MIC

May 31, 2013

Stan Price
Eugene Wasserman
Co-Chairs, Seattle City Light Review Panel
VIA EMAIL – kim.kinney@seattle.gov & CLRPquestions@seattle.gov

Dear Mr. Price and Mr. Wasserman:

Industrial firms are often the customers that are most motivated to conserve electricity because of their cost incentives to use less. They should be exempted from any plan to decouple rates. The attached position paper explains why. Please let us know if we can answer any questions.

Sincerely,

Dave Gering

Dave Gering, Executive Director
Manufacturing Industrial Council & Duwamish TMA

Revenue Decoupling Position Paper

Manufacturing Industrial Council 5/31/2103

The City Light Review Panel consideration of rate setting policy issues will include a discussion of whether revenue decoupling should be incorporated into rates in some way to "remove disincentives to investing in energy efficiency and increasing certainty of recovering the revenue requirement." This paper examines the policy implications of revenue decoupling and explains the Manufacturing Industrial Council's opposition to this rate setting mechanism.

What is Revenue Decoupling?

Revenue decoupling is a mechanism designed to reduce the dependence of a utility's revenue on sales. It establishes an automatic adjustment of customer rates in response to system-wide changes in customer usage. Typically, revenue decoupling targets average usage per customer and establishes different target for residential and non-residential customers.

Under a full revenue decoupling scheme, if average customer usage increases, the kWh charge to customers (that recovers fixed costs) is decreased. Conversely, if average usage per customer decreases for any reason such as energy conservation, weather or economic conditions, the kWh charge to customers is increased.

Why is revenue decoupling promoted?

Some utilities argue that they have a financial disincentive toward supporting increased energy efficiency for their customers because decreased sales volumes erode the utilities' recovery of fixed costs that are embedded in volumetric rates (e.g., kWh charges).

Revenue decoupling is promoted by some energy conservation advocates because they believe it removes any disincentive that utilities may have to support increased energy efficiency for the utility customers.

Outside of California, the only western utilities that have electric revenue decoupling are Idaho Power and Portland General Electric ("PGE"). <u>Neither of these utilities applies revenue decoupling to large non-residential customers.</u> Idaho Power's decoupling mechanism only applies to residential customers and small commercial customers consuming 2,000 kWh per month or less. PGE's revenue decoupling mechanism applies only to residential customers and small commercial customers with billing demands of 30 kW or less. Customers with demands between 30 kW and 1000 kW are subject to a lost fixed cost recovery mechanism, but not revenue decoupling. Customers with billing demands greater than 1000 kW are not subject to any lost fixed cost recovery mechanism.

Revenue decoupling is <u>not</u> a good idea for Seattle City Light customers.

At the most fundamental level, decoupling is as much a "revenue assurance" mechanism as it is a "conservation enabling" mechanism. As such, it is sure to capture a much wider range of effects than just customer responses to utility-sponsored energy efficiency programs. To the extent that customers reduce usage in response to economic conditions or otherwise practice self-funded energy conservation, these behaviors will be captured in the decoupling adjustment and unduly increase rates to customers.

Seattle City Light serves the public, not private shareholders. Therefore, Seattle City Light does not need pricing schemes such as revenue decoupling to overcome the financial disincentives to promoting customer energy efficiency as claimed by for-profit utilities. If promoting customer energy efficiency is in the public interest, then Seattle City Light can do so without concern about shareholder financial disincentives toward selling less power.

Arguments advanced by utilities and other parties regarding financial disincentives that impede utility support for customer energy efficiency are largely overstated. Any "lost margins" from energy efficiency are short-term in nature. To the extent that energy efficiency reduces sales levels, the utility is able to re-establish its margins in its next rate setting reflecting the new sales volumes.

Seattle City Light's use of a forecasted test period in setting rates enables it to include projections of customer power usage in the future test period, further weakening the justifications offered for adopting revenue decoupling.

Decoupling provides unwarranted insulation to the utility from the effects of price elasticity. Generally, all sellers of goods face a risk that price increases will reduce sales. But, with decoupling, if customers respond to utility rate hikes by reducing their electricity consumption, fixed charges are increased to compensate the utility for any resultant reduction in per-customer usage. Such an increase reflects an undue transfer of risk from utilities to customers.

Revenue decoupling is an example of single-issue ratemaking, which occurs when utility rates are adjusted in response to a change in a single cost or revenue item considered in isolation. Single-issue ratemaking ignores the multitude of other factors that otherwise influence rates, some of which could, if properly considered, move rates in the opposite direction from the single-issue change.

When the appropriateness of a rate or charge that a utility seeks to impose on its customers is considered, the standard practice is to review and consider all relevant factors, rather than just a single factor. To consider some costs in isolation might cause a utility to increase rates to recover higher costs in one area without recognizing counterbalancing savings in another area. For this reason, single-issue ratemaking, absent a compelling public interest, is generally not sound regulatory practice.

If revenue decoupling is adopted, large customers should be excluded from it.

Although MIC opposes the adoption of any decoupling mechanisms – for any customer classes – decoupling is especially inappropriate for large non-residential customers. MIC is strongly opposed to the application of revenue decoupling to large non-residential customers.

Typically, decoupling rate adjustments are made when average fixed-cost recovery per customer deviates from the baseline (used to set base rates) due to changes in average usage per customer.

"Average fixed-cost recovery per customer" has greater meaning when applied to residential customers than non-residential customers, due to the relative homogeneity of the former compared to other customer classes.

Attempting to attribute to utility-sponsored energy conservation projects changes in "average fixed-cost recovery per customer" of non-residential customers is highly problematic and without merit as a ratemaking mechanism.

