

Seattle City Light

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Department Description

Seattle City Light was created by the citizens 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.

Seattle City Light provides electric power to more than 360,000 residential, business, and industrial customers. Its service area of 131.3 square miles includes the City of Seattle, areas north of Seattle including the city of Shoreline and parts of Lake Forest Park, and areas south of Seattle including the cities of Burien, Tukwila, and SeaTac.

Seattle City Light owns about 2,000 megawatts of very low cost, environmentally responsible hydroelectric generation capacity. In an average year, Seattle City Light meets about 60% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration. City Light is now the nation's seventh largest publicly owned electric utility in terms of customers served.

Policy and Program Changes

This budget creates four new budget control levels, reflecting the Utility's Capital Improvement Programs (CIPs). The total number of budget control levels therefore increases from 10 to 14. As indicated by the appropriations table below, City Light's Adopted Budget for 2004 is \$14.0 million less than the 2004 Endorsed Budget. To implement City Light's financial recovery plan, this budget reduces 2004 Endorsed Budget appropriations for twelve of its fourteen budget control levels. Examples of reductions taken include \$1.96 million in Customer Service Operations and Maintenance (O&M) and \$2.61 million in Debt Service levels of budget control. The Adopted appropriation for the Utility's power purchase budget remains unchanged when compared to the 2004 Endorsed Budget. This budget increases the appropriations for the Utility's General Expense and Taxes Budget Control Levels to fund the Duwamish Superfund Site cleanup; pays increased cost for services provided by General Fund subfund supported departments of City government; and pays franchise fees to the City of Tukwila authorized by 2003 legislation.

City Council Budget Changes and Provisos

Beginning in late 2003, the General Subfund began paying City Light for the costs of operating and maintaining streetlights, estimated to be approximately \$6,000,000 in 2004.

The City Council made the following changes to the 2004 Endorsed Budget:

Recognized \$45,000 in interest earnings from grant proceeds on deposit, and appropriated said proceeds to the Executive Budget Control Level to meet the Utility's environmental objectives;

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Restored \$500,000 in proposed funding reductions to the Utility's conservation programs in the Customer Service Budget Control Level; and,

Eliminated funding for an additional Power Marketer position in the Power Management Budget Control Level in the amount of \$82,000.

Collectively, the Council's modifying actions increase the City Light budget proposed by the Mayor by a net \$463,000.

In addition, City Council adopted a number of operating and capital budget provisos, as follows:

The Council has placed certain restrictions on opinion-gathering activities and has limited the use of appropriated funds for polls and surveys to \$2,500 unless authorized by ordinance. See Appendix C for full proviso text.

O&M -

Of the appropriation for 2004 for Seattle City Light's Customer Services Budget Control Level, \$19,955,991 is appropriated solely for the Energy Management Services Division Budget Accountability Level and may be spent for no other purpose.

Of the appropriation for 2004 for City Light's Distribution O&M Budget Control Level, \$250,000 is appropriated solely as a reserve for City Light's Apprenticeship Program and may not be spent for any other purpose until authorized by a future ordinance. It is expected that Council will provide such authorization after reviewing City Light's response to the Council's Statement of Legislative Intent regarding the Apprenticeship Program.

CIP

No more than \$56,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the South Lake Union projects (Project ID = 8308 and 8309), until authorized by a future ordinance.

No more than \$1,926,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Information Technology Infrastructure project (Project ID = 9915) until authorized by a future ordinance.

No more than \$410,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Alaskan Way Viaduct project (Project ID = 8307) until authorized by a future ordinance.

No more than \$463,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Boundary Dam projects (Project IDs = 6338, 6343, 6344, 6345, 6346, and 6347) until authorized by a future ordinance.

No more than \$516,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Power Station Demand Drive Improvements project (Project ID = 7755) until authorized by a future ordinance.

None of the money appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Gorge Powerhouse project (Project ID = 6370) until authorized by a future ordinance.

