City Light that will consolidate the delivery of all apprenticeship training, journey-level skills enhancement training, safety training, Commercial Driver License (CDL) driving training, and other technical training for the 800-plus skilled trades workers that build and maintain SCL's electrical infrastructure. The training center will provide the space necessary for SCL's skilled trades workers to receive essential training. The estimated total project cost is \$6.9 million. The training center will include an approximately 9000 square foot one-story building, which will house classrooms, training laboratories, and a computer lab. The center will also include outdoor training installations, such as pole-climbing yards and underground training vaults, and a paved area for commercial driver and crane safety training.

## **Efficiency and Process Improvement Savings - (\$6,177,680)**

This reduction in budget reflects the anticipated cost savings of SCL's commitment to achieve \$18 million a year by 2015 in savings from efficiencies and process improvements. SCL will reduce ongoing operating and capital costs by \$15 million per year by 2015 (ramping up in 2013-2014) by implementing efficiency measures identified in a benchmarking report prepared by an outside consultant, and implement other SCL-wide process improvements to save an additional \$3 million annually. In addition to these cost saving efficiencies, City Light anticipates generating \$700,000 annually in enhanced revenues through measures including leasing or selling surplus property and reducing energy theft. These efficiency measures are a key element of City Light's Strategic Plan, and some will require discussion with labor to implement. Examples of measures that do not require labor discussions include reducing vehicle fleet needs, reducing capital spending through improved project management, reducing inventory carrying costs, and scheduling crews more efficiently.

## **Performance Reporting and Business Intelligence System Expansion - \$1,418,009**

This adjustment provides funding to expand SCL's existing enterprise business intelligence system. Funding provides for consulting and system integration, software and hardware costs, and training. City Light will use the enterprise business intelligence system to provide metrics, dashboards, and analytic and strategic reports. The continuation of this project will allow Seattle City Light to expand existing reporting and data mining capabilities to include all of the SCL's major operational systems data. Staffing needs for the project will be met with temporary labor and through backfilling vacant positions.

## **Establish Internal Audit/Management Review Group - \$822,980/5.00 FTE**

This adjustment provides funding and staff to establish a City Light internal audit group to perform audits and reviews. The responsibilities of this group will be to provide independent analysis to reduce waste, improve efficiency, and to address any potential for fraud at City Light. The group will develop and carry out an annual audit plan using information on high risk areas developed by City Light's Enterprise Risk Management Oversight group, conduct ad-hoc special audits as issues arise throughout the year, review internal controls, and conduct process audits.

## **Project Management Training Increase - \$649,722**

Given the diversity, scope and cost of its capital projects, City Light needs to build a consistent enterprise project management capability to ensure proper project development, oversight, management, and accountability. Improved project management at City Light is needed to ensure projects are completed on time, on budget, and within defined scope and quality. As part of that broader effort, this adjustment increases funding for training resources to ensure that City Light is providing consistent project manager training throughout SCL. Funding requested for 2013-2014 provides for training and certification for project management staff.

# Seattle City Light

## **Standards Development Funding Increase - \$255,584**

This adjustment provides staff funding and consultant resources to enable SCL to develop new material, design and construction standards, while supporting the ability to update and maintain existing standards in accordance with new products on the market, new regulatory requirements, and the latest applicable construction means and methods. These standards will then form the building blocks of 'compatible units' (i.e. standardized components) for SCL's most frequent and repetitive installation and maintenance work. Compatible units will help SCL to generate more accurate and consistent cost and scheduling estimates, enable faster customer response time, and optimize the allocation of construction and maintenance field crew resources. SCL will use existing staff (reassigned or reallocated from other tasks) and consultants to develop the standards.

## **Insurance Policy for Generation Facilities - \$510,168**

This adjustment provides funding for SCL to purchase insurance on its generation facilities in accordance with the Strategic Plan. City Light's buildings and structures and the equipment in them are generally covered against earthquake, fire, flood and other damage under the City's insurance policy. However, SCL's most important generating assets (including dams and other generation equipment) are not covered by this, or any other, insurance. Providing budget authority to purchase and maintain insurance would plug this coverage gap.

## **Benchmarking Performance - Funding Increase - \$281,142**

This adjustment increases funding for the implementation of benchmarking activities (including surveys and studies) at City Light by providing additional consulting resources. As a result of a 2011 consultant study, City Light identified areas of improvement that are now being addressed. This adjustment will continue and expand SCL's efforts to identify gaps in performance and put action plans in place to correct existing deficiencies, reduce costs and enhance service.

