



Seattle City Light

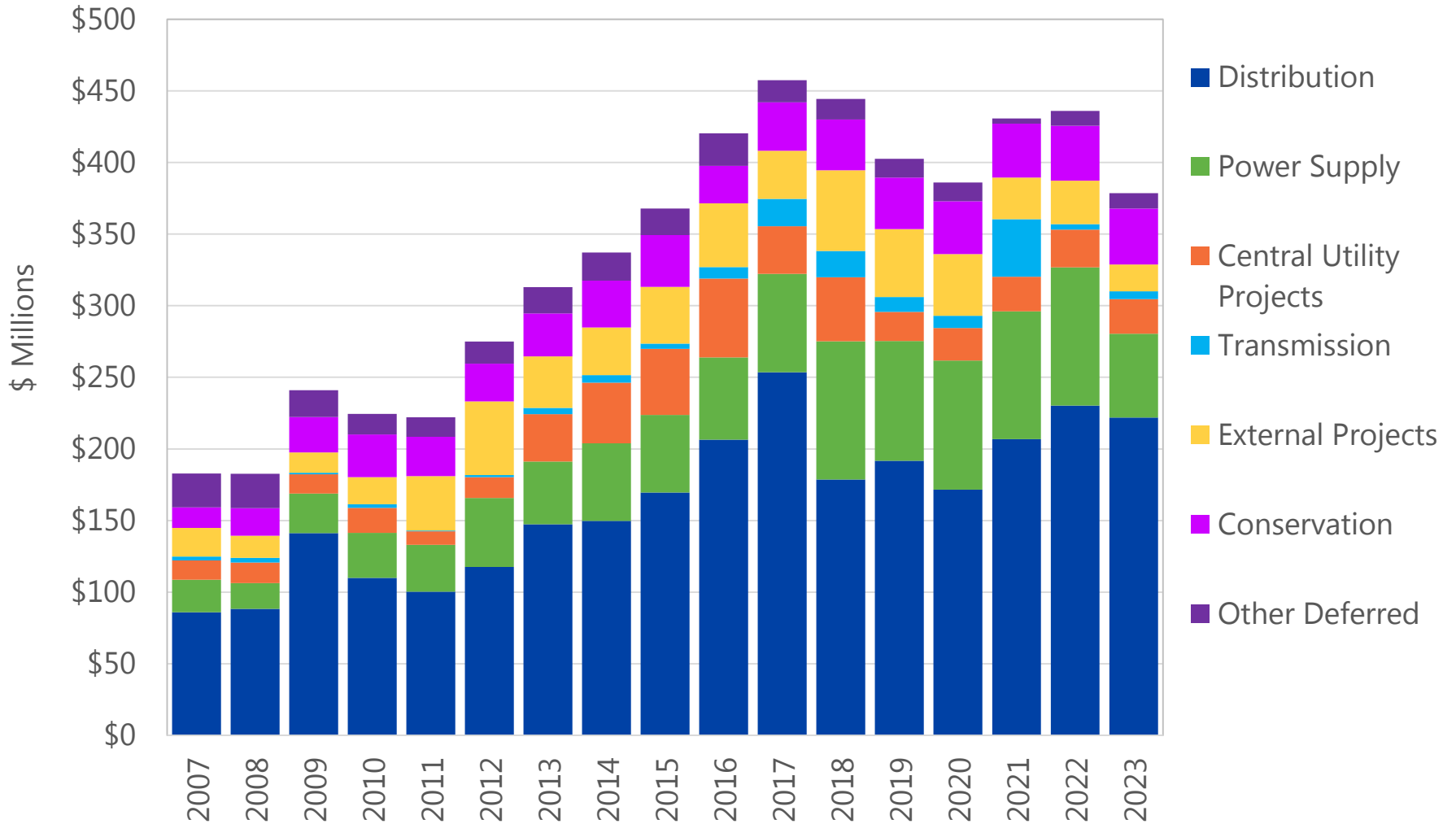
FINANCE & DEBT MANAGEMENT

Overview for Review Panel

Kirsty Grainger | April 2019



CAPITAL (CIP) SPENDING



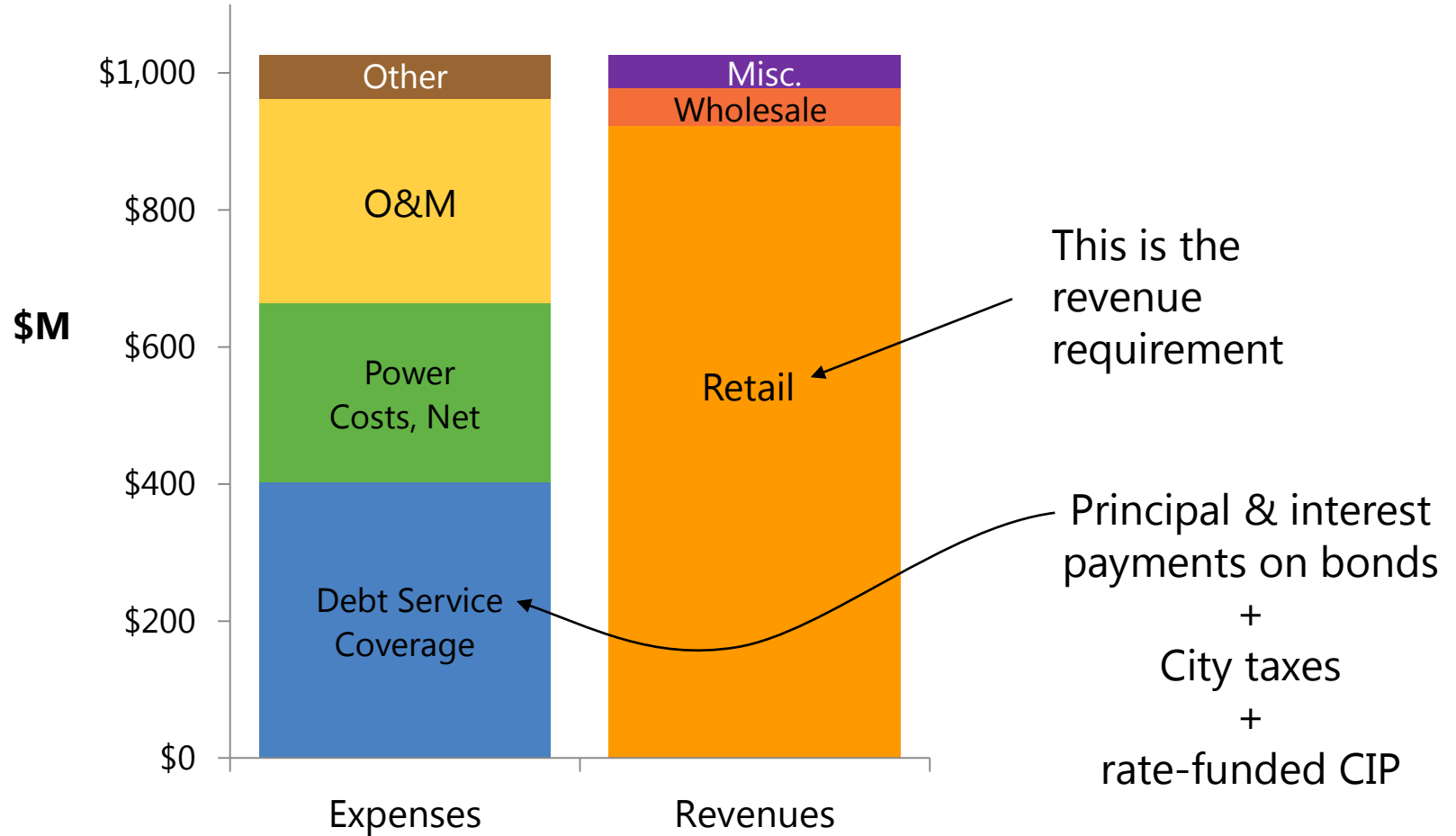
FINANCIAL POLICIES

- Financial policies are rules that guide financial decision making.
 - Set by City Council Resolution.
 - Current policies established in 2010.
- Two main financial policy targets:

Debt service coverage of 1.8x
Cash financing 40% of 6-year CIP

- Financial policies indirectly drive bond issues and rate increases.