None of the money appropriated for 2004 for City Light's Capital Improvement Program can be spent to pay for the Ross Powerhouse project (Project ID = 6380) until authorized by a future ordinance.

No more than \$763,000 appropriated for 2004 for City Light's Capital Improvement Program can be spent for the Consolidated Customer Service System (Project ID = 9910) until authorized by a future ordinance.

The conditions that must be met before expenditures for the above listed CIP projects are allowed are also stated in the project descriptions in the Capital Improvements Program document.

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Appropriations	Summit Code	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Customer Services Budget Control Level	SCL400	36,452,838	36,162,862	37,038,638	35,082,248
Debt Service Budget Control Level	SCL810	124,121,175	407,265,060	133,237,504	130,632,238
Distribution - CIP Budget Control Level	SCL350	54,591,493	53,327,959	54,652,801	51,548,057
Distribution - O&M Budget Control Level	SCL300	52,688,194	50,759,048	52,206,892	51,056,892
Executive - CIP Budget Control Level	SCL150	3,122,739	1,017,771	1,345,857	820,857
Executive - O&M Budget Control Level	SCL100	16,474,382	9,563,346	9,887,536	9,197,033
Finance and Administration - CIP Budget Control Level	SCL550	10,475,076	9,721,213	9,740,931	8,477,511
Finance and Administration - O&M Budget Control Level	SCL500	29,716,380	31,941,988	32,664,252	32,042,560
General Expense Budget Control Level	SCL800	40,387,424	47,178,638	49,556,252	50,641,075
Generation - CIP Budget Control Level	SCL250	28,909,561	18,977,881	13,134,814	10,507,454
Generation - O&M Budget Control Level	SCL200	13,641,264	13,610,817	14,608,395	14,463,831
Power Management Budget Control Level	SCL600	6,859,635	6,425,143	6,597,841	6,391,693
Purchased Power Budget Control Level	SCL700	288,387,557	337,111,788	356,456,635	355,556,635
Taxes Budget Control Level	SCL820	58,572,984	57,453,808	58,534,390	59,295,532
Department Total		764,400,702	1,080,517,322	829,662,738	815,713,616
Department Full-time Equivalents Total*		1,798.69	1,786.10	1,780.10	1,778.10

*FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.

Resources

Other Funds	764,400,702	1,080,517,322	829,662,738	815,713,616
Total	764,400,702	1,080,517,322	829,662,738	815,713,616

Selected Midyear Performance Measures

Most Reliable:

City Light's indicator for system reliability is its System Average Interruption Duration Index (SAIDI). SAIDI provides the average outage time in minutes/year for customers. A lower number indicates better reliability.

A national survey showed an average SAIDI of over 115. Seattle City Light's target is 50.

System Average Interruption Duration Index (SAIDI)

2002 Year End Actuals: 56.1

2003 Midyear Actuals: 46.4

2003 Year End Projection: 50.0

Customer Service:

City Light's key customer service performance indicator is the percentage of bills requiring adjustment. City Light's 2002 year-end goal was 3%. City Light eliminated its backlog of bills requiring adjustment resulting from the implementation of a new billing system in March, 2003.

Percentage of service connections within five days of their request

2002 Year End Actuals: 91%

2003 Midyear Actuals: 91%

2003 Year End Projection: 95%

Percentage of bills adjusted

2002 Year End Actuals: 3%

2003 Midyear Actuals: 3.7%

2003 Year End Projection: 3.0%

Lowest Cost:

Cost is indicated by comparing City Light's average commercial and residential rate/bills to five other regional utilities.

Comparison of Seattle City Light's average annual residential bill to the average residential bill of five regional utilities

2002 Year End Actuals: Seattle City Light - \$571
Five Regional Utilities - \$599

2003 Midyear Actuals: Seattle City Light - \$578
Five Regional Utilities - \$600

2003 Year End Projection: Seattle City Light - \$578
Five Regional Utilities - \$600

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Comparison of Seattle City Light's average annual commercial (medium general service) bill to the average bill of similar customers of five regional utilities

2002 Year End Actuals:	Seattle City Light - \$32,881
	Five Regional Utilities - \$36,088
2003 Midyear Actuals:	Seattle City Light - \$33,302
	Five Regional Utilities - \$36,158
2003 Year End Projection:	Seattle City Light - \$33,302
	Five Regional Utilities - \$36,158

Provide its customers with the lowest-cost, most reliable and environmentally responsible electricity services in urban America.

