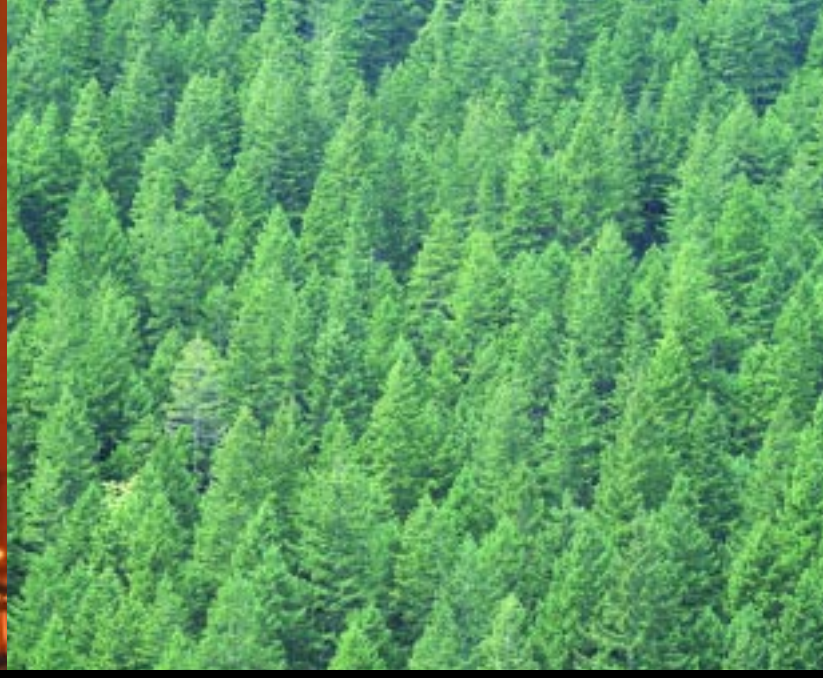
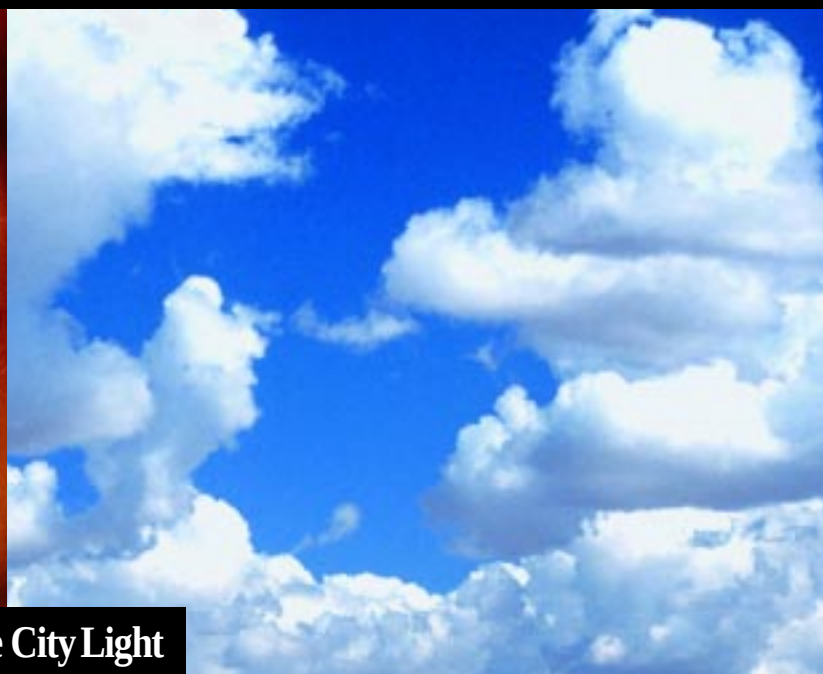


