

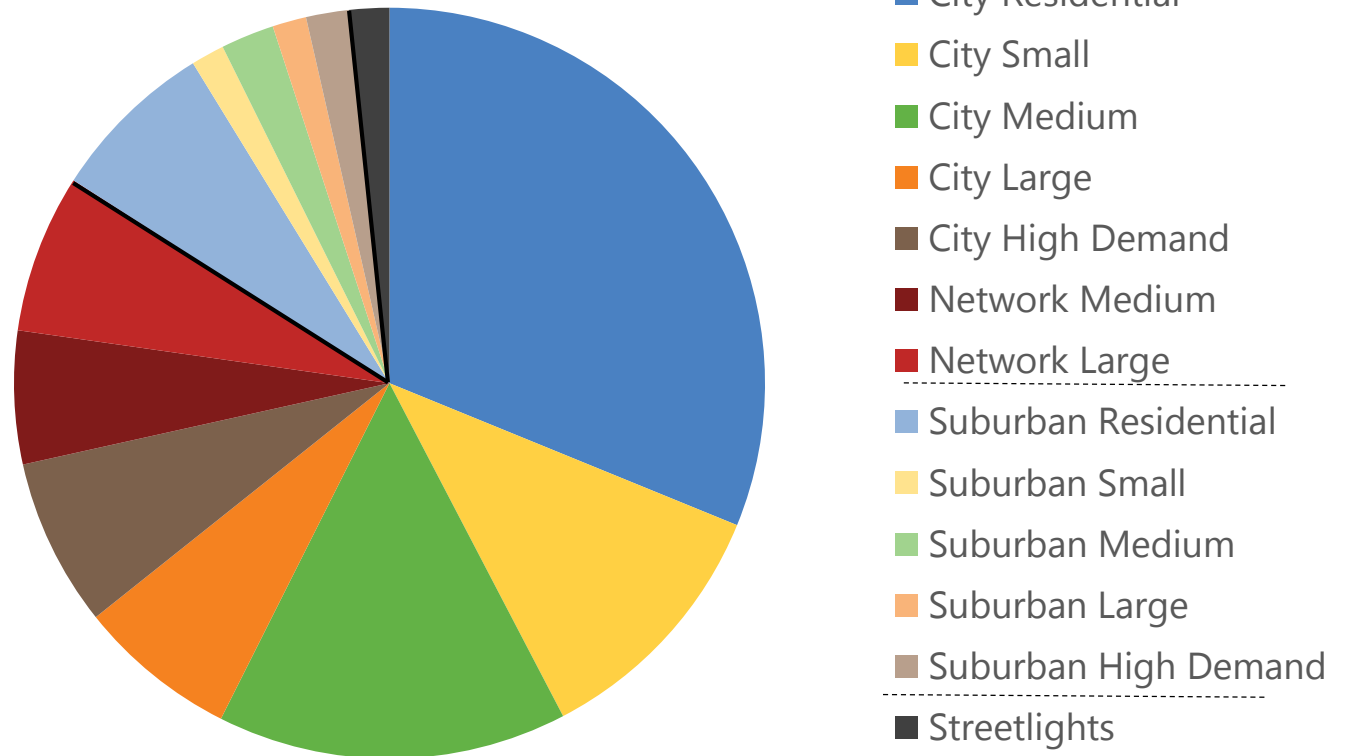
# 2017-2018 ADOPTED RATES



# COST OF SERVICE

- Cost of service goal: allocate retail revenue requirement equitably to all rate classes.