## **Equipment Servicer Adds/2.00 FTE**

This adjustment adds two new Equipment Servicer positions that will provide transportation of light and heavy duty equipment to all FAS maintenance repair facilities. Fleet Services is eliminating all vehicle and equipment maintenance shuttling services to and from City of Seattle maintenance facilities. These Equipment Servicer positions will play a critical role in responding to emergency situations. No additional budget authority is requested, as City Light will fund these new positions using existing budget authority.

## **Integrated Geospatial Information System (GIS) - \$693,480/3.00 FTE**

This adjustment provides additional funding and staff for the integration of existing non-compatible GIS systems at City Light into a single GIS system that can support transmission, distribution, and streetlight system management. This includes replacing City Light's multiple GIS systems with a single, integrated GIS that will eliminate redundant data entry and increase data quality and accessibility.

## **IT Disaster Recovery Program - \$638,175/1.00 FTE**

City Light's current information technology (IT) disaster recovery capability is very limited and would not be sufficient to recover key assets after a significant disaster such as an earthquake or major cyber attack. This adjustment includes a new FTE, related capital and operating funding, and consultant resources to develop and implement a comprehensive disaster recovery plan which will prioritize IT asset recovery requirements. City Light's approach will be consistent with Citywide direction being established by the Department of Information Technology (DoIT).

# Seattle City Light

## **Replace/Upgrade Peoplesoft Financial System - \$1,175,403**

This adjustment provides additional labor funding in support of the replacement or upgrade of the current version of Oracle's PeopleSoft financial system with a newer version. The City will be replacing its PeopleSoft Financial System (Summit) in the near future, and City Light must dedicate staff to its configuration and implementation in order to ensure the new system meets City Light's needs. Existing City Light staff will be backfilled with temporary staff to make sure the standard financial and accounting work is accomplished.

## **Enterprise Document Management System - \$574,985**

This adjustment provides additional resources to leverage existing City of Seattle Enterprise Document Management (EDM) technology and implement an EDM solution. An Enterprise Document Management System will allow City Light to digitally store, track and share important documents in a structured, auditable manner, and will also provide more secure and longer-lived maintenance of such documents. The system will also improve document search and retrieval capabilities, and lower overall content management costs throughout SCL. Funding is provided for software purchase, installation and support; labor and contractor support; and hardware.

## **Implement IT Security Upgrades - \$763,038/1.00 FTE**

This adjustment provides staff and funding to improve network and computer security at SCL, to meet evolving threats and new regulations. Providing dedicated IT security staff will increase the security and availability of the computing environment that supports SCL's business functions. The adjustment also provides funding for improvements and upgrades of critical IT infrastructure, such as upgrading SCL's aged network switches and firewall infrastructure.

## **Climate Research Increase - \$224,914**

This adjustment provides consultant funding to conduct climate research to better understand the impacts of climate change on City Light operations, and develop a strategy to adapt to these impacts. City Light's Climate Research initiative includes investing in capacity to assess and address long-term resource risks associated with climate change. The initiative will determine the impacts on watersheds and generating facilities that may result from climate change, and develop strategies to reduce, minimize or mitigate those impacts. Climate research will be conducted in collaboration with a number of external partners including the University of Washington Climate Impacts Group, Department of Energy National Laboratories and the National Park Service.

## **Reduce Environmental Liability - \$635,978**

This adjustment adds funding to reduce environmental liability by improving environmental compliance and reducing the presence and use of toxic material in SCL's operations. The adjustment includes developing and implementing a comprehensive environmental management approach; testing (and replacing where necessary) approximately 20,000 transformers for environmental contaminants, where current data is lacking; and reducing the risk of oil spills at generating plants, such as through construction of larger containment basins around oil-filled equipment. Funding is provided for capital improvements and temporary labor or consultants.

## **Proposed Technical Changes**

### **Baseline Capital Program Adjustments - (\$26,236,176)**

This adjustment reflects year to year changes in planned CIP spending for existing CIP projects. For a summary of City Light's capital program and more detail on project-level changes, please see the 2013-2018 Proposed CIP document.