Given the tremendous diversity among non-residential customers, the concept of an "average" non-residential customer for this purpose is meaningless. Consequently, the average fixed-cost recovery per customer of non-residential customers will be very sensitive to the *composition* of these customers; for example, the opening or closing of a large manufacturing facility would impact such a calculation without at all being representative of utility-sponsored conservation programs.

Changes in the overall economy are far more likely to influence average fixed-cost recovery per customer for non-residential customers than energy conservation programs. Application of decoupling to these customers would result in undue changes to rates in response to these factors that are unrelated to energy conservation.

If revenue decoupling is adopted, Seattle City Light's target Debt Coverage Ratio used in setting rates should be reduced to reflect the reduction in the utility's risk.

Utility regulatory commissions in Arizona, Arkansas, the District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Nevada, New York, Oregon, and Tennessee have ordered reductions in the allowed returns on equity for electric and gas utilities to reflect the reduction in utility risk attributable to decoupling. The analogous adjustment for Seattle City Light would be in the Debt Coverage Ratio.

4.13.2013

EMAIL FROM MICHAEL SOWELL
SENT IN TO THE CITY LIGHT REVIEW PANEL GENERAL MAILBOX

To whom it may concern:

What plans does this "BOARD" have to curb the rampant abuse of work rules by the IBEW linemen and electricians in the field?
A good example of this is called "congregating" which basically results in a four hour workday and costs the city light customers millions per year.
If you would like details of this kind of institutionalized theft, please ask Mr. Carrasco or his field superintendent, they are both fully aware of this practice.
I think that any manager who condones this kind of behavior most certainly should not receive a raise in salary and should be ordered to put a stop to
this flagrant abuse of the public trust at once or he should be terminated and someone capable of taking on the IBEW should be hired.

I would sincerely like to know who, if not this Board, is willing to step up and put a stop to these abuses.
Perhaps a class action suit against Seattle City Light and the International Brotherhood of Electrical Workers might light a fire under some of you
"public servants"

Thank you

Michael Sowell
(m-sowell@hotmail.com

Seattle City Light Review Panel
c/o K. Kinney Seattle City Light
P.O. Box 34023 Seattle WA 98124-4023
CLRPquestions@seattle.gov

July 15, 2013

Honorable Mike McGinn, Mayor
The City of Seattle

Honorable Sally J. Clark, Council President
The City of Seattle

Dear Mayor McGinn and Council President Clark:

On behalf of the City Light Review Panel, we write to convey the Review Panel's endorsement for Proposed Resolution #31463 relating to Seattle City Light ratepayer engagement (the "Proposed Resolution"). The Proposed Resolution, in our view, contains important policy direction that will strengthen and build upon the goals in the City Light Strategic Plan.

The Strategic Plan includes 35 initiatives – specific action plans for the 2013-2018 time period. A "ratepayer advocacy initiative" is among those initiatives. The goal of the initiative is to "*identify and recommend ways to restructure the rate review process to increase opportunities for meaningful ratepayer input prior to the time decisions are made*." (Strategic Plan Appendix—Strategic Investments Summary). Components of this initiative, as identified in the Strategic Plan, include: obtaining best practice information from peer utilities; amending the City's calendar for rate development to add more opportunities for public input; clearly documenting cost allocation methodologies proposed; and ensuring that the Review Panel has an opportunity to weigh in before the rates are adopted.

Over the last several months, we have reviewed information presented by the City Light staff in support of the "ratepayer advocacy initiative." We believe that all the components of the initiative, as identified in the Strategic Plan, are appropriately incorporated into the Proposed Resolution now before you. We offer the following comments regarding the major aspects of the Proposed Resolution.

<u>Overall Goal: Single Unified and Transparent Process linking the Strategic Plan and Electricity Rates</u>. In our view, one of the main benefits of the Strategic Plan is to provide longer-term, policy driven, accountable oversight of City Light—as well as predictability in the revenue requirement and associated rates. There is a direct link between the Utility's ability to accomplish its goals and its rate revenues. If electricity rates are not developed based on the direction in the Strategic Plan, the Plan has little chance of success. It is therefore a priority for the Review Panel to have a stronger, more transparent link between the Strategic Plan and

electricity rates. As the Strategic Plan is updated every two years, that update should help provide guidance to the next biennial rate ordinance. The Proposed Resolution sets forth a calendar and a process to strengthen this linkage by having a single, sequential process of a biennial Strategic Plan update immediately preceding the consideration and adoption of the biennial electricity rates. We strongly endorse this proposal.

Incorporating Peer Utility "Best Practices" into the Ratepayer /Customer Engagement Plan. It is also a priority for the Review Panel to encourage continued engagement between the Panel, Mayor, Council, ratepayers and City Light around the Strategic Plan—to share with all these parties how City Light is doing in implementing the Strategic Plan, seek their advice and input on these efforts, and work with all of them when we update the Strategic Plan every two years. City Light staff compiled a report based on a national peer survey of "best practices" around ratepayer outreach. The results of the survey indicated that City Light engaged many of these best practices in the development of the Strategic Plan. The challenge now is to expand upon that success and create the transparent linkage with the rate process. That challenge is met, in our view, by the concepts set forth in the Proposed Resolution.

Role for Review Panel in Assisting with Outreach to Ratepayers. The Review Panel is an advisory Panel. Part of our role per Ordinance 123256 which established the Review Panel, is to "assess City' Light's rate design to ensure that rates send the appropriate signals to customers to use electricity efficiently; and...assess City Light's implementation of marginal cost allocation among customer classes to ensure that it provides a fair allocation of costs among customer classes and takes account of changes in costs and consumption." For the past several months, the Panel has been engaged with the leadership at City Light on these matters. We see participating in outreach on any City Light rate proposals resulting from this dialogue as a logical extension of our current role, and would be willing to participate in such outreach. It remains important, however, to be clear that as an advisory citizen board, our focus is on policy recommendations and we are not in a position to be recommending detailed rate structures.