Our Electricity

Our Environment



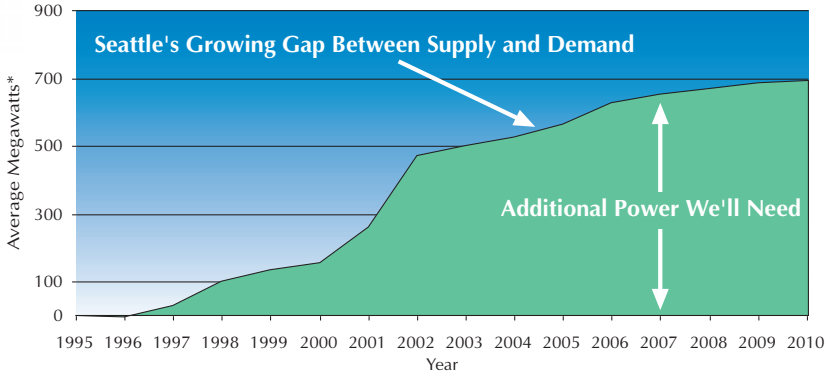
Seattle City Light

Choices

for our future

Seattle must make some difficult decisions this year. Hot weather and deregulation have sent electricity prices off the charts in the West. At the same time, our demand for power is growing here at home. Competition is fierce for the electricity to serve that growth. We've embarked on a plan to help us become independent from today's unstable power markets. We believe it leads to greater reliability for our electric system at an affordable price and with better results for the environment. And we need you, because you are part of the solution.

How Do We Fill The Gap?



* One average megawatt serves 820 Seattle homes

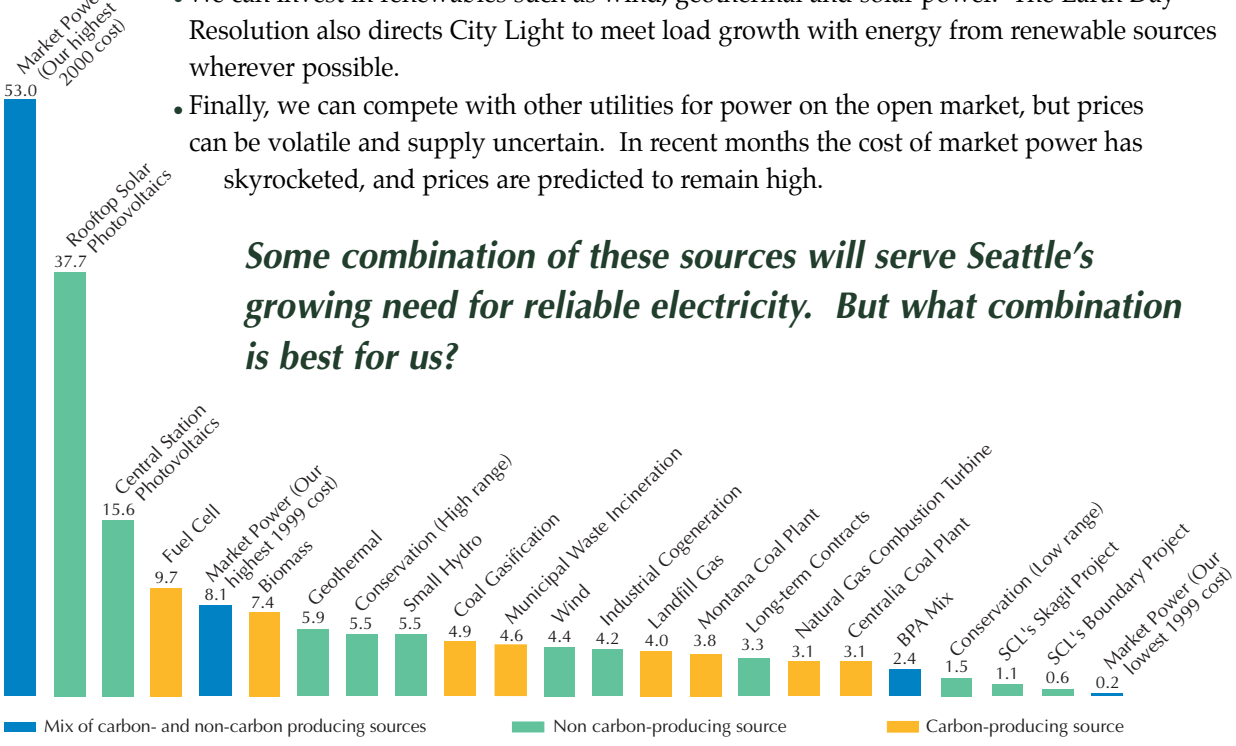
Why do we need more electricity?