# Seattle City Light

## **Purchased Power Costs - (\$29,576,261)**

This adjustment reduces budget for purchased power to reflect lower market prices for energy and reduced transmission costs. In addition, SCL has been able to meet Initiative-937 requirements by acquiring Renewable Energy Credits (RECs) at favorable prices, deferring the need for renewable power purchases. Initiative-937 was a voter-passed initiative that specifies renewable energy acquisition targets, which may also be fulfilled by RECs and conservation programs.

## **City and State Tax Payment Increase - \$3,082,711**

This adjustment increases City Light's budget to provide sufficient budget authority to pay city and state taxes. Additional budget authority is projected to be needed for 2013-2014 taxes primarily due to higher projected retail revenues.

## **Debt Service Cost Changes - \$1,517,042**

Beginning in 2014, City Light's debt service is expected to rise significantly. While some of this debt service is due to increased capital spending, there are several additional drivers including increased borrowing to offset low wholesale revenues in prior years, a City Council policy change requiring SCL to finance a larger portion of the Capital Improvement Program with debt, and the front-loading of refinancing savings to keep rates lower in the short term. Debt service and coverage needs are a major driver of rate increases in the coming years. This adjustment provides City Light with additional authority to pay projected debt service costs.

## **Restore IT Software Maintenance Budget - \$2,852,434**

This adjustment represents an increase in operating funding to re-establish City Light's Information Technology Services Division base budget. In order to reduce 2012 rate impacts, City Light's software license budget was underfunded in 2012 with the intention of providing adequate funding in 2013 and 2014. This funding restoration is needed to pay for software maintenance for department-wide applications, fund support licenses and hardware, and continue City Light's information technology operations without interruption.

## **Technical Adjustments - Accounting Changes - (\$9,789,270)**

This technical adjustment relates to the accounting treatment of Boundary Dam relicensing costs and long-term environmental cleanup expenses. Boundary Dam relicensing will be moved from Deferred O&M expenses to capital expenses as SCL begins license mitigation spending. In addition, SCL's long-term environmental cleanup expenses will be moved from O&M to Deferred O&M expenses. These adjustments reflect changes in the timing of recording liabilities and costs, but no changes to overall costs.

## **Technical Adjustments - Other - (\$26,340)**

Other technical adjustments include transfers between BCLs and corrections to baseline and inflation adjustments.

## **City Council Provisos**

There are no City Council provisos.

# Seattle City Light

## Expenditure Overview

Appropriations	Summit Code	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
<b>Capital</b>					
Customer Focused - CIP Budget Control Level	SCL370	0	71,268,536	53,503,046	57,204,028
Customer Services and Energy Delivery - CIP Budget Control Level	SCL350	91,445,689	0	0	0
Financial Services - CIP Budget Control Level	SCL550	3,814,106	7,789,846	8,612,388	15,920,063
Power Supply & Environmental Affairs - CIP Budget Control Level	SCL250	29,801,792	46,196,214	72,923,920	63,417,769
Transmission and Distribution - CIP Budget Control Level	SCL360	0	64,871,719	66,042,527	83,447,858
<b>General Expense</b>					
Debt Service Budget Control Level	SCL810	147,891,439	178,150,503	179,667,546	196,466,429
General Expenses Budget Control Level	SCL800	64,060,460	76,568,529	86,752,636	87,109,392
Taxes Budget Control Level	SCL820	74,431,324	78,472,239	81,554,950	86,159,048
<b>Operations and Maintenance</b>					
Compliance and Security Budget Control Level	SCL900	0	2,825,188	3,163,331	3,442,861
Conservation Resources and Environmental Affairs O&M Budget Control Level	SCL220	34,501,155	57,757,071	59,893,973	61,573,633
Customer Services Budget Control Level	SCL320	26,634,694	26,847,557	27,635,692	28,307,173
Distribution Services Budget Control Level	SCL310	64,760,161	71,786,036	73,787,206	73,941,794
Financial Services - O&M Budget Control Level	SCL500	29,500,646	28,988,915	36,023,479	36,575,868
Human Resources Budget Control Level	SCL400	5,187,240	6,790,858	9,380,049	9,137,512
Office of Superintendent Budget Control Level	SCL100	2,396,256	2,923,085	3,121,630	3,198,260
Power Supply O&M Budget Control Level	SCL210	48,456,177	62,449,375	50,892,548	51,451,103
<b>Power Purchase</b>					
Long-Term Purchased Power Budget Control Level	SCL720	0	284,741,917	277,322,789	287,056,886