We encourage your favorable consideration of the Proposed Resolution, and thank you for the opportunity to provide these comments. We would be glad to meet with you to further discuss the Proposal Resolution and rate policy issues.

On behalf of the City Light Review Panel,
Sincerely,

Eugene C Wasserman

Stan Price	Eugene Wasserman
Co-Chair	Co-Chair

cc: City of Seattle Councilmembers
City Light Review Panel Members
Jorge Carrasco, General Manager, Seattle City Light
Tony Kilduff, Council Central Staff
Jaline Quinto, Mayor's Office

City of Seattle Legislative Information Service

Information retrieved on July 15, 2013 11:16 AM

Resolution Number: 31463

A RESOLUTION relating to the City Light Department; establishing a ratepayer engagement process for the development of biennial revisions to the utility's strategic plan and supporting electricity rates; outlining the roles of the Department, the City Light Review Panel, the Mayor, and the Council in that process; and establishing a schedule for regular adoption of such strategic plans and electricity rates necessary to implement them.

Status: In Committee

Date introduced/referred to committee: July 15, 2013
Committee: Energy and Environment
Sponsor: O'BRIEN

(No indexing available for this document)

Fiscal Note: *(No fiscal note available at this time)*

Text

A RESOLUTION relating to the City Light Department; establishing a ratepayer engagement process for the development of biennial revisions to the utility's strategic plan and supporting electricity rates; outlining the roles of the Department, the City Light Review Panel, the Mayor, and the Council in that process; and establishing a schedule for regular adoption of such strategic plans and electricity rates necessary to implement them.

WHEREAS, Council Ordinance 123256 established the City Light Review Panel to review and assess City Light's strategic plan and assist the Mayor and Council in engaging rate payers on the merits and implications such plans and the electricity rates needed to support them; and

WHEREAS, the City Light strategic plan identifies as a goal the development of a rate payer engagement process based on industry best practices and a stronger, more transparent link between the strategic plan and the biennial electricity rate ordinance; and

WHEREAS, City Light completed a review of ratepayer engagement by other large public utilities to establish best practices in the area of customer engagement; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. Ratepayer Engagement Process

Every two years the Mayor and the Council will oversee a unified process for engaging City Light rate payers in revisions to the utility's strategic plan and electricity rates to support the revised plan. The effort will be jointly led by City Light, the Review Panel, the Mayor and the Council.

Section 2. Strategic Plan and Electricity Rates Schedule

Upon completion of the ratepayer engagement, City Light will transmit revisions to the strategic plan together with supporting electricity rates to the Council in the second quarter of the year prior to the start of each Biennial Budget. The Council intends to complete its review of the proposed revisions by the end of the third quarter and to adopt, by Council resolution, a new strategic plan for the following six years and to pass electricity rates necessary for the first two years of that plan.

Section 3. Use of Industry best practices

City Light's rate payer engagement process for revisions to the City Light strategic plan and the electricity rates needed to support those revisions will be based on industry best practices, including:

1) Beginning the process at least 6 months in advance of revision of the strategic plan and changes to the electricity rates.

2) Engage key customer and stakeholder groups in multiple opportunities to participate in providing input.

3) Incorporate large customer input through their regular channels of communications with the utility.

4) Include Limited-English Speaker component with culturally appropriate communications and engagement tools.

5) Incorporate City Light employee engagement component.

6) Deploy a variety of "best practice" tools as appropriate such as online surveys, phone surveys, targeted outreach meetings, informative website, customer mailings, social media, and focus groups.

7) Develop a media relations component to insure the news media is informed and participating in communication to rate payers and the public.

Adopted by the City Council the ____ day of __________________, 2013, and signed by me in open session in authentication of its adoption this_______ day

of ____________________, 2013.

____

President __________of the City Council

THE MAYOR CONCURRING:

____

Michael McGinn, Mayor

Filed by me this ____ day of ______________________, 2013.

____

Monica Martinez Simmons, City Clerk

(Seal)

Tony Kilduff/Maura Brueger LEG Ratepayer Engagement RES July 1, 2013 Version #1

From: Anna Haan [haan59@yahoo.com]
Sent: Tuesday, August 06, 2013 12:24 PM
To: SCL_CLRPquestions
Subject: Seattle City Light Billing Practices
Attachments: Seattle City Light.docx; July 11 Bill.pdf; May 15 Bill.pdf

To Whom It May Concern:

I'm writing to complain about Seattle City Light's billing practices. From my last bill to the one prior to it, my rates went up **$11.19** and **$16.95**. Please see the attached letter to SLC and copies of my last two bills for more details.

Is there no oversight over this company? How is this legal?

Disgusted by this greed,

Anna M. Haan
haan59@yahoo.com

From: SCL_CLRPquestions
Sent: Thursday, August 08, 2013 3:02 PM
To: Anna Haan
Subject: RE: Seattle City Light Billing Practices

Dear Ms. Haan,

We have received your correspondence and have forwarded it on to City Light's Customer Care Division. If you need to contact them with anything further, the Customer Service phone number is (206) 684-3000.

Thank you,
City Light Review Panel General Mailbox

From: Anna Haan [mailto:haan59@yahoo.com]
Sent: Tuesday, August 06, 2013 12:24 PM
To: SCL_CLRPquestions
Subject: Seattle City Light Billing Practices

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Is there no oversight over this company? How is this legal?

