

Seattle City Light

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<http://www.seattle.gov/light/>

Department Overview

Seattle City Light (City Light or SCL) was created by the residents 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.

City Light provides electric power to approximately 395,000 residential, business, and industrial customers within a 130 square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

City Light owns about 2,000 megawatts of very low-cost, environmentally-responsible, hydroelectric generation capacity. In an average year, City Light meets about 50% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration (BPA). City Light is the nation's tenth largest publicly-owned electric utility in terms of customers served.

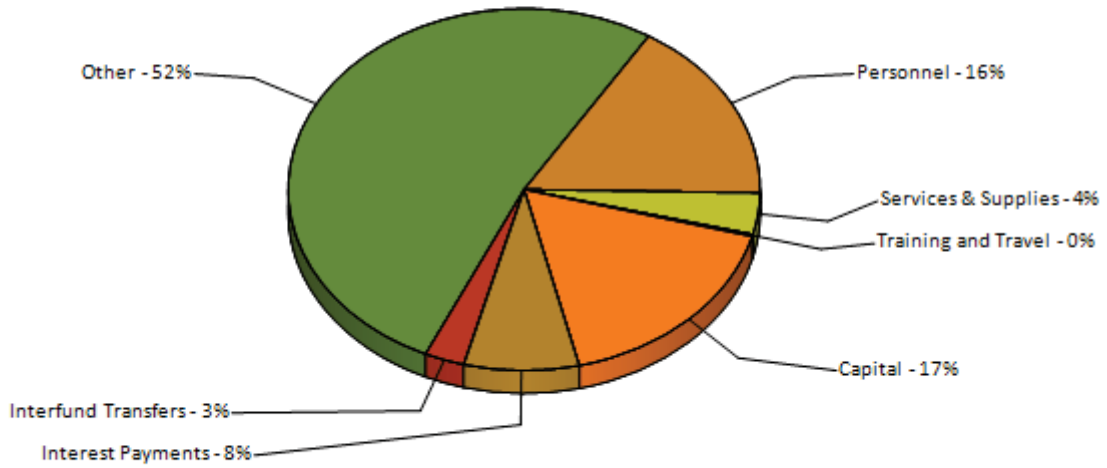
Budget Snapshot

| Department Support | 2012 Actuals | 2013 Adopted | 2014 Endorsed | 2014 Adopted |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| Other Funding - Operating | \$833,637,498 | \$941,197,896 | \$979,993,442 | \$976,901,496 |
| Total Operations | \$833,637,498 | \$941,197,896 | \$979,993,442 | \$976,901,496 |
| Other funding - Capital | \$169,503,224 | \$201,081,881 | \$219,989,718 | \$200,786,691 |
| Total Appropriations | \$1,003,140,722 | \$1,142,279,777 | \$1,199,983,160 | \$1,177,688,187 |
| Full-time Equivalent Total* | 1,810.75 | 1,830.25 | 1,830.25 | 1,835.25 |

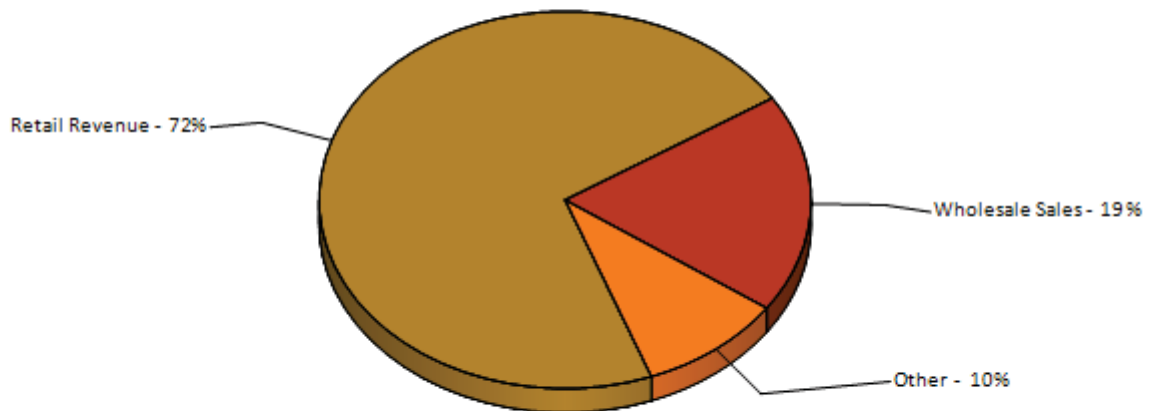
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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2014 Adopted Budget - Expenditure by Category