Seattle's commercial growth is strong – in office buildings, computers and communications. And these businesses are big users of electrical power. At the same time, some of our power supply contracts are expiring. So where do we get the power we need?

We have several choices, but all come with a cost.

- We can buy power from the Bonneville Power Administration which markets the electricity produced by the federal dams on the Columbia. But supplies are limited.
- Power from natural gas plants is another option, but even the most efficient units contribute to global warming.
- We can and will accelerate our commitment to energy efficiency, taking advantage of the most advanced technologies in the marketplace. In the Earth Day Resolution passed earlier this year, the Mayor and Seattle City Council directed City Light to double its rate of conservation savings.
- We can invest in renewables such as wind, geothermal and solar power. The Earth Day Resolution also directs City Light to meet load growth with energy from renewable sources wherever possible.
- Finally, we can compete with other utilities for power on the open market, but prices can be volatile and supply uncertain. In recent months the cost of market power has skyrocketed, and prices are predicted to remain high.

Some combination of these sources will serve Seattle's growing need for reliable electricity. But what combination is best for us?



Cost of electricity in cents per kilowatt hour

Sources: Seattle City Light/ Pacific Northwest Regional Power Planning Council/City Light 2000 Conservation Potential Assessment/ March 2000 Natural Gas Forecast.

Power we own

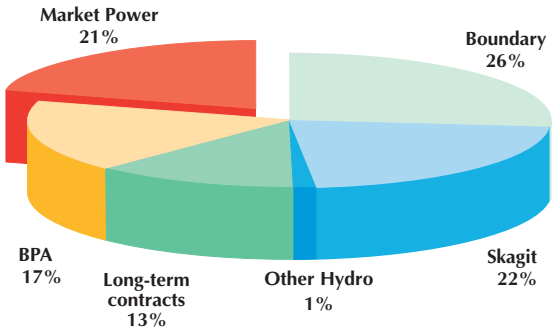
Our Hydroelectric Legacy is Our Strength

Early in the last century, Seattle's leaders had the vision to build a city-owned hydroelectric system to serve our city's needs. Fueled by snowmelt and spring runoff, these plants provide non-polluting power at about a penny per kilowatt hour.

But it's more than just clean, affordable electricity for our homes and businesses. At many times during the year, rainfall and river flows are so abundant that we generate more power than our customers need. At these times, City Light sells the surplus to other utilities and uses this income to defray operating costs. This means our customers pay less. In fact, City Light customers enjoy the lowest power bills of any major U.S. city.

Our plan builds on this vision of renewable, affordable and reliable hydroelectric energy. It adds more federally-produced power, new renewables such as wind, solar and geothermal, and low-impact natural gas to enhance stability and ensure that our legacy of clean, affordable power will be enjoyed for generations.

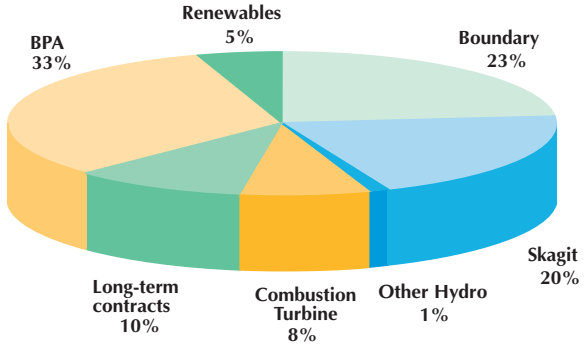
How City Light met Seattle's needs in 1999



Choices

to make us independent

How City Light plans to meet Seattle's needs in 2005



Power we buy

Bonneville Power Administration

Seattle purchased 17% of its electrical needs in 1999 from this federal power agency. The contract ends in September 2001 and Seattle is working on a new agreement that includes more electricity from this source. At around 2.4 cents per kilowatt hour, BPA power is among our least costly alternatives.