Disgusted by this greed,

Anna M. Haan
haan59@yahoo.com

From: Joy Estill <JoyE@ccsww.org>
Sent: Monday, November 18, 2013 11:23 AM
To: SCL_CLRPquestions
Subject: Suggestion regarding City Light Billing catagories

I would like to suggest a change to the Seattle City light rate categories.

Presently Seattle City Light has 2 categories: Residential and Commercial.

I work at the Aloha Inn in Seattle which is not a business commercial entity; it is one of many transitional housing units, working to assist homeless people gain access to permanent housing. Since our site has only one meter (the Aloha pays all the utilities) for the building with multiple rooms, we are listed as a commercial entity for billing purposes by Seattle City Light.

I propose that Seattle City Light develop another category for the non-profit entities that are providing living space to the at-risk population of our city.
The cost of utilities is rising dramatically and is become a breaking point for some agencies.

Thank you for considering my suggestion

C. Joy Estill
Bookkeeper- Aloha Inn
1911 Aurora Ave N.
Seattle, WA 98109

Mail Address: PO Box 2548; Seattle,WA 98111

Phone : 206-283-6070 ext 309
Fax : 206-283-7421

Sent: Tuesday, November 19, 2013 10:57 AM
To: SCL_CLRPquestions
Subject: Question about progressive taxation options in Seattle

From: Eric Fisk [mailto:efbrazil@gmail.com]
Sent: Wednesday, November 13, 2013 10:33 AM
To: Licata, Nick
Cc: O'Brien, Mike; Carrasco, Jorge; Hoffman, Ray
Subject: Re: Question about progressive taxation options in Seattle

Mike?

On Thu, Nov 7, 2013 at 3:53 PM, Eric Fisk <efbrazil@gmail.com> wrote:
Hi Mike! Richard says the idea here is feasible and he also suggests that I work with you on this. The basic idea is to offer every person in Seattle free electricity and water until their consumption is at least 1/2 the average per capita use rate in Seattle. See the attached graphic for the idea as a pretty picture.

The change is legal for the city council to pass as it encourages conservation, and if the less-well-off consume less on a per capita basis then it also happens to be progressive. To make it more progressive, free energy audits could be offered once a year to all residences. The change works for electricity and water most easily, and should work for both business and residential customers. The net effect of the change is similar to a legal, progressive, revenue neutral carbon tax, which in Seattle wonk land is the holy grail I believe. It's been said it's not possible, but it is :)
As an equation, it looks like this:

> Adjusted consumption rate = Consumption of residence being charged - Occupants of residence * Average per capita consumption rate / 2
>
> Adjusted utility rate = $0 if residence has a negative Adjusted consumption rate
>
> Otherwise, Adjusted utility rate = Adjusted consumption rate * Total utility cost / Total billed consumption, where Total billed consumption will be a little more than half of all consumption, since some residents will be well below half the average per capita consumption rate

Utility revenue generated is unchanged. Customer impacts:

- For a residence with less than average per capita consumption their utility rates will drop quickly down to a level of zero
- For a residence that has average per capita consumption, the rate will slightly drop
- For a residence with double average per capita consumption, the rate will go up by nearly 50%
- No residence will end up paying more than twice what it does today, no matter how much they consume

For businesses, just replace "residence" with "business type" and "occupants" with "full time employees". "Business types" will need to be grouped based on utility profiles. For instance, one "business type" would be restaurants, another would be retail, another would be groceries, and so forth. Industrial businesses will be most tricky to group and I don't know enough how to go about that, but the utility could come up with groupings that made sense. Consumption-intensive businesses will have an incentive to get themselves grouped separately, so there is a trick to pulling off the grouping fairly. The idea is to not punish any one business category, but rather to encourage a competition for lower consumption rates.

In terms of utilities, water use should work well since that's a straight consumable and reduction doesn't have negative side effects, plus rates are under council control.

For electricity, "consumption" needs to be a formula combining electricity and gas use, probably on the basis carbon generated per every extra X amount used. The "extra X amount used" part is important, as most electricity comes from hydro, which has zero carbon impact, but additional electricity use doesn't come from hydro anymore. To help people over the limit, existing energy audit incentives could be expanded.

My understanding is that gas rates are not under city control, but they could be similarly adjusted if they were.

Solid waste might be tricky in terms of user behavior, since if you stack the deck too strongly towards small garbage bins then people might start just putting their garbage in recycling bins. Also, incentives already exist there with recycling being the magic "free" thing.

So, what do you think?

Thanks! -Eric

On Mon, Nov 4, 2013 at 11:41 AM, Eric Fisk <efbrazil@gmail.com> wrote:
Thanks Nick, I'm already working with Richard Conlin on this, so no worries for now. We'll see if we get somewhere interesting!

On Mon, Nov 4, 2013 at 11:30 AM, Licata, Nick <Nick.Licata@seattle.gov> wrote:

Eric,

Thank you for writing to me. I appreciate you letting me know about this issue.

This issue falls under the jurisdiction of Councilmember Mike O'Brien, for that reason, I am bringing your email to his attention by way of my response to you.

Councilmember O'Brien chairs the Energy and Environment Committee whose purpose is to provide policy oversight and to deliberate and make recommendations on legislative matters relating to Seattle City Light, including but not limited to City Light finances, energy utility rates, resource matters, regional matters, air pollution regulations, and alternative energy sources; and to the City's energy and environmental policies, stewardship, conservation programs, and initiatives, including Community Power Works and climate protection.

