

Serving our customers

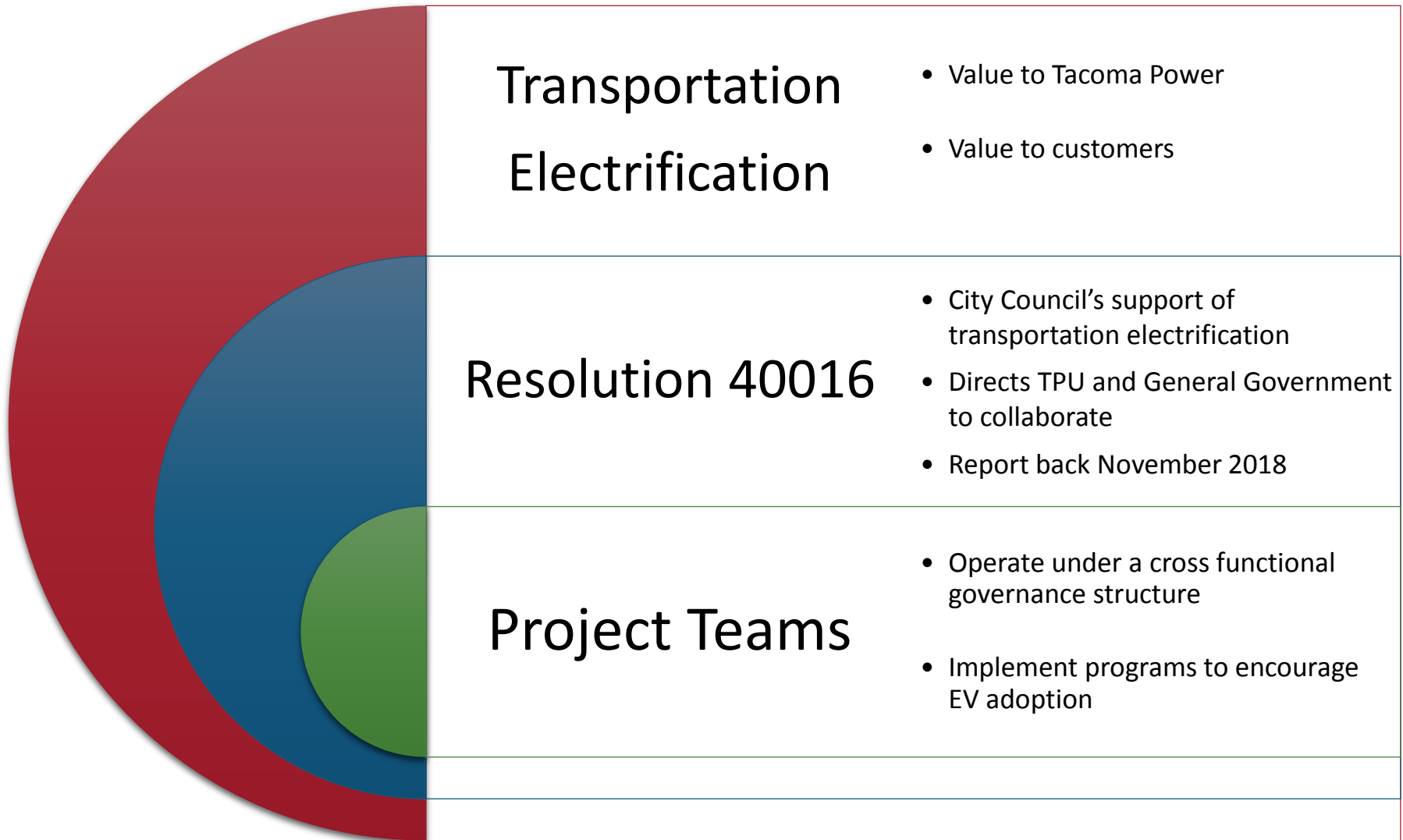


Transportation Electrification

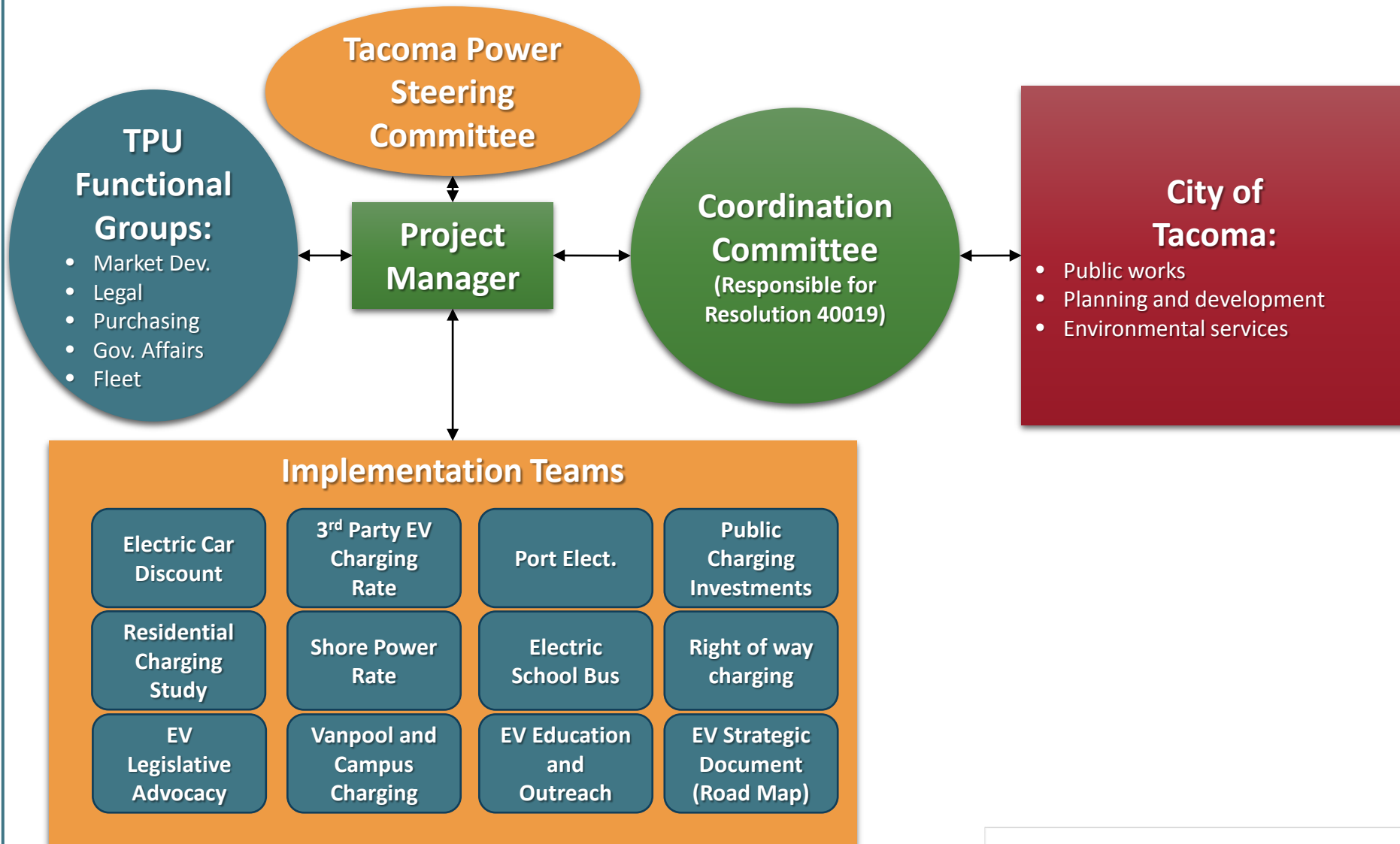
2018 Update

TACOMA  POWER
TACOMA PUBLIC UTILITIES

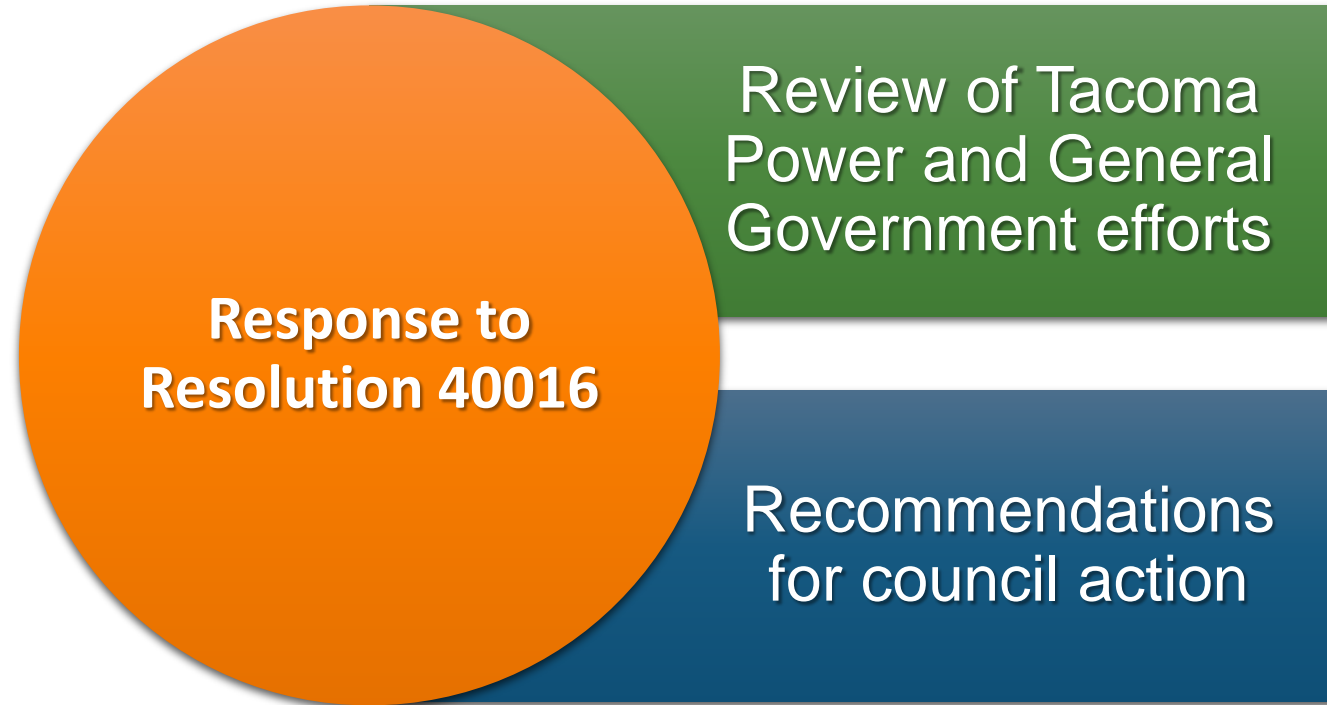
Project overview



The transportation electrification cross functional team



Responding to the City Council



Three recommendations to IPS



Education and outreach

- **Hosted three electric vehicle Ride and Drive events**
 - About 550 people attended
 - 130 test drives at each event
- **Hosted five “EV 101” education events**
 - Partnership with the City
- **TPU web page dedicated to education and outreach**

Programs for customers

- **Residential EV charging study**
 - Learn about charging behavior
 - Target 100 participants
- **Electric car discount program**
 - Dealerships provide discounts
 - City/TPU provide marketing and outreach
- **3rd Party EV fast charging rate**
 - Recovery of costs in two part rate
 - Encourages investment