COST & REVENUE BALANCE

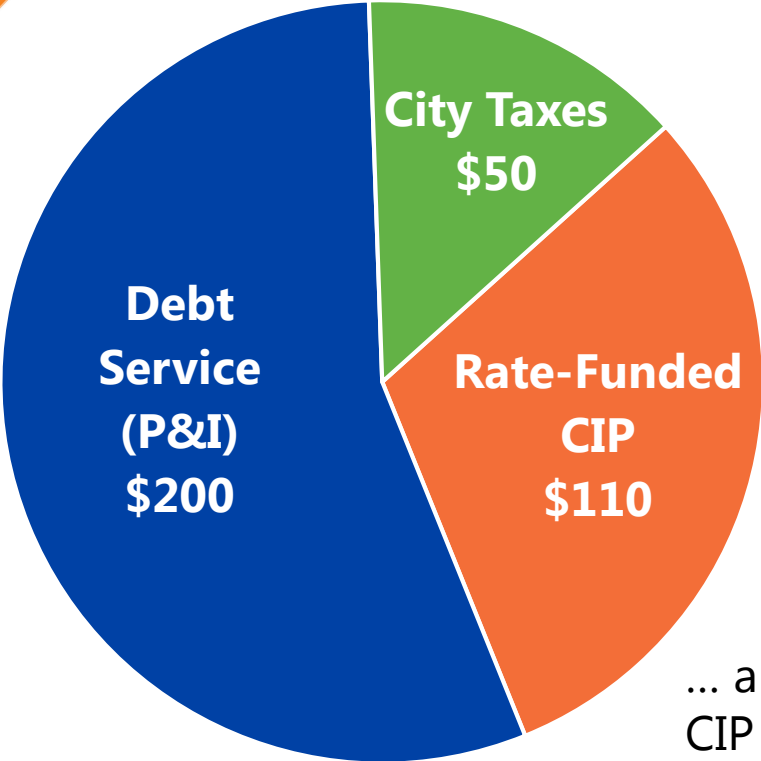


DEBT SERVICE COVERAGE: 1.8X

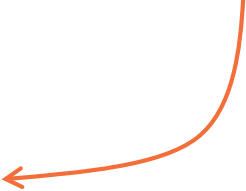
Debt Service
\$200



Collect \$360 in Revenue



Debt service coverage policy indirectly determines how much CIP gets cash funded



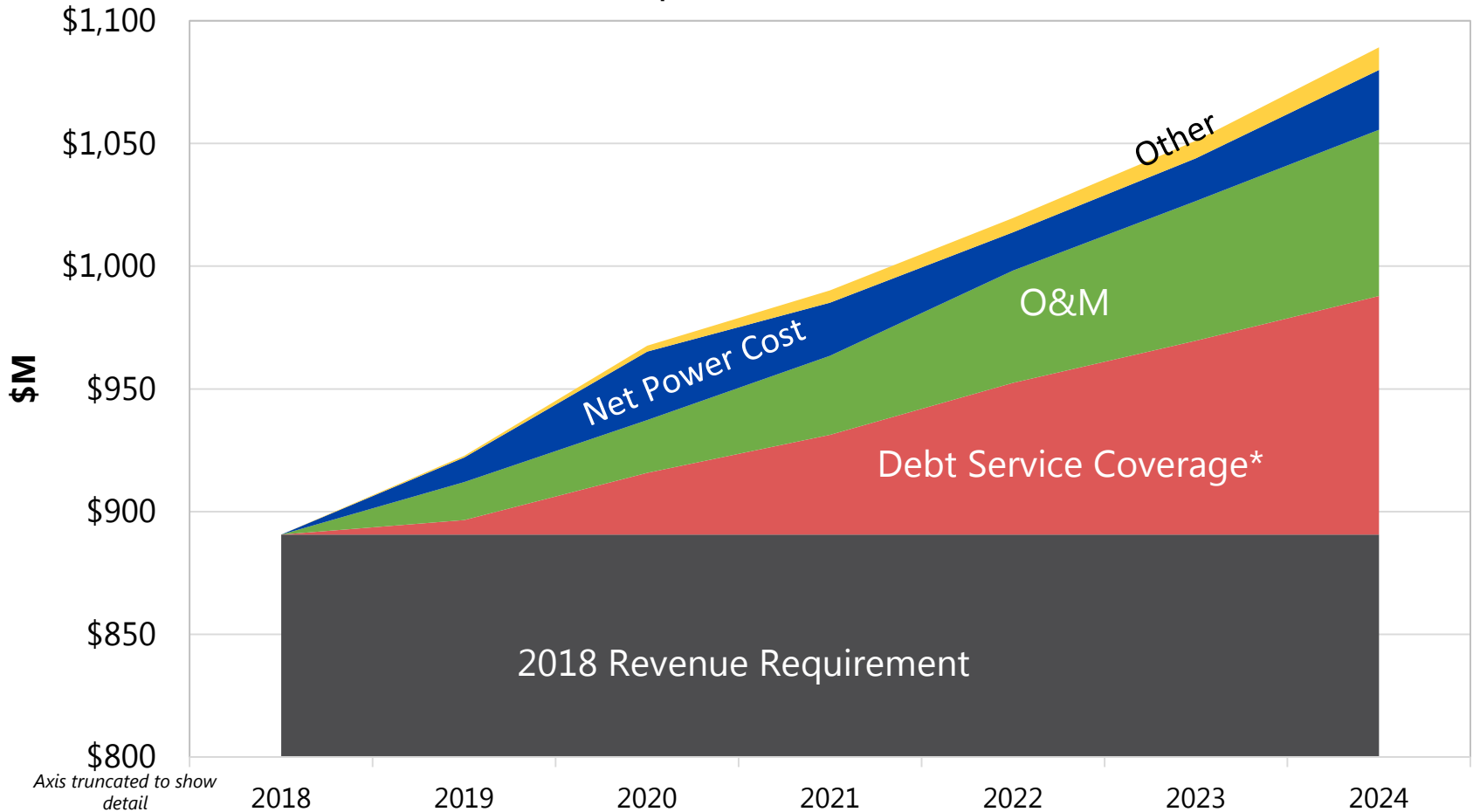
... and then the rest of the CIP gets funded with new bonds, and P&I bond payments get rolled into next year's debt service