2002 Year End Actuals:
2003 Midyear Actuals:
2003 Year End Projection:

Environmentally Responsible:

The percentage of load growth experienced to date that has been met through conservation and renewable energy.

Seattle City Light commits to meet 100% of projected load growth over the period 2000 to 2011 with conservation and renewable resources. Wind turbines are an example of renewable power.

2002 Year End Actuals:	198%
2003 Midyear Actuals:	Measured Annually
2003 Year End Projection:	100%

Customer Services Budget Control Level

Purpose Statement

The purpose of the Customer Services Budget Control Level is to manage business relationships with Seattle City Light customers, provide accurate and timely bills for electric services, and promote conservation as a resource so that customer satisfaction is achieved, revenues owed to the utility are collected, and energy is used wisely.

Program Summary

The 2004 Adopted Budget reflects the steps taken by the Customer Service Budget Control Level to implement the Utility's financial recovery plan. The following actions, amounting to \$1.96 million, describe the measures undertaken by this branch of the Utility in 2004 to realize the savings.

Reduce the administrative general budget for this budget control level by \$240,000 to achieve savings as a part of the Utility's financial recovery plan.

Reduce the Utility's energy conservation goal from 9 aMW to 8 aMW to realize \$1.72 million in savings. This action is a significant component of the of City Light's financial recovery plan. The reduction will not affect conservation funding from the Bonneville Power Administration, nor will it prevent City Light from achieving its goal of meeting all future load growth with conservation and renewable resources.

Abrogate 1.0 FTE Administrative Specialist II position, and incur the cost of funding an equivalent level position in the City's Personnel Department to achieve a cost neutral implementation of a centralized labor relations function in City Personnel.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Customer Services	36,452,838	36,162,862	37,038,638	35,082,248
Full-time Equivalents Total*	222.08	228.05	228.05	227.05

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Debt Service Budget Control Level

Purpose Statement

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.

Program Summary

The 2004 Adopted Budget for Debt Service reflects the intent of Resolution No. 30611 to structure the financial benefits resulting from the refinancing of eligible outstanding debt in such a way that a disproportionate share will be available in the initial years of the remaining term of the debt to help improve City Light's near-term financial position. The net present value of the debt service savings over the length of the refinancing term is \$6.60 million.

Consistent with that intent, \$961,000 of the total \$2.61 million in reduced 2004 debt service appropriation results from restructuring debt service payments to realize near-term financial benefits. The remaining \$1.64 million in debt service cost savings in 2004 result from 2002 and 2003 refinancings.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Debt Service	124,121,175	407,265,060	133,237,504	130,632,238
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Distribution - CIP Budget Control Level

Purpose Statement

The purpose of the Distribution - CIP Budget Control Level is to provide for the rehabilitation and/or replacement of transmission lines, substations, distribution feeders, transformers, services, and meters. The Utility also relocates electrical facilities to facilitate transportation projects. The CIP also purchases large tools and mobile equipment used by the Utility's field crews.

Program Summary

A significant part of the City Light financial recovery plan is pursued through the Utility's Distribution Capital Improvement Program (CIP), as it is the largest CIP in City Light's budget.