**2017 Revenue Requirement**



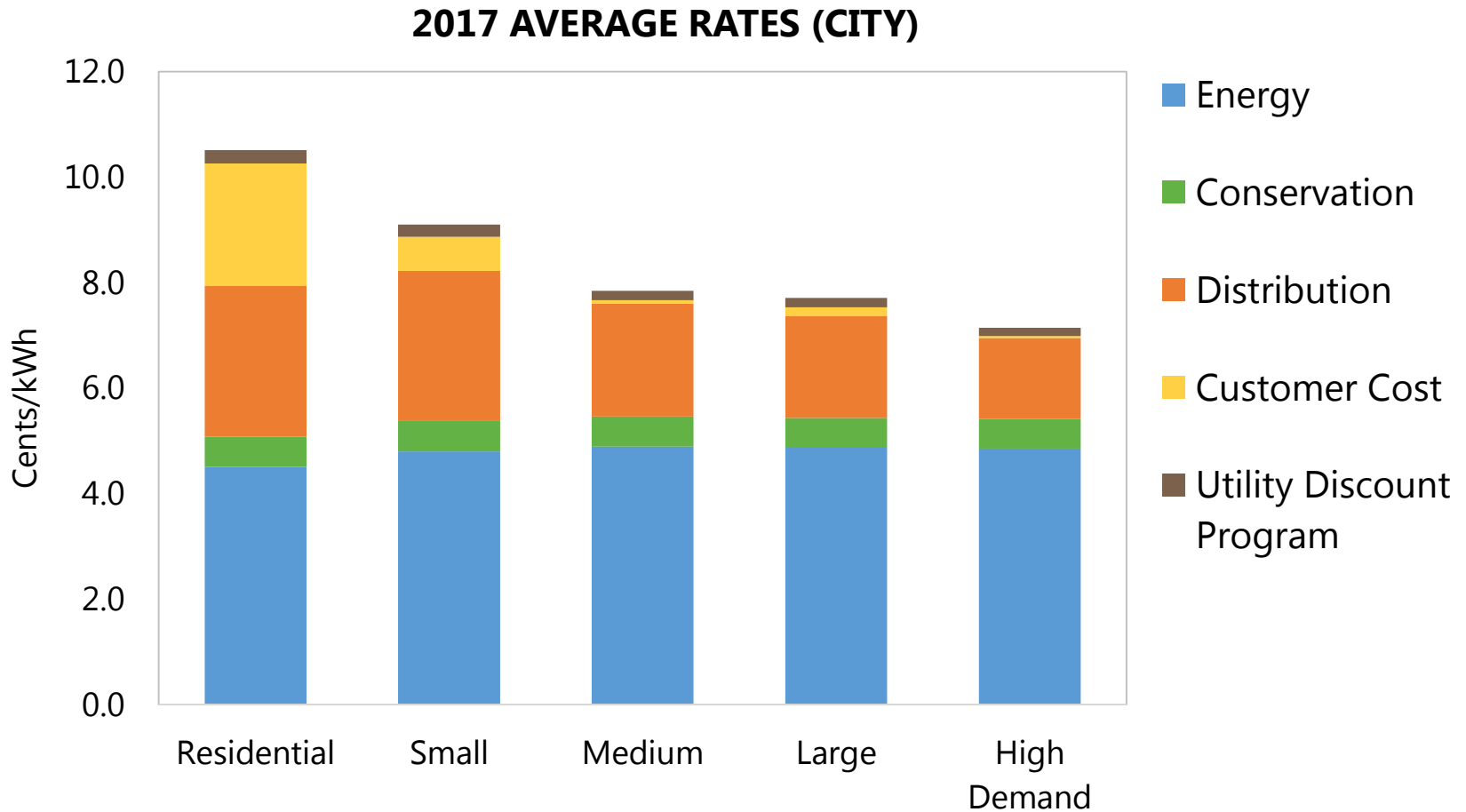
# COST OF SERVICE RESULTS

## SUMMARY OF PERCENTAGE AVERAGE RATE CHANGES BY RATE CLASS

<b>2017</b>	<b>Total</b>	<b>Residential</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>High Demand</b>
All Areas	5.6%	5.0%	7.3%	5.5%	4.9%	6.9%
City of Seattle	5.9%	5.2%	7.3%	6.8%	5.7%	6.7%
Downtown Network	3.8%			3.8%	4.2%	
Franchise Cities	5.9%	4.5%	7.8%	6.8%	5.4%	7.8%
<b>2018</b>	<b>Total</b>	<b>Residential</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>High Demand</b>
All Areas	5.6%	5.7%	5.5%	5.6%	5.7%	5.6%
City of Seattle	5.6%	5.7%	5.5%	5.5%	5.5%	5.7%
Downtown Network	6.0%			6.0%	6.0%	
Franchise Cities	5.5%	5.7%	5.4%	5.5%	5.4%	5.6%

$$\text{AVERAGE RATE} = \frac{\text{REVENUE REQUIREMENT (\$)}}{\text{RETAIL SALES FORECAST (kWh)}}$$

# AVERAGE RATES BY SERVICE COMPONENT



# RATE DESIGN

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- Set rates to collect revenue requirement set by cost of service.
  - Dependent on retail sales forecast.
- Rate design policy and principles are unchanged from the 2015-2016 rate review.
  - Rates reflect changes in costs for different service components.