2014 Adopted Budget - Revenue by Category



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Budget Overview

In July 2012, the City Council adopted the City Light 2013-2018 Strategic Plan, endorsed an average system rate increase for the six-year period, and directed City Light to prepare the 2013-2014 Budget and rates in support of the Plan ([Resolution 31383](#)). The goal of the Strategic Plan and the six-year rate path is to insulate customers from rate volatility and smooth increases over time, so as to create more rate certainty for SCL customers. The 2014 Adopted Budget accounts for unexpected cost increases for two major capital projects, rising customer demand for wireless capabilities, and new staffing requirements necessary to fulfill Strategic Plan initiatives, while remaining within the Strategic Plan's 4.7% average yearly rate increase target.

In 2013, unexpected cost increases for two major capital projects required SCL to make adjustments in its capital program to allow the budget to stay within the rate path prescribed in the 2013-2018 Strategic Plan.

- SCL redesigned the Denny Substation to incorporate public feedback. The new design increases the cost of the project by \$66.3 million between 2014-2019.
- The Unit 53 generator at Boundary Dam suffered severe damage in the spring of 2013 due to an unexpected malfunction, requiring an immediate rebuild in order to avoid a loss of additional revenue from decreased production capacity in 2014. The expedited timeframe and the extent of the damage resulted in an \$11.7 million cost increase for 2013-2014.

To account for these major changes, the utility is deferring and cancelling certain existing programs and changing project timelines. These alterations will result in the delaying of maintenance projects (e.g. cable wire replacements) and the postponement of non-essential infrastructure improvement projects (e.g. voluntary neighborhood undergrounding).

Increased customer demand for wireless telecommunications capabilities coupled with the beginning of the Gigabit Seattle Project, which seeks to bring high-speed internet access to 60,000 homes across 14 different Seattle neighborhoods, has resulted in a backlog of pole attachment work requests. The 2014 Adopted Budget provides the necessary staff and funding to perform this infrastructure work and meet rising customer demand.

Finally, the Adopted Budget adds staff positions that will implement a number of Strategic Plan initiatives. Specifically, the new staff will:

- increase operational efficiency by integrating mapping systems and standardizing operating procedures for fieldwork; and,
- help ensure that SCL meets legal and regulatory requirements related to environmental protection (e.g. salmon habitat recovery) by auditing utility operations and projects.

City Council Changes to Proposed Budget

During the City Council's review process, the Council made modifications to the Seattle City Light 2014 Proposed Budget. The Council restored \$5 million to the Conservation Resources Division and made other minor technical alterations.

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Incremental Budget Changes

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| | 2014 | |
|---|-------------------------|-----------------|
| | Budget | FTE |
| Total 2014 Endorsed Budget | \$ 1,199,983,160 | 1,830.25 |
| Proposed Changes | | |
| Reduce Conservation Resources Division Funding | -\$ 5,000,000 | 0.00 |
| Reduce Funding for the New Denny Substation Program | -\$ 5,974,506 | 0.00 |
| Integrated Geospatial Information System (GIS) | \$ 0 | 2.00 |
| Reduce Environmental Liability | \$ 0 | 1.00 |
| Standards and Compatible Units | \$ 0 | 2.00 |
| Increase Joint-Use Telecommunications and Electrical Distribution Funding | \$ 3,280,999 | 2.00 |
| Proposed Technical Changes | | |
| Citywide Adjustments for Standard Cost Changes | -\$ 1,196,883 | 0.00 |
| Technical Adjustments -- CIP | -\$ 15,263,149 | 0.00 |
| Technical Accounting Adjustments - O&M | -\$ 3,045,731 | 0.00 |
| Council Changes | | |
| Technical Adjustments | -\$ 95,703 | -2.00 |
| Restore Conservation Resources Division Funding | \$ 5,000,000 | 0.00 |
| Total Incremental Changes | -\$ 22,294,973 | 5.00 |
| 2014 Adopted Budget | \$ 1,177,688,187 | 1,835.25 |