## Seattle City Light

<b>Purchased Power Budget Control Level</b>	<b>SCL700</b>	<b>299,073,099</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Short-Term Purchased Power Budget Control Level</b>	<b>SCL710</b>	<b>0</b>	<b>67,121,923</b>	<b>52,002,066</b>	<b>55,573,482</b>
<b>Department Total</b>		<b>921,954,238</b>	<b>1,135,549,510</b>	<b>1,142,279,777</b>	<b>1,199,983,160</b>
<b>Department Full-time Equivalent Total*</b>		<b>1,810.75</b>	<b>1,810.75</b>	<b>1,830.25</b>	<b>1,830.25</b>

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

## Revenue Overview

### 2013 Estimated Revenues

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
431010	Operating Grants	1,397,506	3,867,659	0	0
431200	BPA Conservation & Renewables Credit	1,864,737	0	0	0
431200	BPA Payments for Conservation Deferred	9,901,374	4,926,389	5,355,575	0
443250	Other O&M Revenue	6,970,150	5,513,826	5,631,984	5,766,516
443250	Revenue From Damage	1,119,995	1,596,840	1,635,031	1,676,279
443345	BPA Credit for South Fork Tolt	3,470,373	3,637,892	3,337,901	3,231,468
443380	Account Change Fees	1,262,105	1,492,047	1,529,349	1,567,582
443380	Construction & Miscellaneous Charges	1,138	1,161,396	1,188,857	1,217,324
443380	Late Payment Fees	4,110,624	3,794,205	3,883,873	3,976,647
443380	Pole Attachments	1,745,935	2,073,390	2,122,979	2,176,537
443380	Property Rentals	2,252,227	1,320,470	1,351,676	1,383,964
443380	Reconnect Charges	872,427	254,269	260,278	266,496
443380	Transmission Attach. & Cell Sites	1,286,927	2,749,843	2,815,610	2,886,642
443380	Water Heater & Miscellaneous Rentals	160,774	192,119	196,659	201,356
461100	Federal Subsidies of Interest Payments on Debt	4,608,645	0	5,443,191	5,443,191
461100	Interest Earnings	5,581,708	5,377,885	7,627,766	9,214,952
461100	Sale of Property, Material & Equip.	422,212	2,250,000	1,100,983	1,127,594
462900	North Mountain Substation (Snohomish PUD)	227,306	381,414	397,226	403,206
462900	Transmission Sales	4,368,813	3,063,776	4,020,000	4,020,000
469990	Conservation - Customer Payments	0	0	0	0
473010	Capital Fees and Grants	11,759,796	176,352	107,654	109,887

## Seattle City Light

482000	Contributions in Aid of Construction	10,451,774	25,285,000	21,057,333	23,285,408
482000	Suburban Undergrounding	661,129	863,651	1,138,795	1,250,498
541830	Reimbursement for CCSS - CIP	0	0	0	0
541830	Reimbursement for CCSS - O&M	1,164,741	2,350,543	552,802	528,740
	<b>Total Other</b>	<b>75,662,415</b>	<b>72,328,966</b>	<b>70,755,521</b>	<b>69,734,286</b>
443310	Energy Sales to Customers	652,211,510	671,910,329	700,295,952	744,531,645
443310	Out of System Sales	0	0	0	0
443310	Retail Energy Revenue from Current Diversion, Un-Permitted House Rewires and No Longer Allowing Flat-Rate Billings	0	2,106,000	2,156,369	2,210,769
443310	Seattle Green Power/GreenUp/Community Solar	1,548,027	3,130,000	2,801,449	2,863,034
	<b>Total Retail Revenue</b>	<b>653,759,537</b>	<b>677,146,329</b>	<b>705,253,770</b>	<b>749,605,448</b>
443310	Sales from Priest Rapids	4,956,304	4,917,295	4,400,000	4,800,000
443345	Article 49 Sale to Pend Oreille Country	1,691,668	1,669,835	1,799,799	1,842,094
443345	Basis Sales	371,881	0	0	0
443345	Other Power Related Services	9,953,704	7,319,141	7,000,000	6,559,992
443345	Surplus Energy Sales	125,116,750	151,190,694	174,951,102	185,049,536
	<b>Total Wholesale Sales</b>	<b>142,090,306</b>	<b>165,096,963</b>	<b>188,150,901</b>	<b>198,251,622</b>
	<b>Total Revenues</b>	<b>871,512,259</b>	<b>914,572,258</b>	<b>964,160,192</b>	<b>1,017,591,356</b>
379100	Transfers from Construction Fund	50,441,979	220,977,253	178,119,585	182,391,804
	<b>Total Transfers</b>	<b>50,441,979</b>	<b>220,977,253</b>	<b>178,119,585</b>	<b>182,391,804</b>
	<b>Total Resources</b>	<b>921,954,238</b>	<b>1,135,549,511</b>	<b>1,142,279,777</b>	<b>1,199,983,160</b>