# RESIDENTIAL RATES

<b>Residential - City</b>		<b>2016</b>	<b>2017</b>	<b>2018</b>		
# of meters: 326,151	First Block (\$/kWh)	\$0.0596	\$0.0701	\$0.0782		
	End-Block (\$/kWh)	\$0.1257	\$0.1288	\$0.1320		
	Base Service Charge (\$/month)	\$4.51	\$4.93	\$5.05		
<b>Monthly Bills - Standard</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>
Multifamily Home	463	\$38.17	\$42.78	\$4.61	\$46.21	\$3.43
SF Home Non-Electric Heat	634	\$58.41	\$63.68	\$5.27	\$67.74	\$4.06
SF Home Electric Heat	841	\$84.41	\$90.33	\$5.92	\$95.05	\$4.72
High User	1,180	\$127.03	\$133.99	\$6.96	\$139.80	\$5.81
<b>Monthly Bills – UDP*</b>						
Multifamily Home	463	\$15.27	\$17.11	\$1.84	\$18.48	\$1.37
SF Home Electric Heat	841	\$33.77	\$36.13	\$2.36	\$38.02	\$1.89

\*UDP Rates are 40% of standard residential rates

# SMALL GENERAL SERVICE RATES

Small General Service - City ( < 50 kW )			2016	2017	2018	
# of meters:	37,781	Energy (\$/kWh)	\$0.0848	\$0.0910	\$0.0960	
Monthly Bills	kWh	2016	2017	Increase	2018	Increase
Small Office	1,195	\$101	\$109	\$7	\$115	\$6
Car Wash	7,573	\$642	\$689	\$47	\$727	\$38
Investment Firm	8,833	\$749	\$804	\$55	\$848	\$44

# MEDIUM GENERAL SERVICE & NETWORK RATES

<b>Medium General Service - City ( ≥50 kW and &lt; 1,000 kW )</b>			<b>2016</b>		<b>2017</b>		<b>2018</b>	
Number of meters:	2,225		Energy (\$/kWh)		\$0.0675	\$0.0698	\$0.0740	
			Demand (\$/kW)		\$2.32	\$3.36	\$3.44	
<b>Monthly Bills</b>	<b>Load Factor</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>	
Office Building	20%	135,650	\$10,229	\$11,022	\$793	\$11,629	\$607	
Apt. Complex	34%	216,300	\$15,946	\$17,046	\$1,101	\$18,001	\$955	
Produce Co.	54%	50,705	\$3,668	\$3,894	\$227	\$4,116	\$221	
Real Estate Dev	82%	453,050	\$32,082	\$33,796	\$1,715	\$35,751	\$1,955	
<b>Medium Downtown Network ( ≥50 kW and &lt; 1,000 kW )</b>			<b>2016</b>		<b>2017</b>		<b>2018</b>	
Number of meters:	545		Energy (\$/kWh)		\$0.0832	\$0.0797	\$0.0852	
			Demand (\$/kW)		\$4.54	\$7.48	\$7.67	
<b>Monthly Bills</b>	<b>Load Factor</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>	
Theater	29%	78,840	\$8,028	\$8,702	\$675	\$9,197	\$495	
Hotel	42%	89,220	\$8,370	\$8,671	\$301	\$9,202	\$530	
Shopping Ctr.	44%	285,700	\$26,788	\$27,741	\$954	\$29,439	\$1,698	
Office Building	66%	43,325	\$4,082	\$4,239	\$157	\$4,497	\$258	