Descriptions of Incremental Budget Changes

Proposed Changes

Reduce Conservation Resources Division Funding - (\$5,000,000)

Council eliminated this proposal in the Adopted Budget. Refer to the Council Phase Changes section below. The Proposed Budget description follows:

When developing the budget for the Conservation Resources Division, SCL originally anticipated that it would need a new customer incentive program to meet annual energy savings targets. However, in order to achieve the necessary energy savings in 2013, the utility installed Compact Fluorescent Lights in residential buildings across

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the city, a far less costly alternative. The utility will use these one-time cost savings to pay for contracts with energy conservation vendors who will perform the installation work in 2014, thus reducing the funding needs for 2014 while still meeting conservation targets.

Reduce Funding for the New Denny Substation Program - (\$5,974,506)

This adjustment reduces funding for the Denny Substation project for 2014 to account for project rescheduling and increased costs in future years. Based on public feedback, SCL developed a new design for the Denny Substation to create a more aesthetically pleasing structure. The new design requires the vacation of Pontius Street and increases the overall cost of the project by \$66.3 million through 2019. The new design requires a delay in the spending schedule for the substation, postponing the need for 2014 funding until 2015-2016. To accommodate the increased overall costs, SCL will cancel or defer other capital projects, as reflected in the 2014-2019 CIP. When complete, the new Denny Substation will create a stronger and better-integrated distribution system throughout the city and provide highly reliable power to serve the city's growing biotechnology research and information technology sectors.

Integrated Geospatial Information System (GIS)/2.00 FTE

This adjustment adds two positions to oversee the long-term implementation of the GIS Strategic Initiative, which seeks to integrate non-compatible GIS systems into a single system that can better support transmission, distribution and streetlight system management. The newly integrated system requires additional staff to manage and maintain a combined Enterprise GIS dataset. These electrical engineering specialists will create and maintain complex maps with GIS data that are currently unavailable to utility staff.

Reduce Environmental Liability/1.00 FTE

City Light created the Reduce Environmental Liability Strategic Initiative to comply with various federal, state and local laws related to environmental protection (e.g., salmon habitat recovery, superfund site cleanup, hazardous waste management efforts). Auditing, strategic coordination and planning work ensure the utility's compliance. This adjustment transitions a temporary position into a permanent position to continue this ongoing body of work.

Standards and Compatible Units/2.00 FTE

As part of the Standards and Compatible Units Strategic Initiative, the utility is developing a set of standard operating procedures for field staff to follow. These standards will substantially increase operational productivity and efficiency. This adjustment replaces contract positions with two permanent positions to continue this work. Future work will include the development of a materials guide to ensure that compatible units are used for all standard operations.

Increase Joint-Use Telecommunications and Electrical Distribution Funding - \$3,280,999/2.00 FTE

This adjustment provides funding and staff in the Joint Use Organizational Unit to make infrastructure improvements that will accommodate increased customer demand for wireless telecommunications installations and additional work stemming from the Gigabit Seattle Project. Customers requested a large number of wireless upgrade projects in 2013 that generated higher workloads than originally anticipated. The unit currently faces a backlog of 65 wireless projects valued at approximately \$4 million. In addition, the Gigabit Seattle Project will require installation of approximately 200-250 miles of fiber optic cable affecting between 8,000-10,000 utility poles. Project work will begin in 2013 and continue throughout 2014. The Gigabit project will provide high-speed internet access to 60,000 homes across 14 different city neighborhoods.

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Proposed Technical Changes

Citywide Adjustments for Standard Cost Changes - (\$1,196,883)

Citywide technical adjustments made to reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Technical Adjustments -- CIP - (\$15,263,149)

This adjustment reflects year-to-year changes in planned CIP spending for existing CIP projects. For a summary of City Light's capital program and more detail on project level changes, please see the 2014-2019 Adopted CIP document.