As a part of the Utility's financial recovery plan, the actions listed below realize \$3.11 million in saving in 2004:

Defer the North Relocation - Aurora Avenue Project until 2005 to realize \$1.0 million in savings;

In response to decreased requests for such services, delay purchase of materials (network transformers and protectors) by \$700,000, enough material to construct facilities to serve two to three new large service requests;

Reduce supply inventories and equipment to realize savings of \$878,000;

Defer service contracts for outside professional services work related to capital projects to realize 2004 savings of \$277,000; and

Reduce the size of the Utility's fleet and associated maintenance costs of equipment used on capital projects in the amount of \$250,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Distribution - CIP	54,591,493	53,327,959	54,652,801	51,548,057
Full-time Equivalents Total*	276.92	316.56	315.35	315.35

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Distribution - O&M Budget Control Level

Purpose Statement

The purpose of the Distribution - O&M Budget Control Level is to deliver industry-standard, reliable electricity to customers through efficient and effective planning, design, construction, maintenance, and to operate overhead and underground electrical distribution systems, substations, and transmission systems.

Program Summary

The budget for this Budget Control Level reflects steps taken by the Utility's Distribution branch to implement its financial recovery plan. The following actions, amounting to \$1.15 million in savings, describe the measures undertaken by this branch of the Utility in 2004:

Reduce the annual tree trimming budget by 25% and make greater use of City Light line crews to partially perform this function to realize savings of \$500,000; and

Reduce the size of the Utility's heavy equipment fleet and associated annual maintenance cost to realize savings of \$650,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Distribution - O&M	52,688,194	50,759,048	52,206,892	51,056,892
Full-time Equivalents Total*	669.21	615.04	616.25	616.25

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Executive - CIP Budget Control Level

Purpose Statement

The purpose of the Executive - CIP Budget Control Level is to protect and restore habitat benefits as provided in the Endangered Species Act (ESA), and to mitigate environmental impacts to comply with license agreements.

Program Summary

The Executive branch CIP reflects the Utility's effort to implement its financial recovery plan. The measures below describe steps by the Executive branch to achieve \$525,000 in savings in its CIP in 2004:

Reduce the use of consulting services to realize savings of \$215,000; and

Defer projects called for by the Skagit Mitigation and Settlement Agreement until the 2005-2006 biennium to realize \$310,000 in savings.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Executive - CIP	3,122,739	1,017,771	1,345,857	820,857
Full-time Equivalents Total*	2.98	3.81	3.81	3.81

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Executive - O&M Budget Control Level

Purpose Statement

The purpose of the Executive Budget Control Level is to provide overall management and policy direction for the Department to ensure the effective delivery of the Utility's fundamental service of providing reliable electric power in an environmentally sound manner. This branch of City Light provides broad departmental policy direction from the Superintendent's Office and leadership in the areas of human resources, environment and safety, strategic planning, and external affairs.

Program Summary

The Executive O&M Budget Control Level is reduced by a net of \$690,000 from the Endorsed Budget as a result of the following actions:

Reduce travel, training, use of consultants, advertising, and promotional expenses by \$605,000;

Reduce administrative expenses associated with Skagit Mitigation Settle Agreement projects by \$130,000;

Recognize \$45,000 in interest earnings of grant proceeds on deposit as revenues to the Utility, and appropriate these proceeds to this Budget Control Level to meet the Utility's environmental objectives; and

Abrogate 1.0 FTE Senior Personnel Specialist position, and incur the cost of funding an equivalent level position in the City's Personnel Department to achieve a cost neutral implementation of a centralized labor relations function in City Personnel.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Executive - O&M	16,474,382	9,563,346	9,887,536	9,197,033
Full-time Equivalents Total*	91.01	87.23	87.23	86.23

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Finance and Administration - CIP Budget Control Level

Purpose Statement

The purpose of the Finance and Administration - CIP Budget Control Level is to rehabilitate and replace the general physical plant, including buildings and information technology infrastructure. Information Technology budgets replace servers and routers, and fund the development of large software applications.