Additionally, I have copied Jorge Carrasco, Director of Seattle City Light and Ray Hoffman, Director of Seattle Public Utilities.. Councilmember O'Brien and Directors Carrasco and Hoffman are best able to respond to your questions or concerns.

Thanks again for getting in contact with me.

Sincerely,

Councilmember Nick Licata

Keep in touch...

Follow Nick on:

Click here to read
Nick's ***Urban Politics*** blog

From: Eric Fisk [mailto:efbrazil@gmail.com]
Sent: Wednesday, October 30, 2013 3:50 PM
To: LEG_CouncilMembers
Subject: Question about progressive taxation options in Seattle

I've heard many times that Seattle cannot have progressive taxation, but the exact rules are not clear to me.

For instance, can't SPU and Seattle City Light change their rate structure based on council input? If so, couldn't every person in Seattle receive a credit so that they can produce 1/2 the median amount of waste and consume 1/2 the median amount of electricity for free, then have SPU and City Light make up the difference by raising rates beyond that?

Regarding property taxes, could a "progressive taxation" levy be voted on that jacks up property tax rates for everyone, then redistributes the money in the form of a flat check to every city resident?

Thanks! -Eric Fisk, Wallingford Community Council

From: SCL_CLRPquestions
Sent: Thursday, December 05, 2013 5:00 PM
To: 'Paul Strisower'
Subject: RE: Seattle City Light Issues

Dear Mr. Strisower,

Thank you for your email. We have forwarded your inquiry to our Customer Care Director, Kelly Enright, and she is looking into this matter. She will be following up to respond to you directly.

Sincerely,
City Light Review Panel
General Mailbox Inquiries

From: Paul Strisower [mailto:pstrisow@hotmail.com]
Sent: Wednesday, December 04, 2013 12:25 PM
To: SCL_CLRPquestions
Subject: Seattle City Light Issues

The billing practices of Seattle City Light need significant improvement.

Consider the following case with a 4-plex we own in Seattle which has one SCL account per unit plus a "house" account for exterior lighting.

Back in 2006 we configured all five accounts for autopay using the ACH bank draft method. When tenants move in they get their own accounts which they pay and when they move out the billing is to revert automatically to these autopay accounts we had set-up. This worked fine for several years and many sets of tenants until earlier this year when billing failed to revert to autopay after two tenants moved out even though they notified SCL to terminate their billings. We continued to receive and file the paper billing statements as we do for all the properties we own but failed to notice that the "autopay" indication was absent until a couple of months later. At that point we had already secured new tenants with their own accounts and we paid the full balances due on each of the two accounts by check that had fallen off autopay somehow.

Fast forward two months and we are now getting calls from PMT Solutions regarding unpaid balances on two of our SCL accounts which turn out to be these same two accounts where SCL somehow "dropped" the autopay. We are only interested in rectifying the billing problem with SCL and have no interest in working through a debt collector so we call SCL billing to resolve this. Unfortunately, when you select the phone option regarding a delinquent bill you are referred to PMT Solutions so this is just another obstacle to work around. When we find away to get through to SCL billing they say that they can't even find a record of ever having autopay on these accounts but they do see it on the three other accounts which were all set-up at the same time. This is SCL screw-up number one

What we learned was that the unpaid balances on these two accounts were transferred without our knowledge or approval to the "house" account which had working autopay even before our checks arrived. However, this did not prevent the assessment of late fees for nonpayment which were then forwarded with the original bills to PMT Solutions for collection. Transferring the accounts to the house account without our knowledge or permission is SCL screw-up number two. Adding late fees after SCL transferred the balances is screw-up number three. We were able to get the fees reversed and thought the problems were over...

SCL cashes the checks we sent for the two accounts. We have now paid twice and our statements are showing a credit but with tenants now occupying the two units for what may be years the credits will not be used and SCL holds our funds without even offering to send us a refund check. This is SCL screw-up number four although it is the least offensive of the lot.

We continue to get a couple of calls a week from PMT Solutions on my cell phone regarding "unpaid" balances on these two accounts. They are still showing the original balances due plus the late fees. I tell them repeatedly that the bills were paid in full and the late fees were reversed and that they need to contact SCL directly to get their records corrected. I tell them this on every call for several weeks and nothing changes. I block their number on my cell phone. Phone block expires a few weeks later and I'm getting calls again but now the balances due have changed and they appear to be the late fees only.

Today I was finally able to get through to a supervisor at PMT Solutions regarding this problem. They say that even though they did eventually get an update from SCL regarding the original bills which were paid they say that the late fees were never paid and they are billing for that now and PMT Solutions themselves is increasing the late fees as time goes by. SCL screw-up number five is not updating PMT Solutions with correct information in a timely fashion including the fact that the bills were paid AND the fees were reversed. Apparently SCL only provides information on payments they receive instead of current account balances so the late fee reversals were missed. SCL screw-up number six is picking a lazy, unresponsive debt collection agency that does not even answer their phones to handle their delinquent billings. Why did PMT Solutions fail to contact SCL directly for an update after I told them repeatedly over many weeks that the bills had been paid and the late fees they were now coming after us for had been reversed months ago?

If I don't get a response in 5 working days (by 12/11/13) indicating that SCL is extremely sorry for their many failures and is seriously looking into these issues I will file a formal complaint with the PUC and then hit YELP and rest of the blogosphere.

Cheers,

Paul.

From: Eric Fisk <efbrazil@gmail.com>
Sent: Thursday, December 05, 2013 10:43 AM
To: SCL_CLRPquestions
Subject: Please collect residents per household so that progressive rates can be proposed
Attachments: Conservation based utility rates.png

Hi! I was referred to you by Mike O'Brien. My understanding is that this email alias is for contacting the rate commission revising utility rates in Seattle.