Technical Accounting Adjustments - O&M - (\$3,045,731)

This adjustment reflects the transfer of position-related benefit costs, a decrease in debt service payments due to a lower than expected bond issuance, and an alteration in total city and state tax payments.

Council Changes

Technical Adjustments - (\$95,703)/(2.00) FTE

Council made technical adjustments during their budget deliberations. These include corrections to central costs, appropriations, position counts, and other non-policy changes to the Proposed Budget.

Restore Conservation Resources Division Funding - \$5,000,000

This item restores one-time funding to the Conservation Resources Division. This funding allows the utility to expand conservation-related activities and meet annual targets.

City Council Provisos

There are no Council provisos.

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Expenditure Overview

| Appropriations | Summit Code | 2012 Actuals | 2013 Adopted | 2014 Endorsed | 2014 Adopted |
|---|-------------|----------------------|----------------------|----------------------|----------------------|
| Capital | | | | | |
| Customer Focused - CIP Budget Control Level | SCL370 | 64,485,918 | 53,503,046 | 57,204,028 | 42,214,506 |
| Financial Services - CIP Budget Control Level | SCL550 | 2,407,725 | 8,612,388 | 15,920,063 | 5,848,245 |
| Power Supply & Environmental Affairs - CIP Budget Control Level | SCL250 | 50,433,776 | 72,923,920 | 63,417,769 | 63,588,127 |
| Transmission and Distribution - CIP Budget Control Level | SCL360 | 52,175,806 | 66,042,527 | 83,447,858 | 89,135,813 |
| General Expense | | | | | |
| Debt Service Budget Control Level | SCL810 | 176,240,516 | 179,667,546 | 196,466,429 | 192,033,882 |
| General Expenses Budget Control Level | SCL800 | 77,913,188 | 86,752,636 | 87,109,392 | 88,093,983 |
| Taxes Budget Control Level | SCL820 | 75,938,084 | 81,554,950 | 86,159,048 | 87,435,816 |
| Operations and Maintenance | | | | | |
| Compliance and Security Budget Control Level | SCL900 | 2,891,938 | 3,163,331 | 3,442,861 | 3,414,126 |
| Conservation Resources and Environmental Affairs O&M Budget Control Level | SCL220 | 38,752,439 | 59,893,973 | 61,573,633 | 61,414,392 |
| Customer Services Budget Control Level | SCL320 | 25,305,390 | 27,635,692 | 28,307,173 | 28,010,478 |
| Distribution Services Budget Control Level | SCL310 | 67,941,292 | 73,787,206 | 73,941,794 | 74,119,488 |
| Financial Services - O&M Budget Control Level | SCL500 | 29,109,187 | 36,023,479 | 36,575,868 | 36,700,560 |
| Human Resources Budget Control Level | SCL400 | 5,316,741 | 9,380,049 | 9,137,512 | 9,043,467 |
| Office of Superintendent Budget Control Level | SCL100 | 3,085,638 | 3,121,630 | 3,198,260 | 3,161,304 |
| Power Supply O&M Budget Control Level | SCL210 | 43,671,627 | 50,892,548 | 51,451,103 | 50,843,631 |
| Power Purchase | | | | | |
| Long-Term Purchased Power Budget Control Level | SCL720 | 287,471,458 | 277,322,789 | 287,056,886 | 287,056,886 |
| Short-Term Purchased Power Budget Control Level | SCL710 | 0 | 52,002,066 | 55,573,482 | 55,573,482 |
| Department Total | | 1,003,140,722 | 1,142,279,777 | 1,199,983,160 | 1,177,688,187 |

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Department Full-time Equivalents Total* **1,810.75** **1,830.25** **1,830.25** **1,835.25**

** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2014 Estimated Revenues

| Summit Code | Source | 2012 Actuals | 2013 Adopted | 2014 Endorsed | 2014 Adopted |
|-------------|--|-------------------|-------------------|-------------------|--------------------|
| 431010 | Operating Grants | 2,837,911 | 0 | 0 | 1,000,000 |
| 431200 | BPA Conservation & Renewables Credit | 0 | 0 | 0 | 0 |
| 431200 | BPA Payments for Conservation Deferred | 7,477,027 | 5,355,575 | 0 | 4,814,404 |
| 443250 | Other O&M Revenue | 8,745,990 | 5,631,984 | 5,766,516 | 8,391,597 |
| 443250 | Revenue From Damage | 1,190,778 | 1,635,031 | 1,676,279 | 1,153,845 |
| 443345 | BPA Credit for South Fork Tolt | 3,331,693 | 3,337,901 | 3,231,468 | 3,412,748 |
| 443380 | Account Change Fees | 1,243,490 | 1,529,349 | 1,567,582 | 1,254,456 |
| 443380 | Construction & Miscellaneous Charges | 1,494 | 1,188,857 | 1,217,324 | 1,000 |
| 443380 | Late Payment Fees | 4,409,429 | 3,883,873 | 3,976,647 | 5,261,013 |
| 443380 | Pole Attachments | 2,223,709 | 2,122,979 | 2,176,537 | 5,955,867 |
| 443380 | Property Rentals | 2,548,272 | 1,351,676 | 1,383,964 | 2,521,144 |
| 443380 | Reconnect Charges | 1,134,127 | 260,278 | 266,496 | 1,000,000 |
| 443380 | Transmission Attach. & Cell Sites | 1,285,771 | 2,815,610 | 2,886,642 | 1,549,740 |
| 443380 | Water Heater & Miscellaneous Rentals | 159,690 | 196,659 | 201,356 | 150,000 |
| 461100 | Federal Subsidies of Interest Payments on Debt | 4,619,321 | 5,443,191 | 5,443,191 | 5,165,588 |
| 461100 | Interest Earnings | 4,390,411 | 7,627,766 | 9,214,952 | 5,497,640 |
| 461100 | Sale of Property, Material & Equip. | 173,220 | 1,100,983 | 1,127,594 | 19,127,594 |
| 462900 | North Mountain Substation (Snohomish PUD) | 229,987 | 397,226 | 403,206 | 401,544 |
| 462900 | Transmission Sales | 5,409,760 | 4,020,000 | 4,020,000 | 5,420,004 |
| 469990 | Conservation - Customer Payments | 0 | 0 | 0 | 0 |
| 473010 | Capital Fees and Grants | 434,498 | 107,654 | 109,887 | 109,887 |
| 482000 | Contributions in Aid of Construction | 21,591,041 | 21,057,333 | 23,285,408 | 18,192,404 |
| 482000 | Suburban Undergrounding | 543,068 | 1,138,795 | 1,250,498 | 831,105 |
| 541830 | DOIT Rebate for Data Center | 0 | 0 | 0 | 501,011 |
| 541830 | Reimbursement for CCSS - CIP | 0 | 0 | 0 | 7,217,500 |
| 541830 | Reimbursement for CCSS - O&M | 915,121 | 552,802 | 528,740 | 2,293,380 |
| | Total Other | 74,895,808 | 70,755,521 | 69,734,286 | 101,223,471 |

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| | | | | | |
|--------|--|----------------------|----------------------|----------------------|----------------------|
| 443310 | Energy Sales to Customers | 663,864,348 | 700,295,952 | 744,531,645 | 753,904,086 |
| 443310 | Out of System Sales | 0 | 0 | 0 | 0 |
| 443310 | Retail Energy Revenue from Current Diversion, Un-Permitted House Rewires and No Longer Allowing Flat-Rate Billings | 0 | 2,156,369 | 2,210,769 | 0 |
| 443310 | Seattle Green Power/GreenUp/Community Solar | 1,265,754 | 2,801,449 | 2,863,034 | 2,863,034 |
| | Total Retail Revenue | 665,130,101 | 705,253,770 | 749,605,448 | 756,767,120 |
| 443310 | Sales from Priest Rapids | 4,539,184 | 4,400,000 | 4,800,000 | 5,151,204 |
| 443345 | Article 49 Sale to Pend Oreille Country | 1,766,241 | 1,799,799 | 1,842,094 | 1,808,988 |
| 443345 | Basis Sales | 2,610,578 | 0 | 0 | 3,000,000 |
| 443345 | Other Power Related Services | 2,031,098 | 7,000,000 | 6,559,992 | 3,615,804 |
| 443345 | Surplus Energy Sales | 86,728,165 | 174,951,102 | 185,049,536 | 185,049,536 |
| | Total Wholesale Sales | 97,675,266 | 188,150,901 | 198,251,622 | 198,625,532 |
| | Total Revenues | 837,701,176 | 964,160,192 | 1,017,591,356 | 1,056,616,122 |
| 379100 | Use of (Contribution to) Fund Balance due to GSF St Lighting Payments | 0 | 0 | 0 | 0 |
| | Total Other | 0 | 0 | 0 | 0 |
| | Use of Working Capital | 297,901,741 | 178,119,585 | 182,391,804 | 121,072,065 |
| | Total Transfers | 297,901,741 | 178,119,585 | 182,391,804 | 121,072,065 |
| | Total Resources | 1,135,602,917 | 1,142,279,777 | 1,199,983,160 | 1,177,688,187 |