Program Summary

Implementation of the Utility's financial recovery plan realizes savings of \$1.26 million in 2004. This budget control level takes the following actions:

Reduce the administrative general expenses associated with capital projects of the Finance and Administration Branch by \$128,000;

Defer development of new computer applications for utility business purposes to realize \$525,000 savings in staffing requirements; and

Defer the cost of upgrading the Office 97 Computer Applications Suite and other productivity applications to realize a savings of \$610,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Finance and Administration - CIP	10,475,076	9,721,213	9,740,931	8,477,511
Full-time Equivalents Total*	18.79	23.96	25.28	25.28

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Finance and Administration - O&M Budget Control Level

Purpose Statement

The purpose of the Finance and Administration - O&M Budget Control Level is to ensure efficient service delivery by providing leadership, support, and services in financial management, information technology, and facilities-management for the Utility.

Program Summary

To implement the Utility's financial recovery plan and realize \$622,000 in savings in 2004, this budget control level takes the following budget actions:

Reduce the administrative expenses associated with the upgrades of the Office 97 Suite and other user productivity applications in the amount of \$76,000; and

Reduce expenditures for financial analysis and economic evaluations, overtime, travel and training, the use of consultants, and deferring a number of facility maintenance projects to realize \$546,000 in savings.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Finance and Administration - O&M	29,716,380	31,941,988	32,664,252	32,042,560
Full-time Equivalents Total*	226.85	228.54	227.22	227.22

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

General Expense Budget Control Level

Purpose Statement

The purpose of the General Expense Budget Control Level is to budget, track, and monitor general expenses of the Utility, which include payments for insurance; employee benefits such as medical and retirement costs; intergovernmental services such as legal services provided by the City's Law Department; and services rendered by the City's General Subfund departments.

Program Summary

Increase the 2004 budget for the General Expense Budget Control Level by \$1.09 million with the following actions:

Increase the budget by \$322,000 to meet interfund obligations to general subfund supported departments; and

Increase the budget by \$763,000 to pay for City Light's participation in a four agency coalition to clean up Duwamish Superfund sites.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
General Expense	40,387,424	47,178,638	49,556,252	50,641,075
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Generation - CIP Budget Control Level

Purpose Statement

The purpose of the Generation - CIP Budget Control Level is to provide for the rehabilitation and replacement of the generating assets of the Utility. These assets include dams, powerhouses, switchyards, generators, turbines, and auxiliary equipment at the Skagit and Boundary Hydroelectric projects.

Program Summary

Consistent with the Utility's financial recovery plan, this Budget Control Level reduces expenditures in 2004 by \$2.63 million through the following actions:

Reduce the administrative and general expenditures associated with the capital projects of this Budget Control Level by \$173,000; and

Defer all procurement and construction activities related to the Boundary Sluice Gate Rehabilitation and Transformer Bay Rockfall Mitigation Projects to achieve \$2.46 million in savings.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Generation - CIP	28,909,561	18,977,881	13,134,814	10,507,454
Full-time Equivalents Total*	61.30	64.95	53.71	53.71

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Generation - O&M Budget Control Level

Purpose Statement

The purpose of the Generation - O&M Budget Control Level is to operate and maintain the City of Seattle's power generation facilities in a manner that optimizes their value, while meeting the Utility's legal, contractual, and community obligations.

Program Summary

To achieve the objectives of the Utility's financial recovery plan, reduce the travel, training and consultant services expenditures in this Budget Control Level by \$145,000 in 2004.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Generation - O&M	13,641,264	13,610,817	14,608,395	14,463,831
Full-time Equivalents Total*	187.09	172.96	178.20	178.20

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Power Management Budget Control Level

Purpose Statement

The purpose of the Power Management Budget Control Level is to manage Seattle City Light's Power Resource Portfolio to meet load demands at the least possible cost, manage the wholesale purchase and sale of power and transmission to maximize the Utility's financial position, negotiate and administer long-term wholesale power contracts, and develop and administer the Utility's power budget. This budget control level also leads and participates in regional and national conferences with an objective of maximizing both Seattle's and public power's influence.

Program Summary

Implement a reserve capacity sales program to generate \$7.0 million in anticipated incremental revenues within existing resource levels. The additional revenues are a significant component of the Utility's financial recovery plan.

Reduce the use of consultant services by \$124,000 in 2004.