My basic message is that as you look at new rates for Seattle, I hope you use this opportunity to demand that Seattle collect residents per household.

Without residents per household any graduated rate schedule you propose will be fundamentally broken. If you charge more for higher consumption households you will mostly be rewarding singles and childless couples while punishing families and multi generation households. In other words, charging more to higher level consumers will be actively regressive.

So, without residents per household, you must fall back to a flat rate structure to be fair.

On the flip side, with residents per household, you could finally move Seattle towards a progressive fee and taxation structure, something that was demanded in the election of Sawant. You could put forward rates that would be similar to a legal, progressive, revenue neutral carbon tax, which in Seattle wonk land is the holy grail.

For instance, you could offer every person in Seattle free electricity and water until their consumption is at least 1/2 the average per capita use rate in Seattle. See the attached graphic for the idea as a pretty picture.

As an equation, it looks like this:

> Adjusted consumption rate = Consumption of residence being charged - Occupants of residence * Average per capita consumption rate / 2
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Utility revenue generated would be unchanged. Customer impacts:

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For businesses, just replace "residence" with "business type" and "occupants" with "full time employees". "Business types" will need to be grouped based on utility profiles. For instance, one "business type" would be restaurants, another would be retail, another would be groceries, and so forth. Industrial businesses will be most tricky to group and I don't know enough how to go about that, but the utility could come up with groupings that made sense. Consumption-intensive businesses will have an incentive to get themselves grouped separately, so there is a trick to pulling off the grouping fairly. The idea is to not punish any one business category, but rather to encourage a competition for lower consumption rates.

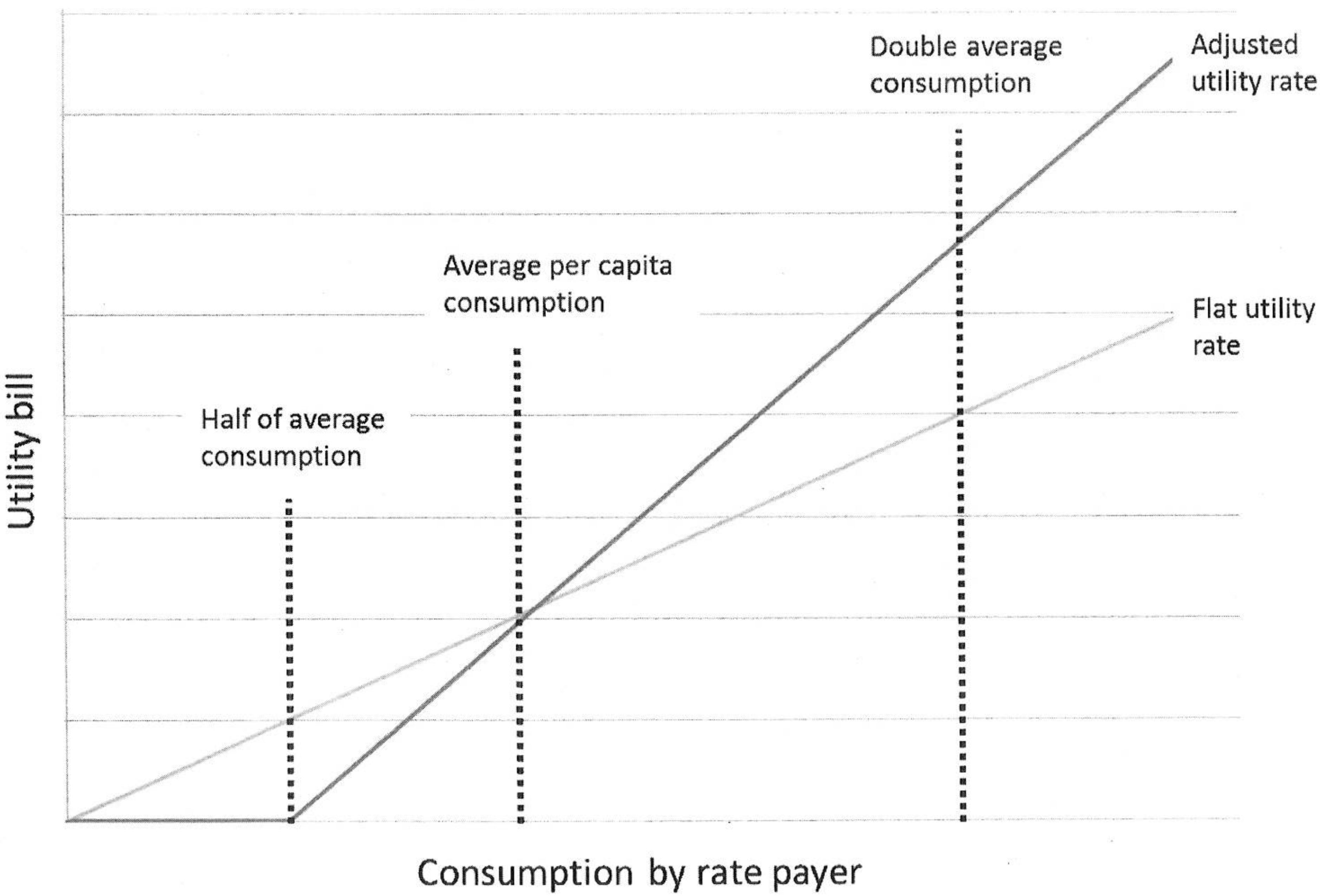
In terms of utilities, water use should work well since that's a straight consumable and reduction doesn't have negative side effects, plus rates are under council control.