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Appropriations By Budget Control Level (BCL) and Program

Customer Focused - CIP Budget Control Level

The purpose of the Customer Focused - CIP Budget Control Level is to provide for the capital costs of customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Customer Focused - CIP | 64,485,918 | 53,503,046 | 57,204,028 | 42,214,506 |
| Total | 64,485,918 | 53,503,046 | 57,204,028 | 42,214,506 |
| Full-time Equivalents Total* | 132.32 | 132.32 | 132.32 | 132.32 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Financial Services - CIP Budget Control Level

The purpose of the Financial Services - CIP Budget Control Level is to provide for the capital costs of rehabilitation and replacement of the Utility's financial systems and information technology infrastructure, and the development and implementation of large software applications. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|------------------|------------------|-------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Financial Services - CIP | 2,407,725 | 8,612,388 | 15,920,063 | 5,848,245 |
| Total | 2,407,725 | 8,612,388 | 15,920,063 | 5,848,245 |
| Full-time Equivalents Total* | 6.71 | 8.71 | 8.71 | 8.71 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Power Supply & Environmental Affairs - CIP Budget Control Level

The purpose of the Power Supply & Environmental Affairs - CIP Budget Control Level is to provide for the capital costs of maintaining the physical generating plant and associated power license and regulatory requirements. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

| | 2012 | 2013 | 2014 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Power Supply & Environmental Affairs - CIP | 50,433,776 | 72,923,920 | 63,417,769 | 63,588,127 |
| Total | 50,433,776 | 72,923,920 | 63,417,769 | 63,588,127 |
| Full-time Equivalents Total* | 73.26 | 73.26 | 73.26 | 73.26 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Transmission and Distribution - CIP Budget Control Level

The purpose of the Transmission and Distribution - CIP Budget Control Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the Utility's transmission and distribution systems. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

| | 2012 | 2013 | 2014 | 2014 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Transmission and Distribution - CIP | 52,175,806 | 66,042,527 | 83,447,858 | 89,135,813 |
| Total | 52,175,806 | 66,042,527 | 83,447,858 | 89,135,813 |
| Full-time Equivalents Total* | 156.06 | 156.06 | 156.06 | 156.06 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Debt Service Budget Control Level

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.

| | 2012 | 2013 | 2014 | 2014 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Debt Service - BCL | 176,240,516 | 179,667,546 | 196,466,429 | 192,033,882 |
| Total | 176,240,516 | 179,667,546 | 196,466,429 | 192,033,882 |

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General Expenses Budget Control Level

The purpose of the General Expenses Budget Control Level is to provide for the general expenses of the Utility that, for the most part, are not directly attributable to a specific organizational unit. These expenditures include insurance, bond issue costs, bond maintenance fees, audit costs, Law Department legal fees, external legal fees, employee benefits (medical and retirement costs), industrial insurance costs, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

| | 2012 | 2013 | 2014 | 2014 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| General Expenses | 77,913,188 | 86,752,636 | 87,109,392 | 88,093,983 |
| Total | 77,913,188 | 86,752,636 | 87,109,392 | 88,093,983 |