# LARGE GENERAL SERVICE & NETWORK RATES

<b>Large General Service - City ( ≥1,000 kW and &lt; 10,000 kW )</b>				<b>2016</b>	<b>2017</b>	<b>2018</b>	
Number of meters:	81			Energy On-Peak (\$/kWh)	\$0.0767	\$0.0801	\$0.0848
				Energy Off-peak (\$/kWh)	\$0.0514	\$0.0533	\$0.0565
				Demand On-Peak (\$/kW)	\$2.08	\$3.05	\$3.12
				Demand Off-Peak (\$/kW)	\$0.22	\$0.27	\$0.27
<b>Monthly Bills</b>	<b>Load Factor</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>
Cement	18%	218,316	\$17,369	\$19,361	\$1,992	\$20,333	\$972
Shipyards	35%	974,837	\$71,272	\$76,739	\$5,467	\$80,941	\$4,202
Hospital	69%	1,569,322	\$109,860	\$116,899	\$7,039	\$123,479	\$6,581
<b>Large Downtown Network ( ≥1,000 kW)</b>				<b>2016</b>	<b>2017</b>	<b>2018</b>	
Number of meters:	60			Energy On-Peak (\$/kWh)	\$0.0914	\$0.0875	\$0.0935
				Energy Off-peak (\$/kWh)	\$0.0612	\$0.0583	\$0.0624
				Demand On-Peak (\$/kW)	\$4.05	\$7.62	\$7.81
				Demand Off-Peak (\$/kW)	\$0.22	\$0.27	\$0.27
<b>Monthly Bills</b>	<b>Load Factor</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>
Event Space	20%	250,567	\$24,713	\$27,606	\$2,893	\$29,152	\$1,537
Office Tower	43%	778,428	\$74,042	\$79,515	\$5,473	\$84,192	\$4,677
Hotel	67%	1,093,011	\$95,436	\$98,869	\$3,433	\$104,990	\$6,120

# HIGH DEMAND RATES

<b>High Demand General Service City ( &gt;= 10,000 kW )</b>				<b>2016</b>	<b>2017</b>	<b>2018</b>	
Number of meters: 7				Energy On-Peak (\$/kWh)	\$0.0732	\$0.0746	\$0.0791
				Energy Off-peak (\$/kWh)	\$0.0491	\$0.0497	\$0.0527
				Demand On-Peak (\$/kW)	\$2.08	\$3.05	\$3.12
				Demand Off-Peak (\$/kW)	\$0.22	\$0.27	\$0.27
<b>Monthly Bills</b>	<b>Load Factor</b>	<b>kWh</b>	<b>2016</b>	<b>2017</b>	<b>Increase</b>	<b>2018</b>	<b>Increase</b>
Waste Treatment	45%	4,275,991	\$290,424	\$304,957	\$14,534	\$322,074	\$17,117
Education	67%	24,077,474	\$1,630,834	\$1,700,571	\$69,736	\$1,797,662	\$97,092
Glass Manufacturer	88%	7,462,299	\$493,371	\$512,697	\$19,326	\$542,164	\$29,467

# OTHER RATES

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- **Streetlights**
  - Different types of lights (HPS or LED, etc.)
  - Monthly fixed charge covers capital, maintenance and energy costs
- **Duct, Vault and Pole Rentals**
  - Annual fixed charge for capital, maintenance, space allocation for attachments
- **Minimum Charges**
  - All non-residential customers classes have minimum bills
- **Transformer Investment and Losses Credit**
  - Discounts for customers who supply their own transformers
- **Power Factor**
  - Customers with power factor < 97% pay for cost of corrective distribution equipment.
- **Reserved Distribution Capacity**
  - Capital cost of a feeder per kW for customers who request additional dedicated capacity.

# SUMMARY

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- Rate ordinance establishes rate increases for 2017-2018 biennium.
  - Critical for ensuring sufficient revenue to support budget and strategic plan.
  - Does not include BPA pass-through or RSA surcharges.
- Full rate design policy study planned for 2017.



# CITY LIGHT

## OUR VISION

To set the standard—to deliver the best customer service experience of any utility in the nation.

## OUR MISSION

Seattle City Light is dedicated to exceeding our customers' expectations in producing and delivering environmentally responsible, safe, low-cost and reliable power.

## OUR VALUES

Excellence, Accountability, Trust and Stewardship.