For electricity, "consumption" needs to be a formula combining electricity and gas use, probably on the basis carbon generated per every extra X amount used. The "extra X amount used" part is important, as most electricity comes from hydro, which has zero carbon impact, but additional electricity use doesn't come from hydro anymore. To help people over the limit, existing energy audit incentives could be expanded.

Thanks for your consideration! Let me know if this issue needs to go elsewhere.

-Eric Fisk,
Wallingford Community Council

Conservation Based Utility Rates



WHOLE HOUSE ENERGY SOLUTIONS

PUGET SOUND SOLAR

November 22, 2013

Seattle City Light
Review Panel

re: proposed rate and basic charge changes

The proposed increase in the basic charge, decrease in 1st tier rates by 38%, and small decrease in 2nd tier rates will have a detrimental effect on net-metered solar producers. In the attached example, the additional cost to the net metered customer is about $900 over a seven year period for these changes.

The effect is even more pronounced for customers who heat their homes with electricity. Net metering all summer at the first tier rates, and then having to buy back that power at the second tier rates during the heating season is an unfair situation and discouraging to the use of solar in Seattle.

My recommendation is that City Light credit net metered customers in Kilowatt Hours, and not in dollars and cents. This would rectify a long-standing inequity in the City Light net metering program.

Thank you for your attention to this matter.

Sincerely,

Jeremy Smithson, CEO

5308 Baker Ave NW Seattle, WA 98107 (206) 706-1931 info@pugetsoundsolar.com

EXAMPLE AT CURRENT RATES

Photovoltaic System Quotes

for Doug Hindman

PUGET SOUND SOLAR
whole house energy solutions

	Option 1	Option 2	Option 3
Module category	Standard Made-In-USA	Standard Made-In-WA	Ultra-durable Made-In-WA
Module details	SolarWorld 265W Qty: 24	Itek Energy 240W Qty: 24	Silicon Energy 200W Qty: 30
System Size (Watts)	**6360**	**5760**	**6000**
Inverter type	central	central	central
Mount type	All flush	All flush	All flush
Shading/Orientation factor	88.1%	88.1%	88.1%
Estimated Production (kWh/yr)	**6621**	**5996**	**6246**
Installed Cost	$ 23,563.07	$ 27,794.75	$ 37,951.75
Dollars per Watt	$ 3.70	$ 4.83	$ 6.33
Sales Tax	$ 2,238.49	$ 2,640.50	$ 3,605.42
30% Federal Tax Credit	$ (7,740.47)	$ (9,130.58)	$ (12,467.15)
Net Cost After Tax & Credit(s)	**$18,061.09**	**$21,304.68**	**$29,090.02**
Production Incentive, $/kWh	$ 0.15	$ 0.36	$ 0.54
Annual Incentive Payment	$ (993.15)	$ (2,158.56)	$ (3,372.84)
Total Incentive thru June 2020	$ (7,035.04)	$ (15,290.29)	$ (23,891.72)
Effective Net Metering rate in Year 1:	$0.0466/kWh	$0.0466/kWh	$0.0466/kWh

Each produced kWh earns this amount in avoided bills. It is a mixture of Tier 1 & Tier 2 rates reflecting seasonal balances of usage & production. Assumptions: 1.) Constant usage & production within a season. 2.) 74% of PV production occurs in Apr-Sep. 3.) 4% annual utility cost escalation.

	Option 1	Option 2	Option 3
Remainder of 2013	$ (180.05)	$ (163.06)	$ (169.85)
2014	$ (320.88)	$ (290.59)	$ (302.71)
⋮	⋮	⋮	⋮
2020	$ (406.02)	$ (367.69)	$ (383.02)
Total Net Metering, 2013-20	$ (2,714.46)	$ (2,458.22)	$ (2,560.72)
Avg Monthly Incentive+Net Metering	$ (145.84)	$ (237.00)	$ (340.57)
Net (residual) Cost at end of 2020	**$8,311.60**	**$3,556.16**	**$2,637.58**
% of Installed Cost paid back by 2020	64.7%	87.2%	93.1%
Payback Time (years)	23	17	14
Module Warranty Period (years)	25	25	30
Net PROFIT at End of Warranty Period	$1,694.83	$5,505.69	$11,004.78
ROI (Return On Investment) per dollar	$0.07	$0.20	$0.29
% of Electrical Usage Offset	100.9%	91.4%	95.2%

EXAMPLE WITH RATE CHANGE

Photovoltaic System Quotes

for Doug Hindman

PUGET SOUND SOLAR
whole house energy solutions

	Option 1	Option 2	Option 3
Module category	Standard Made-In-USA	Standard Made-In-WA	Ultra-durable Made-In-WA
Module details	SolarWorld 265W Qty: 24	Itek Energy 240W Qty: 24	Silicon Energy 200W Qty: 30
System Size (Watts)	**6360**	**5760**	**6000**
Inverter type	central	central	central
Mount type	All flush	All flush	All flush
Shading/Orientation factor	88.1%	88.1%	88.1%
Estimated Production (kWh/yr)	**6621**	**5996**	**6246**
Installed Cost	$ 23,563.07	$ 27,794.75	$ 37,951.75
Dollars per Watt	$ 3.70	$ 4.83	$ 6.33
Sales Tax	$ 2,238.49	$ 2,640.50	$ 3,605.42
30% Federal Tax Credit	$ (7,740.47)	$ (9,130.58)	$ (12,467.15)
Net Cost After Tax & Credit(s)	**$18,061.09**	**$21,304.68**	**$29,090.02**
Production Incentive, $/kWh	$ 0.15	$ 0.36	$ 0.54
Annual Incentive Payment	$ (993.15)	$ (2,158.56)	$ (3,372.84)
Total Incentive thru June 2020	$ (7,035.04)	$ (15,290.29)	$ (23,891.72)
Effective Net Metering rate in Year 1:	$0.0329/kWh	$0.0336/kWh	$0.0333/kWh

Each produced kWh earns this amount in avoided bills. It is a mixture of Tier 1 & Tier 2 rates reflecting seasonal balances of usage & production.
Assumptions: 1.) Constant usage & production within a season. 2.) 74% of PV production occurs in Apr-Sep. 3.) 4% annual utility cost escalation.