Taxes Budget Control Level

The purpose of the Taxes Budget Control Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Control Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.

| | 2012 | 2013 | 2014 | 2014 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Taxes | 75,938,084 | 81,554,950 | 86,159,048 | 87,435,816 |
| Total | 75,938,084 | 81,554,950 | 86,159,048 | 87,435,816 |

Compliance and Security Budget Control Level

The purpose of the Compliance and Security Budget Control Level is to monitor compliance with federal electric reliability standards and secure critical utility infrastructure.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Compliance and Security | 2,891,938 | 3,163,331 | 3,442,861 | 3,414,126 |
| Total | 2,891,938 | 3,163,331 | 3,442,861 | 3,414,126 |
| Full-time Equivalents Total* | 14.00 | 16.00 | 16.00 | 16.00 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Conservation Resources and Environmental Affairs O&M Budget Control Level

The purpose of the Conservation Resources and Environmental Affairs O&M Budget Control Level is to design and implement demand-side conservation measures that offset the need for additional generation resources, and to help the utility generate and deliver energy in an environmentally responsible manner. This Budget Control Level also supports the utility's renewable resource development programs.

| | 2012 | 2013 | 2014 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Conservation Resources and Environmental Affairs O&M | 38,752,439 | 59,893,973 | 61,573,633 | 61,414,392 |
| Total | 38,752,439 | 59,893,973 | 61,573,633 | 61,414,392 |
| Full-time Equivalents Total* | 116.50 | 116.50 | 116.50 | 117.50 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Customer Services Budget Control Level

The purpose of the Customer Services Budget Control Level is to provide customer services, including metering, billing, account management, and customer information systems.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Customer Services | 25,305,390 | 27,635,692 | 28,307,173 | 28,010,478 |
| Total | 25,305,390 | 27,635,692 | 28,307,173 | 28,010,478 |
| Full-time Equivalents Total* | 203.75 | 203.75 | 203.75 | 203.75 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Distribution Services Budget Control Level

The purpose of the Distribution Services Budget Control Level is to provide reliable electricity to customers through operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Distribution Services | 67,941,292 | 73,787,206 | 73,941,794 | 74,119,488 |
| Total | 67,941,292 | 73,787,206 | 73,941,794 | 74,119,488 |
| Full-time Equivalents Total* | 575.04 | 578.04 | 578.04 | 584.04 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Financial Services - O&M Budget Control Level

The purpose of the Financial Services - O&M Budget Control Level is to manage the utility's financial health through planning, risk mitigation, and provision of information to make financial decisions. Information technology services are also provided through this Budget Control Level to support systems and applications used throughout the utility.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Financial Services - O&M | 29,109,187 | 36,023,479 | 36,575,868 | 36,700,560 |
| Total | 29,109,187 | 36,023,479 | 36,575,868 | 36,700,560 |
| Full-time Equivalents Total* | 186.90 | 191.90 | 191.90 | 191.90 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Human Resources Budget Control Level

The purpose of the Human Resources Budget Control Level is to provide employee and management support services, including safety programs, organizational development, training, personnel, and labor relations.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Human Resources | 5,316,741 | 9,380,049 | 9,137,512 | 9,043,467 |
| Total | 5,316,741 | 9,380,049 | 9,137,512 | 9,043,467 |
| Full-time Equivalents Total* | 54.00 | 57.50 | 57.50 | 56.50 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Office of Superintendent Budget Control Level

The purpose of the Office of the Superintendent Budget Control Level is to provide leadership and broad departmental policy direction to deliver reliable electric power and maintain the financial health of the utility. The utility's communications and governmental affairs functions are included in this Budget Control Level.

| | 2012 | 2013 | 2014 | 2014 |
|------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Adopted |
| Office of Superintendent | 3,085,638 | 3,121,630 | 3,198,260 | 3,161,304 |
| Total | 3,085,638 | 3,121,630 | 3,198,260 | 3,161,304 |
| Full-time Equivalents Total* | 17.75 | 17.75 | 17.75 | 16.75 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Seattle City Light