Long-Term Contracts

Seattle meets about 13% of its needs through long-term contracts and agreements with other utilities, including Grant County Public Utility District and British Columbia Hydro. All of Seattle's long-term contract power comes from hydroelectric facilities. In 1999, the average cost of this power was 3.3 cents per kilowatt/hour.

Wholesale Market Electricity

Regulatory changes in the utility industry make electricity an actively traded commodity. In California this year, the combination of deregulation, economic growth and hot weather has created unprecedented prices for electricity. In July, this power cost City Light 53 cents per kilowatt hour. Some California utilities paid three times this amount. Right now Seattle residential customers pay 4.6 cents per kilowatt hour for electricity delivered to their homes. To cover this growing expense, City Light has asked the Seattle City Council to temporarily add ten percent to the power portion of our customers' bills. This will add about three dollars per month
for the average residential customer. Even with this, Seattle electricity rates will continue to be the lowest in urban America. But to keep them that way and secure our future, we must become independent of unstable wholesale power markets.

Skagit Project

Our three large Skagit dams comprise 27% of our generating capacity. While some of this is sold, most is used right here in Seattle. We operate these dams in ways that protect the fish. They are upstream of the river's salmon runs, and water is released or held back according to the needs of the fish.

Boundary Dam

Boundary Dam is Seattle's largest, providing 38% of our generating capacity. Rain and runoff patterns in northeastern Washington mean that about one third of Boundary's power is surplus to Seattle's needs and can be sold. This dam is also upstream of salmon spawning areas. We are cooperatively working with tribes and other agencies to study and enhance resident fisheries at Boundary.

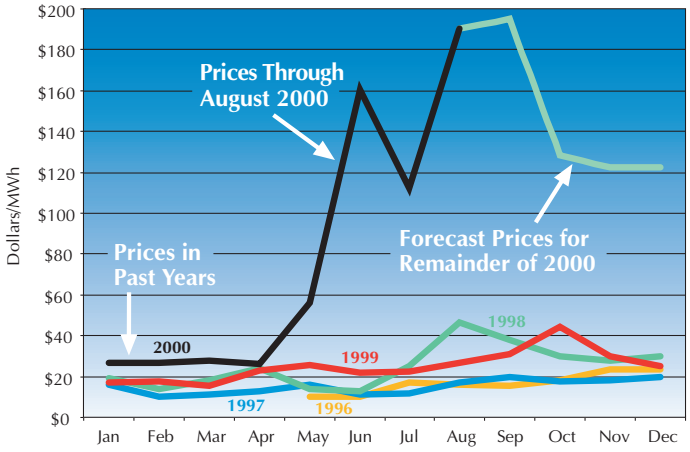
Choices

that you make

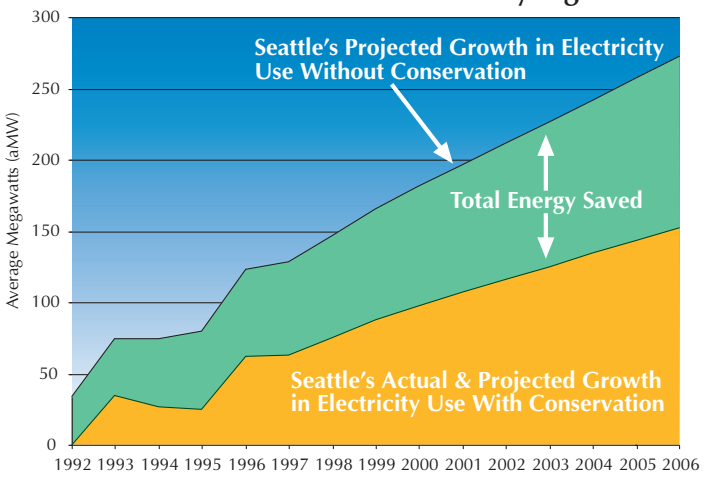
More than 20 years ago, Seattle chose the path that led to our internationally recognized conservation program. It remains our first priority. Every kilowatt we save is one less we have to generate or buy. And it saves us all money.

