

Discussion of Proposed Ordinance No. 686 Granting a Non-exclusive Franchise to Seattle City Light

May 5, 2014

John Norris, Assistant City Manager



Purpose of Tonight's Discussion

- Overview of Seattle City Light franchise process
- Discussion of proposed franchise sections
- Franchise consideration criteria
- Questions from Council



Franchise Review Process

- Utilities are required to have Right-of-way franchise
- Current SCL franchise expires at the end of July
- January 2013, staff began working with SCL on new franchise agreement



Franchise Review Process

- Staff negotiated individually with SCL on franchise, although continued to collaborate with other franchise cities
- Discussion with Council in July 2013 on Undergrounding; challenging negotiation
- Staff completed much of the franchise negotiation at the end of 2013; Undergrounding section completed very recently

Franchise Sections

- **Section 1** – Definitions: many new definition in the franchise
- **Section 2** – Franchise Granted: SCL can operate in the City's ROW
- **Section 3** – Term: 15 years
- **Section 4** – Consideration: 8% rate differential and 6% contract fee payment for consideration for continuing to agree to not exercise City's ability to establish our own electrical utility.

Franchise Sections

- **Section 6** – ROW Management, including vegetation management
- **Section 7** – Undergrounding: funding methodology for undergrounding projects will continue as is currently practiced
- **Section 8** – Street lighting
- **Section 10** – Planning coordination

Franchise Sections

- **Section 12** – Use of SCL property: must receive fair market value for use of property, but can be in-kind
- **Section 15** – Enforcement: same as current franchise
- **Section 21** – Alternate Dispute Resolution: same as current franchise



Vegetation Management (VM)

- Annual City VM Plan
- VM Activity Notice and Blanket Permit
- Property Owner Notification
- VM Clearance Distance
- VM on Private Property
- VM on City Right of Way
- VM on the Interurban Trail
- Tree Removal Notice
- VM Debris Removal
- VM Hazard Abatement



Franchise Consideration

- Applicant's past service record
- Nature and location of the proposed facilities and services
- Whether the proposal would serves public needs
- applicant has substantially complied with the material terms of franchise
- quality of the applicant's service, response to consumer complaints, and billing practices
- applicant has the financial, legal, and technical ability
- applicant's proposal is reasonable to meet the future community needs

Staff Recommendation

- Staff recommends that Council adopt proposed Ordinance No. 686.
- Proposed Ordinance No. 686 is scheduled to come back to Council for adoption on May 19.