Eliminate funding for an additional Power Marketer position in the amount of \$82,000.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Power Management	6,859,635	6,425,143	6,597,841	6,391,693
Full-time Equivalents Total*	42.46	45.00	45.00	45.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Purchased Power Budget Control Level

Purpose Statement

The purpose of the Purchased Power Budget Control Level is to acquire power in a cost-effective manner. This budget control level also provides for transmission and other costs associated with wholesale power purchases to meet the electricity needs of the Utility's customers.

Program Summary

The Utility's financial recovery plan calls for this budget control level to achieve \$900,000 in savings in 2004 by reducing the commitment of City Light funds to achieve greenhouse gas neutrality program goals. The Utility continues its search for promising and efficient local projects to achieve the neutrality goal.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Purchased Power	288,387,557	337,111,788	356,456,635	355,556,635
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

Taxes Budget Control Level

Purpose Statement

The purpose of the Taxes Budget Control Level is to calculate and pay City Light's legally-required tax payments.

Program Summary

Increase the appropriation for the Taxes Budget Control Level to pay \$761,000 in increased franchise contract payments to the City of Tukwila resulting from legislation passed in 2003.

Expenditures/FTE	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
Taxes	58,572,984	57,453,808	58,534,390	59,295,532
Full-time Equivalents Total*	0.00	0.00	0.00	0.00

**FTE totals provided for information only (2002 FTE reflect adopted numbers). Authorized positions are listed in Appendix A.*

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2004 Estimated Revenues for the City Light Fund

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Adopted
431200	BPA Conservation & Renewables Credit	\$ 2,141,955	\$ 1,822,080	\$ 1,822,080	\$ 2,162,844
431200	BPA Payments for Conservation Deferred	3,332,670	13,075,000	13,300,000	8,500,000
443345	Basis Sales	2,197,346	6,656,000	6,656,000	6,656,000
443345	Other Power Related Services	502,233	5,500,000	8,000,000	5,500,000
443310	Energy Sales to Customers	562,432,218	563,634,281	574,042,118	573,924,043
443310	Energy sales to Customers - GF Street Light	-	-	-	6,000,000
443310	Seattle Green Power	-	154,000	129,000	200,000
443310	Out of System Sales	-	-	-	-
443345	Surplus Energy Sales	113,725,041	130,089,657	139,684,435	144,997,232
443380	Late Payment Fees	3,938,847	3,500,000	3,500,000	3,500,000
443250	Revenue From Damage	1,424,549	1,492,289	1,492,289	1,492,289
443250	Other O&M Revenue	3,222,584	3,375,824	3,375,824	3,420,824
443345	SCL Green Tags	-	375,000	606,250	700,000
443345	BPA Credit for South Fork Tolt	3,066,655	3,739,656	3,705,205	3,705,205
443345	Box Canyon Forced Outage Reserve	122,957	263,600	263,600	263,600
443345	Integration & Exchange of Wind Resources	8,890,874	1,966,462	2,000,478	2,000,478
443345	Article 49 Sale to PO Country	984,251	942,783	976,741	976,741
443380	Account Change Fees	496,943	544,052	558,279	507,773
443380	Reconnect Charges	167,870	302,454	310,393	209,123
443380	Water Heater & Miscellaneous Rentals	150,835	133,418	136,920	158,008
443380	Construction & Miscellaneous Charges	938,874	2,751,593	2,779,790	1,049,897
443380	Property Rentals	1,466,225	1,113,897	1,521,289	1,466,225
443380	Pole Attachments	754,519	685,813	703,815	754,519
443380	Transmission Attach. & Cell Sites	430,680	2,111,933	2,167,371	430,680
447910	Skagit Receipts	255,462	311,699	369,492	267,609
461100	Interest	10,110,004	7,081,169	7,625,327	6,437,412
461100	Sale of Property, Material & Equip.	643,289	761,055	780,081	1,500,000
461100	Miscellaneous Revenue	150,000	79,160	81,139	150,000
469990	Conservation - Customer Payments	133,113	1,460,591	1,646,295	1,646,295
482000	Contributions in Aid of Construction	10,631,017	13,786,351	14,157,794	13,344,000
462900	Maple Valley-SnoKing Lease to BPA	699,996	700,000	700,000	-
462900	SnoKing to Bothell Lease to BPA	562,500	562,500	562,500	-
462900	North Mountain Substation	155,726	259,068	266,062	167,608
462900	Transmission Sales	697,721	1,727,118	1,773,750	2,048,000
541830	Reimbursement for CCSS - O&M	-	2,991,098	3,091,929	3,091,929
541830	Reimbursement for CCSS - CIP	-	384,375	366,668	366,668
543250	Reimbursement for Postage	927,765	589,983	604,732	971,880
431010	NW Energy Efficiency Alliance - SCL Lighting Design Lab Contract	300,000	740,898	752,011	300,000
587900	Transfers from Construction Fund	28,745,983	304,852,465	29,153,081	16,846,734
	Total Revenues	\$ 764,400,702	\$ 1,080,517,322	\$ 829,662,738	\$ 815,713,616