Since 1977, Seattle has saved enough energy to electrify all the homes in our city for 18 months. That's 5 billion kilowatt hours of electricity generated without burning one cubic foot of natural gas or a single lump of coal.

Wholesale Market Electricity Prices Since 1996



Conservation Savings Meet Half of Load Growth for Seattle City Light



We're working hard right now with all our customers on new and creative ways to improve efficiency through innovations in energy-efficient lighting technology, improved industrial motors and controls, and super-efficient building standards.

We've set out to double our conservation program – an ambitious goal. In the past, the conservation choices you have made have helped us cut our electricity load growth in half. Those choices have saved you money as well. You can continue to help – and save – by everyday choices you make: turn off lights when you don't need them, turn off the computer when you're done using it, wash your clothes in cold or warm water and run big energy users like clothes dryers at night when power costs less.

Focus on Fish

Seattle is proud of its record on salmon. We operate our Skagit hydroelectric dams to protect fish first, generating power around the needs of the fish. The results are impressive. The Skagit River's native Pink and Chum salmon runs are the largest in the Northwest and were ranked "extremely" healthy by the American Fisheries Society.

Our Choices

must be good for our environment

Since 1990, Seattle's conservation programs have kept 975,000 tons of carbon dioxide out of our atmosphere. This is the equivalent of taking 22,000 cars off the road for nine years.

Global Warming

The effects of global warming are real. Greenhouse gases trap heat in the atmosphere. Without them, our world would be too cold to inhabit. But burning fossil fuels for electricity is one of the reasons that these gases are building up in our atmosphere and trapping more heat. This is leading to climate change.

Here in the Northwest, scientists expect more severe winter floods, more frequent summer droughts, less snow pack and a rising ocean shoreline. These can be big problems for the hydroelectric systems we operate and for the fish who depend on the timing and quantity of river flows.

Seattle's Commitment to Climate Protection

Seattle is committed to meet its electrical needs without contributing to global warming. We plan to do this by getting even more power from conservation, wind, geothermal, solar and other renewable sources. If we need fossil fuels to meet our growing demand, we will offset their greenhouse gas emissions by doing things that remove the emissions from the air, like planting trees, protecting forest lands, or making our automobiles less polluting.

15,000 acres of native forest consumes the carbon produced by 100 megawatts of natural gas power.* **(1 megawatt supplies 820 average Seattle homes.)**

*** US Environmental Protection Agency**

Imagine

what we can do together

Most of us have done the big stuff – insulated our attics, put up storm windows or double-pane glass, turned down our hot water tanks to 120 degrees. In fact, more than 150,000 of us have participated in one or more City Light conservation programs since they began in 1977. But the little stuff is just as important. Consider the following:

- If every one of City Light's 310,000 residential customers replaced just ***one*** 60-watt incandescent light bulb with a 15-watt compact fluorescent light bulb, we would save enough energy to power 1,940 homes ***for an entire year***.
- If everyone who bought a new clothes washer, dishwasher or refrigerator this year purchased an ENERGY STAR® model, we'd save enough energy to power more than 500 homes a year.
- If everyone installed an energy-efficient faucet aerator, we'd save enough energy to power 544 homes a year.
- If just 1% of you (3,100) logged onto to **www.cityofseattle.net/conserve/homeprofile/**, filled out the ***Home Resource Profile*** and followed just ***one recommendation***, we'd be well on our way to an energy-independent future. The choice is yours.

Want to know more about our conservation programs and services? Call our Conservation Help Line at (206) 684-3800 or go to www.cityofseattle.net/light/conserve
For other questions about information in this brochure, call us at (206) 684-3663 or visit our Web site at www.cityofseattle.net/light

Salmon photographs by Al Solonsky

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