	Option 1	Option 2	Option 3
Remainder of 2013	$ (127.11)	$ (117.47)	$ (121.33)
2014	$ (226.53)	$ (209.35)	$ (216.22)
⋮	⋮	⋮	⋮
2020	$ (286.64)	$ (264.89)	$ (273.59)
Total Net Metering, 2013-20	$ (1,916.35)	$ (1,770.95)	$ (1,829.11)
Avg Monthly Incentive+Net Metering	$ (127.29)	$ (221.03)	$ (323.57)
Net (residual) Cost at end of 2020	**$9,109.71**	**$4,243.43**	**$3,369.19**
% of Installed Cost paid back by 2020	61.3%	84.7%	91.1%
Payback Time (years)	29	21	18
Module Warranty Period (years)	25	25	30
Net PROFIT at End of Warranty Period	-$2,045.40	$2,284.90	$6,375.49
ROI (Return On Investment) per dollar	-$0.09	$0.08	$0.17
% of Electrical Usage Offset	100.9%	91.4%	95.2%

ADD $218 to customer cost for basic charge increase

From: Carrasco, Jorge
Sent: Tuesday, December 10, 2013 2:48 PM
To: Cat Saunders; Rasmussen, Tom; Fogt, Josh; O'Brien, Mike
Cc: John Giovine; Hamilton, Sephir; Kinney, Kim; Brueger, Maura
Subject: RE: Checking back

Ms. Saunders, the utility discount program is only available to residential customers that meet the low income elegibility requirements. It is not currently available for businesses.

We did relay your inquiry to the City Light Review Panel which is currently reviewing this program and other rate-related issues. Their recommendations are not anticipated until 2014.

Thanks for your inquiry.

Jorge Carrasco

From: Cat Saunders [mailto:support@drcat.org]
Sent: Tuesday, December 10, 2013 12:24 PM
To: Rasmussen, Tom; Fogt, Josh; Carrasco, Jorge
Cc: John Giovine
Subject: Checking back

Dear Tom, Josh, and Jorge--

Thought I'd check back and see if there's been any progress on the situation with Utility Discount Program in relation to small businesses eligibility.

We're hoping that the Municipal Code doesn't present any roadblocks, but either way, John and I are grateful for your efforts to look into this and perhaps even correct the situation, if all goes well. A new year is coming, which would be a great time to begin anew with a more equitable eligibility formula for self-employed folks.

Thanks again for your help! I know you all have a lot on your plates, which makes us appreciate your efforts all the more.

Kind regards--

Cat

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Cat Saunders, Ph.D.
Author, ***Dr. Cat's Helping Handbook: A Compassionate Guide for Being Human***
P.O. Box 31161
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

Seattle City Light Review Panel

c/o K. Kinney, Seattle City Light
P.O. Box 32023 Seattle, WA98124-4023
CLRPquestions@seattle.gov

December 12, 2013

Mr. Eric Fisk
Wallingford Community Council
PO Box 31698
Seattle, WA 98103-1698

Dear Mr. Fisk:

Thank you for your thoughtful emails regarding new approaches to residential electricity rates. We discussed your ideas at our November 22 and December 6 meetings. Your ideas would certainly be a dramatic departure from the current rate structures. They raise a number of interesting challenges, particularly in terms of collecting the data involved to administer them.

While the Panel is not prepared to endorse your idea, we encourage you to attend one of the upcoming rate policy outreach sessions and hear about the concepts the utility is posing, and offer comment.

Thank you for sharing your ideas with us.

Sincerely,

Eugene C Wasserman

Stan Price
Co-Chair

Eugene Wasserman
Co-Chair

cc: Councilmember Mike O'Brien, Chair, Energy and Environment Committee
Jorge Carrasco, City Light General Manager
Members, City Light Review Panel

Seattle City Light Review Panel
c/o K. Kinney, Seattle City Light
P.O. Box 32023 Seattle, WA98124-4023
CLRPquestions@seattle.gov

December 12, 2013

Ms. C. Joy Estill
Bookkeeper, Aloha Inn
1911 Aurora Avenue North
Seattle, WA 98109

Dear Ms. Estill:

Thank you for your thoughtful email of November 18 suggesting a change in City Light rate categories. The City Light Review Panel has spent much of the last year reviewing potential changes in electric rate policy. We discussed your email at our November 22 meeting. We recognize the importance of the services provided by the Aloha Inn.

In discussing options to respond to your idea, staff noted that a special rate category for low income housing facilities would likely be difficult to monitor and administer, due to the wide variety of housing provider arrangements. City Light staff indicated they will review whether existing programs may be able to help reduce the Aloha Inn's electricity use, perhaps through energy efficiency or conservation improvements, and will follow up with you.

Thank you for sharing your idea with us.

Sincerely,

Eugene C Wasserman

Stan Price
Co-Chair

Eugene Wasserman
Co-Chair

cc: Councilmember Mike O'Brien, Chair, Energy and Environment Committee
Jorge Carrasco, City Light General Manager
Members, City Light Review Panel