CASH FUNDING OF CAPITAL EXPENSES (CIP)

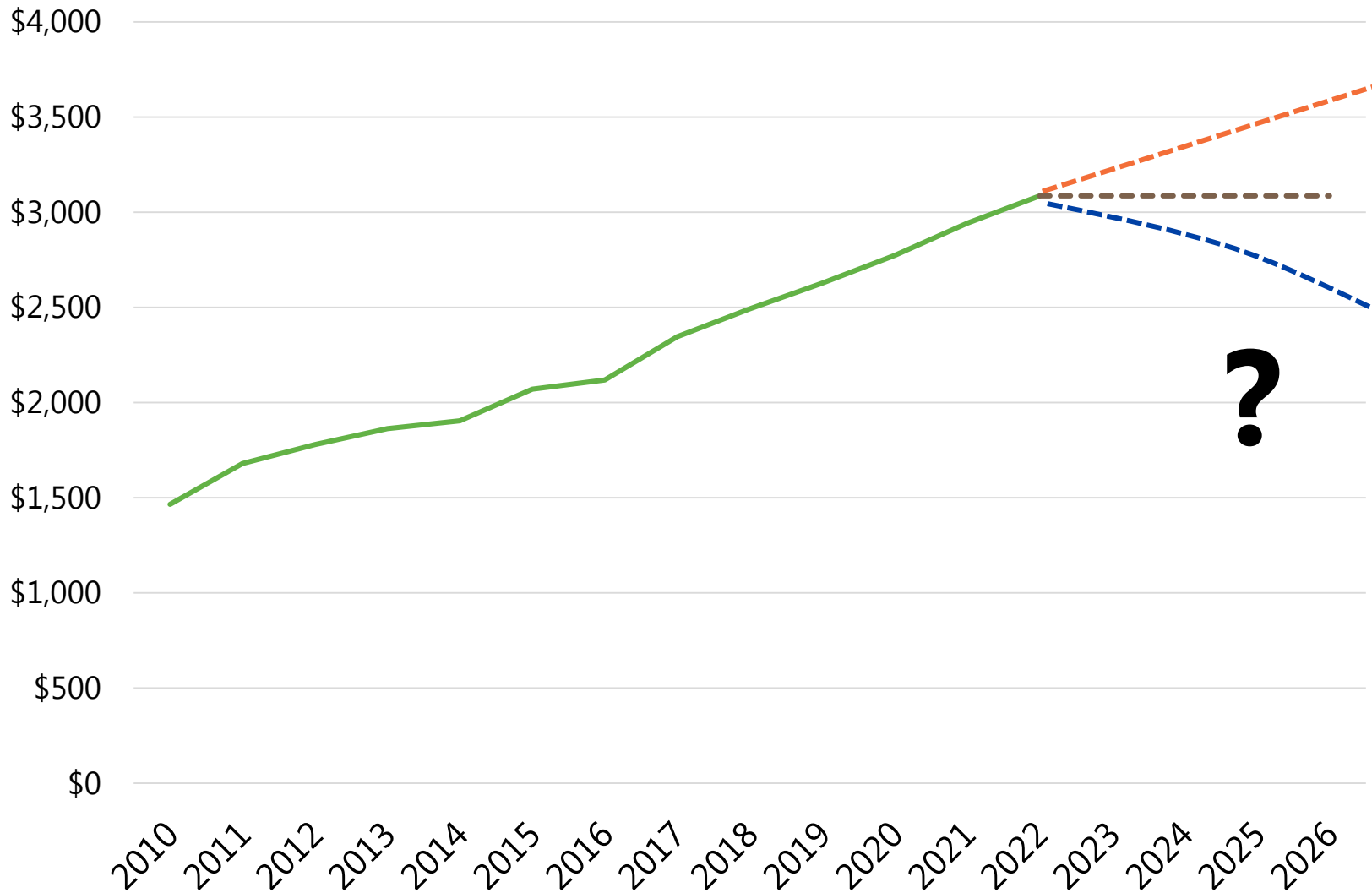


CAPITAL SPENDING IS A MAJOR DRIVER OF RATE INCREASES

Revenue Requirement Increase Drivers



DEBT OUTSTANDING (\$M)





Seattle City Light

Seattle City Light is dedicated to delivering customers affordable, reliable, and environmentally responsible electricity services



Seattle City Light