# Seattle City Light

## Appropriations By Budget Control Level (BCL) and Program

### Customer Focused - CIP Budget Control Level

The purpose of the Customer Focused - CIP Budget Control Level is to provide for the capital costs of customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Customer Focused - CIP	0	71,268,536	53,503,046	57,204,028
<b>Total</b>	<b>0</b>	<b>71,268,536</b>	<b>53,503,046</b>	<b>57,204,028</b>
Full-time Equivalents Total*	0.00	132.32	132.32	132.32

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

### Customer Services and Energy Delivery - CIP Budget Control Level

The purpose of the Customer Services and Energy Delivery - CIP Budget Control Level is to provide for the capital costs of installation, maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, services connections, and meters to meet customer demand. This Budget Control Level's capital program also coordinates the Utility's plant improvements with the efforts of other agencies involved in the implementation of large projects such as the Alaskan Way Viaduct and Seawall Replacement, North Downtown redevelopment, and Sound Transit light rail. In the 2012 Adopted Budget, this Budget Control Level is replaced with the Transmission and Distribution - CIP Budget Control Level and the Customer Focused - CIP Budget Control Level.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Customer Services and Energy Delivery - CIP	91,445,689	0	0	0
<b>Total</b>	<b>91,445,689</b>	<b>0</b>	<b>0</b>	<b>0</b>
Full-time Equivalents Total*	288.38	0.00	0.00	0.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

## Seattle City Light

### Financial Services - CIP Budget Control Level

The purpose of the Financial Services - CIP Budget Control Level is to provide for the capital costs of rehabilitation and replacement of the Utility's financial systems and information technology infrastructure, and the development and implementation of large software applications. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Financial Services - CIP	3,814,106	7,789,846	8,612,388	15,920,063
<b>Total</b>	<b>3,814,106</b>	<b>7,789,846</b>	<b>8,612,388</b>	<b>15,920,063</b>
Full-time Equivalents Total*	6.71	6.71	8.71	8.71

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

### Power Supply & Environmental Affairs - CIP Budget Control Level

The purpose of the Power Supply & Environmental Affairs - CIP Budget Control Level is to provide for the capital costs of maintaining the physical generating plant and associated power license and regulatory requirements. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Power Supply & Environmental Affairs - CIP	29,801,792	46,196,214	72,923,920	63,417,769
<b>Total</b>	<b>29,801,792</b>	<b>46,196,214</b>	<b>72,923,920</b>	<b>63,417,769</b>
Full-time Equivalents Total*	73.26	73.26	73.26	73.26

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

### Transmission and Distribution - CIP Budget Control Level

The purpose of the Transmission and Distribution - CIP Budget Control Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the Utility's transmission and distribution systems. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Transmission and Distribution - CIP	0	64,871,719	66,042,527	83,447,858
<b>Total</b>	<b>0</b>	<b>64,871,719</b>	<b>66,042,527</b>	<b>83,447,858</b>
Full-time Equivalents Total*	0.00	156.06	156.06	156.06

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## Seattle City Light

### Debt Service Budget Control Level

The purpose of the Debt Service Budget Control Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Debt Service - BCL	147,891,439	178,150,503	179,667,546	196,466,429
<b>Total</b>	<b>147,891,439</b>	<b>178,150,503</b>	<b>179,667,546</b>	<b>196,466,429</b>

### General Expenses Budget Control Level

The purpose of the General Expenses Budget Control Level is to provide for the general expenses of the Utility that, for the most part, are not directly attributable to a specific organizational unit. These expenditures include insurance, bond issue costs, bond maintenance fees, audit costs, Law Department legal fees, external legal fees, employee benefits (medical and retirement costs), industrial insurance costs, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
General Expenses	64,060,460	76,568,529	86,752,636	87,109,392
<b>Total</b>	<b>64,060,460</b>	<b>76,568,529</b>	<b>86,752,636</b>	<b>87,109,392</b>