Capital Improvement Program Highlights

City Light's Capital Improvement Program (CIP) is the vehicle for upgrading and expanding the Utility's infrastructure in a way that enhances safety and preserves the environment. This infrastructure includes: a distribution system with 14 major substations and more than 2,500 miles of overhead and underground cable; a generation system comprising seven major hydroelectric plants on the Skagit, Cedar, Tolt, and Pend Oreille Rivers with a combined capacity of almost 2,000 megawatts; 650 miles of high-voltage transmission lines linking these plants to Seattle; a state-of-the-art System Control Center to coordinate these activities; and billing and metering equipment to track almost 350,000 accounts. The overriding goal of the CIP is to assure that the facilities required to serve City Light customers with low-cost, reliable power are in place when and where the power is requested. The dollar figures in the table below are loaded dollars: total project cost, which is the sum of direct project charges shown in the operating budget CIP budget control levels and total applicable intra-departmental expenses - commonly referred to as overhead costs or loadings.

The table below displays City Light's CIP categorized by budget control level. A few highlights of City Light's CIP include:

The Distribution CIP is reduced by \$4.1 million to achieve the objectives of the utility's financial recovery plan, including deferral of work on the Aurora Ave. project, and reducing supply inventories and equipment. Even with these reductions, approximately \$6.6 million is allocated for improvements in the Downtown and First Hill network areas.

The Executive CIP is reduced by \$535,000 to achieve the objectives of the utility's financial recovery plan, including the reduction in the use of consulting services and deferral of some projects. Approximately \$706,000 is allocated for work in support of the Endangered Species Act.

In 2004, the Finance and Administration CIP is reduced by \$1.2 million to achieve the objectives of the Utility's financial recovery plan, including reducing administrative expenses and deferring the upgrade of the Office 97 Suite as well as some other new applications at the utility. Even with the reductions, approximately \$4.6 million is allocated for technological improvements in customer service and billing systems.

The Generation CIP is reduced by \$2.8 million to achieve the objectives of the utility's financial recovery plan, including deferral of the Transformer Bay Rockfall Mitigation project. Approximately \$5 million is allocated to Boundary Dam Rehabilitation projects to restore major equipment, auxiliary systems, support features, and recreational facilities.

A detailed list of all programs and projects in City Light's CIP can be found in the 2004-2009 Adopted Capital Improvement Program document.

Capital Improvement Program Outlay

Allocations	Fund Source	2003 Revised	2004 Endorsed	2004 Adopted
Generation	Seattle City Light Fund	35,676,000	17,996,000	15,190,000
Finance & Administration	Seattle City Light Fund	13,416,000	12,850,000	11,626,000
Executive	Seattle City Light Fund	2,488,000	1,533,000	998,000
Distribution	Seattle City Light Fund	89,904,000	92,042,000	87,967,000
Total		141,484,000	124,421,000	115,781,000

