



INFORMATIONAL MEMORANDUM

TO: Transportation and Infrastructure Services Committee
FROM: Hari Ponnekanti, Public Works Director/ City Engineer
BY: Seong Kim, Utilities Manager/Assistant City Engineer
CC: Mayor Allan Ekberg
DATE: April 29, 2022
SUBJECT: Seattle City Light Franchise Agreement

ISSUE

Provide the Council with a general overview and status of the Seattle City Light (SCL) Franchise Agreement.

BACKGROUND

Utility franchises consist of agreements (Franchise Agreements) between the City and utility providers, which allow utilities to use City streets and rights-of-way for the purposes of construction, operation, and maintenance of utility corridors. The franchises also ensure that the use of public rights-of-way are protected and managed, that customer service on behalf of the utility provider is maintained, and that any allowable financial compensation relating to the utility provider's use of the public rights-of-way is received, among other considerations. It is important to note that SCL provides approximately the north portion of the City's power, and that Puget Sound Energy provides the City's southern portion.

Tukwila has operated under a franchise agreement with SCL since 1958 and is continuing to operate by mutual agreement under the existing franchise agreement, which expired in February 2018. SCL continues to pay the City 6% of the total revenue received from Tukwila customers per the terms of the agreement. Last year, the City received approximately \$2 million in revenue from SCL.

DISCUSSION

SCL provided Tukwila with their desired template for the new Franchise Agreement in 2021. The SCL template is apparently what many area cities have based their current agreements on, and SCL understandably would prefer to keep identical or substantially similar agreements for all of their franchise cities. However, after staff review, the SCL template language strongly favored the utility provider over Tukwila. Staff has revised the current draft to better align with the City's priorities and provide a more balanced agreement between the two agencies. Public Works staff is working as a team with the Department of Community Development, Finance and Legal staff on the terms and conditions of the new agreement. We will begin negotiation with SCL on the draft agreement in the near future.

FINANCIAL IMPACT

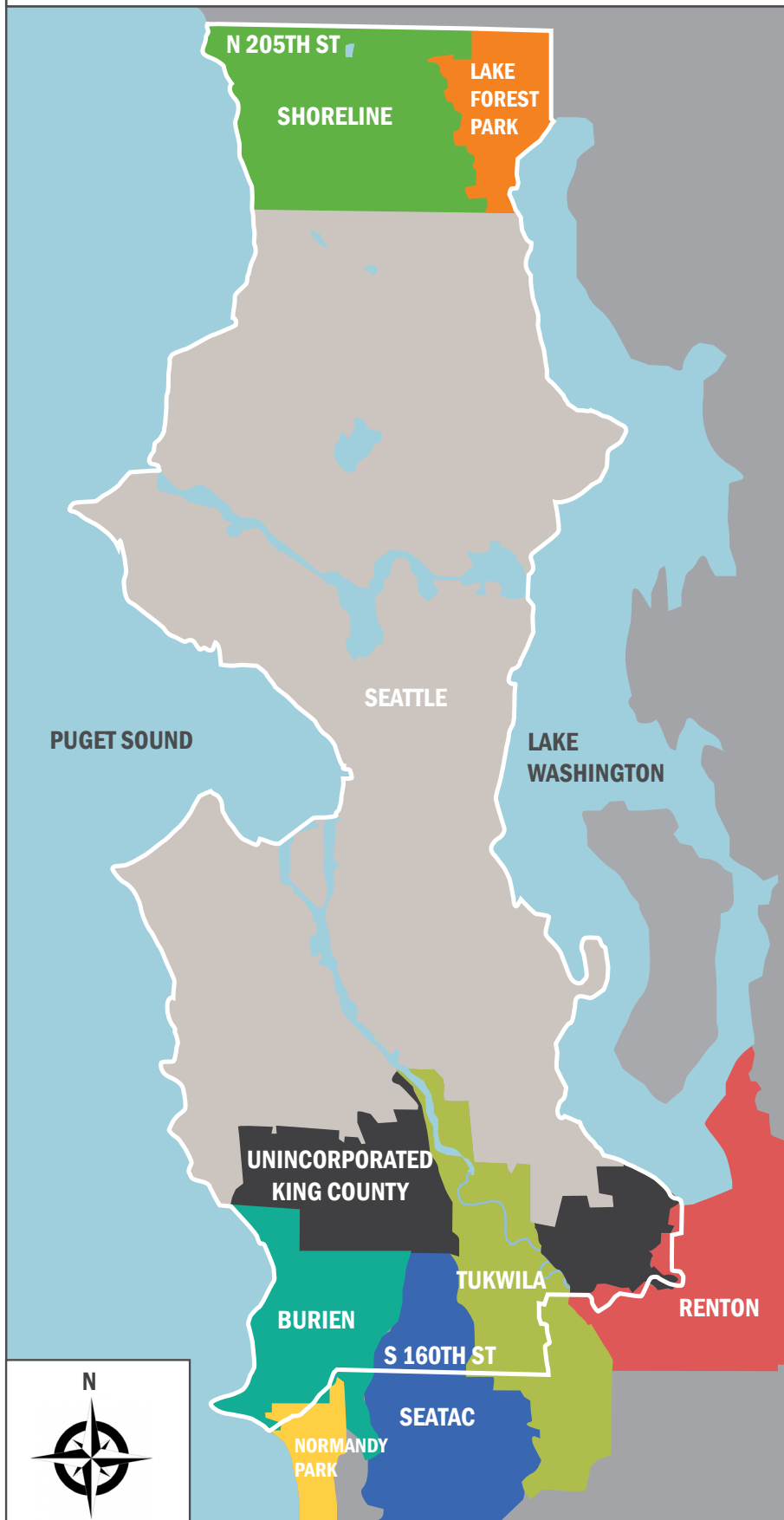
No financial impact.

RECOMMENDATION

Discussion only.

Attachment: SCL Franchise Area

Seattle City Light Service Area



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