### Taxes Budget Control Level

The purpose of the Taxes Budget Control Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Control Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Taxes	74,431,324	78,472,239	81,554,950	86,159,048
<b>Total</b>	<b>74,431,324</b>	<b>78,472,239</b>	<b>81,554,950</b>	<b>86,159,048</b>

### Compliance and Security Budget Control Level

The purpose of the Compliance and Security Budget Control Level is to monitor compliance with federal electric reliability standards and secure critical utility infrastructure.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Compliance and Security	0	2,825,188	3,163,331	3,442,861
<b>Total</b>	<b>0</b>	<b>2,825,188</b>	<b>3,163,331</b>	<b>3,442,861</b>
Full-time Equivalents Total*	0.00	14.00	16.00	16.00

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

# Seattle City Light

## Conservation Resources and Environmental Affairs O&M Budget Control Level

The purpose of the Conservation Resources and Environmental Affairs O&M Budget Control Level is to design and implement demand-side conservation measures that offset the need for additional generation resources, and to help the utility generate and deliver energy in an environmentally responsible manner. This Budget Control Level also supports the utility's renewable resource development programs.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Conservation Resources and Environmental Affairs O&M	34,501,155	57,757,071	59,893,973	61,573,633
<b>Total</b>	<b>34,501,155</b>	<b>57,757,071</b>	<b>59,893,973</b>	<b>61,573,633</b>
Full-time Equivalents Total*	108.00	116.50	116.50	116.50

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

## Customer Services Budget Control Level

The purpose of the Customer Services Budget Control Level is to provide customer services, including metering, billing, account management, and customer information systems.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Customer Services	26,634,694	26,847,557	27,635,692	28,307,173
<b>Total</b>	<b>26,634,694</b>	<b>26,847,557</b>	<b>27,635,692</b>	<b>28,307,173</b>
Full-time Equivalents Total*	210.75	203.75	203.75	203.75

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

## Distribution Services Budget Control Level

The purpose of the Distribution Services Budget Control Level is to provide reliable electricity to customers through operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Distribution Services	64,760,161	71,786,036	73,787,206	73,941,794
<b>Total</b>	<b>64,760,161</b>	<b>71,786,036</b>	<b>73,787,206</b>	<b>73,941,794</b>
Full-time Equivalents Total*	580.04	575.04	578.04	578.04

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

## Seattle City Light

### **Financial Services - O&M Budget Control Level**

The purpose of the Financial Services - O&M Budget Control Level is to manage the utility's financial health through planning, risk mitigation, and provision of information to make financial decisions. Information technology services are also provided through this Budget Control Level to support systems and applications used throughout the utility.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Financial Services - O&M	29,500,646	28,988,915	36,023,479	36,575,868
<b>Total</b>	<b>29,500,646</b>	<b>28,988,915</b>	<b>36,023,479</b>	<b>36,575,868</b>
Full-time Equivalents Total*	186.90	186.90	191.90	191.90

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

### **Human Resources Budget Control Level**

The purpose of the Human Resources Budget Control Level is to provide employee and management support services, including safety programs, organizational development, training, personnel, and labor relations.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Human Resources	5,187,240	6,790,858	9,380,049	9,137,512
<b>Total</b>	<b>5,187,240</b>	<b>6,790,858</b>	<b>9,380,049</b>	<b>9,137,512</b>
Full-time Equivalents Total*	55.00	54.00	57.50	57.50

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

### **Office of Superintendent Budget Control Level**

The purpose of the Office of the Superintendent Budget Control Level is to provide leadership and broad departmental policy direction to deliver reliable electric power and maintain the financial health of the utility. The utility's communications and governmental affairs functions are included in this Budget Control Level.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Office of Superintendent	2,396,256	2,923,085	3,121,630	3,198,260
<b>Total</b>	<b>2,396,256</b>	<b>2,923,085</b>	<b>3,121,630</b>	<b>3,198,260</b>
Full-time Equivalents Total*	18.75	17.75	17.75	17.75