Power Supply O&M Budget Control Level

The purpose of the Power Supply O&M Budget Control Level is to provide clean, safe, economic, efficient, reliable sources of electric power for City Light customers. This Budget Control Level supports the power generation and power marketing operations of the utility. Utility-wide support services such as shops, real estate, fleet, and facility management services are also included in this Budget Control Level.

| Program Expenditures | 2012 | 2013 | 2014 | 2014 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals | Adopted | Endorsed | Adopted |
| Power Supply O&M | 43,671,627 | 50,892,548 | 51,451,103 | 50,843,631 |
| Total | 43,671,627 | 50,892,548 | 51,451,103 | 50,843,631 |
| Full-time Equivalents Total* | 274.46 | 278.46 | 278.46 | 278.46 |

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Long-Term Purchased Power Budget Control Level

The purpose of the Long-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to meet the Utility's long-term demand for power. This Budget Control Level provides appropriations for planned transactions beyond 24 months in advance.

| Program Expenditures | 2012 | 2013 | 2014 | 2014 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals | Adopted | Endorsed | Adopted |
| Long-Term Purchased Power | 287,471,458 | 277,322,789 | 287,056,886 | 287,056,886 |
| Total | 287,471,458 | 277,322,789 | 287,056,886 | 287,056,886 |

Short-Term Purchased Power Budget Control Level

The purpose of the Short-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to manage the Utility's short-term demand given the variability of hydroelectric power. This Budget Control Level provides appropriations for planned transactions of up to 24 months in advance.

| Program Expenditures | 2012 | 2013 | 2014 | 2014 |
|-----------------------------|----------------|-------------------|-------------------|-------------------|
| | Actuals | Adopted | Endorsed | Adopted |
| Short-Term Purchased Power | 0 | 52,002,066 | 55,573,482 | 55,573,482 |
| Total | 0 | 52,002,066 | 55,573,482 | 55,573,482 |

Seattle City Light

City Light Fund Table

City Light Fund

| | 2012 Actuals | 2013 Adopted | 2013 Revised | 2014 Endorsed | 2014 Adopted |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Beginning Fund Balance | 374,598,260 | 306,743,928 | 432,001,461 | 331,189,103 | 363,722,256 |
| Accounting and Technical Adjustments | 222,842,748 | 202,564,759 | 201,134,363 | 149,960,721 | 105,920,594 |
| Plus: Actual and Estimated Revenues | 837,701,175 | 964,160,192 | 872,506,047 | 1,017,591,356 | 1,056,616,120 |
| Less: Actual and Budgeted Expenditures | 1,003,140,722 | 1,142,279,777 | 1,141,919,615 | 1,199,983,160 | 1,177,688,187 |
| Ending Fund Balance | 432,001,461 | 331,189,103 | 363,722,256 | 298,758,019 | 348,570,783 |
| Construction Account | 106,060,842 | 38,710,267 | 19,103,023 | - | - |
| Contingency/RSA* | 128,271,427 | 114,993,726 | 92,993,726 | 116,975,855 | 93,867,867 |
| Restricted Accounts** | 41,364,448 | 73,733,402 | 56,878,134 | 94,308,936 | 80,043,791 |
| Total Reserves | 275,696,717 | 227,437,395 | 168,974,883 | 211,284,791 | 173,911,658 |
| Ending Unreserved Fund Balance*** | 156,304,745 | 103,751,708 | 194,747,373 | 87,473,228 | 174,659,125 |

*The fund table reflects Council's action to transfer up to \$22 million into the Rate Stabilization Account (RSA) in 2012 as part of 2013 Adopted Budget legislation (Ordinance 124059). The fund table assumes that Net Wholesale Revenue will meet the targets in future years, that no transfers will be made between the RSA and Operating Cash and that no RSA Surcharges will occur. Actual performance will depend on the water availability, wholesale energy prices, and other factors. The slight increase in RSA balance from year to year reflects interest earned on cash and short-term investments held in the account. Net Wholesale Revenue targets are established by City Light's Strategic Plan.

**Includes Special Deposits, Debt Service Account, and Bond Reserves. Does not include the Construction Account.

***Includes All City Light Cash other than Special Deposits, Debt Service Account, and Bond Reserve.