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

## Seattle City Light

### **Power Supply O&M Budget Control Level**

The purpose of the Power Supply O&M Budget Control Level is to provide clean, safe, economic, efficient, reliable sources of electric power for City Light customers. This Budget Control Level supports the power generation and power marketing operations of the utility. Utility-wide support services such as shops, real estate, fleet, and facility management services are also included in this Budget Control Level.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Power Supply O&M	48,456,177	62,449,375	50,892,548	51,451,103
<b>Total</b>	<b>48,456,177</b>	<b>62,449,375</b>	<b>50,892,548</b>	<b>51,451,103</b>
Full-time Equivalents Total*	282.96	274.46	278.46	278.46

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

### **Long-Term Purchased Power Budget Control Level**

The purpose of the Long-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to meet the Utility's long-term demand for power. This Budget Control Level provides appropriations for planned transactions beyond 24 months in advance.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Long-Term Purchased Power	0	284,741,917	277,322,789	287,056,886
<b>Total</b>	<b>0</b>	<b>284,741,917</b>	<b>277,322,789</b>	<b>287,056,886</b>

### **Purchased Power Budget Control Level**

The purpose of the Purchased Power Budget Control Level is to acquire power, transmission, and other services associated with wholesale power purchases in a cost-effective manner to meet the day-to-day electricity needs of City Light's retail customers. In the 2012 Adopted Budget, this Budget Control Level is replaced with the Short-term Purchased Power Budget Control Level and the Long-term Purchased Power Budget Control Level.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Purchased Power	299,073,099	0	0	0
<b>Total</b>	<b>299,073,099</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Short-Term Purchased Power Budget Control Level**

The purpose of the Short-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to manage the Utility's short-term demand given the variability of hydroelectric power. This Budget Control Level provides appropriations for planned transactions of up to 24 months in advance.

<b>Program Expenditures</b>	<b>2011 Actual</b>	<b>2012 Adopted</b>	<b>2013 Adopted</b>	<b>2014 Endorsed</b>
Short-Term Purchased Power	0	67,121,923	52,002,066	55,573,482
<b>Total</b>	<b>0</b>	<b>67,121,923</b>	<b>52,002,066</b>	<b>55,573,482</b>

# Seattle City Light

## City Light Fund Table

### City Light Fund

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
<b>Beginning Fund Balance</b>	<b>197,132,840</b>	<b>303,937,379</b>	<b>374,598,260</b>	<b>306,743,928</b>	<b>331,189,102</b>
Accounting and Technical Adjustments	227,907,400	174,477,828	226,818,533	202,564,759	149,960,721
Plus: Actual and Estimated Revenues	871,512,259	914,572,258	840,930,051	964,160,192	1,017,591,356
Less: Actual and Budgeted Expenditures	921,954,238	1,135,549,510	1,135,549,510	1,142,279,777	1,199,983,160
<b>Ending Cash Balance</b>	<b>374,598,260</b>	<b>257,437,955</b>	<b>306,743,928</b>	<b>331,189,102</b>	<b>298,758,019</b>
Less: Reserves Against Cash Balances					
Construction Account	61,459,971	-	-	38,710,267	-
Contingency Reserve / RSA **	141,490,368	139,000,000	113,553,549	114,993,726	116,975,855
Restricted Accounts	16,237,111	28,026,748	37,256,749	73,733,402	94,308,936
<b>Total Reserves</b>	<b>219,187,450</b>	<b>167,026,748</b>	<b>150,810,298</b>	<b>227,437,395</b>	<b>211,284,791</b>
<b>Ending Unreserved Cash Balance ***</b>	<b>155,410,810</b>	<b>90,411,207</b>	<b>155,933,631</b>	<b>103,751,707</b>	<b>87,473,227</b>

\*Includes Special Deposits, Debt Service Account, and Bond Reserves. Does not include the Construction Account.

\*\*The fund table reflects Council's action to transfer up to \$22 million into the Rate Stabilization Account (RSA) in 2012 as part of 2013 Adopted Budget legislation (Ordinance 124059). The fund table assumes that Net Wholesale Revenue will meet projections in future years, and that no transfers between the RSA and Operating Cash and no RSA Surcharges will occur. Actual performance will be depend on the water availability, wholesale energy prices, and other factors. The slight increase in RSA balance from year to year reflects interest earned on cash and short-term investments held in the account. Net Wholesale Revenue projections are established by City Light's Strategic Plan.

\*\*\* Includes all City Light Cash other than Special Deposits, Debt Service Account, and Bond Reserve