Grants and opportunities

- **Electric vehicle supply equipment investment**
 - Electrify America, WSDOT, Dept. of Commerce
- **Volkswagen Settlement Trust**
 - Shore power infrastructure
 - Electric school buses
- **Internal TPU efforts**
 - Electric vanpool partnership with Pierce Transit
 - Expand TPU campus charging

Next steps



Present
progress to
IPS

November



DC Fast
charging
Rate

Early 2019



Residential
charging
study



EV Strategic
Plan

Serving our customers



Thank you

TACOMA  POWER
TACOMA PUBLIC UTILITIES



Tacoma Public Utilities 2018 Residential Customer Satisfaction Survey

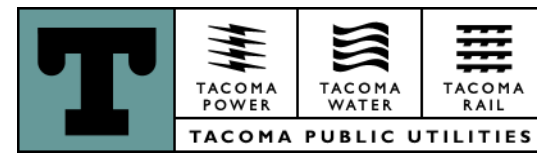
Fall 2018

ISO 20252 Certified



MARKETSTRATEGIES
INTERNATIONAL

Research Objectives



Tacoma Public Utilities established the annual Customer Satisfaction tracking research program in 2014 among Residential customers in order to:

- Develop a method for assessing customer satisfaction and customer evaluations of the performance of the company to determine priorities for organization actions and investments in operations, training, communications, and product and service offerings.
- Provide actionable guidance to help the organization plan programs and initiatives that will be effective in strengthening customer relationships
- Give TPU employees, leadership, and policy makers easy access to specific, direct feedback that can be used to identify customer preferences and concerns, plan responses, and monitor performance and progress over time.

Methodology

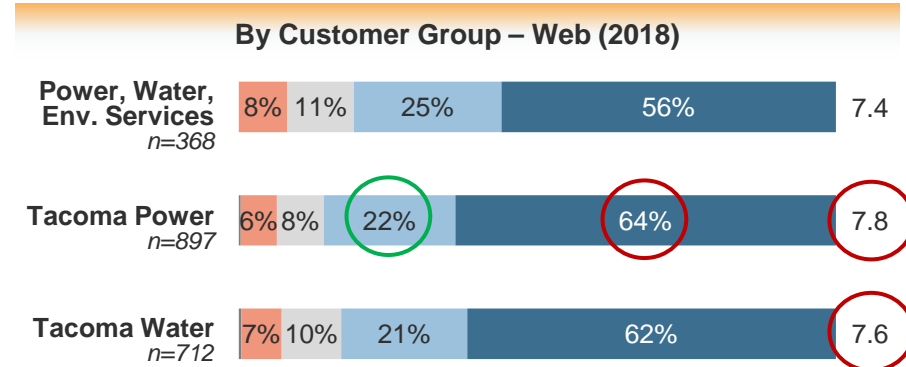
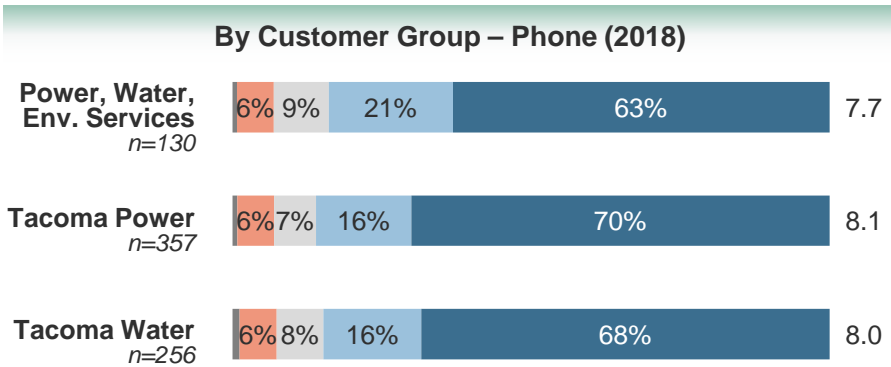
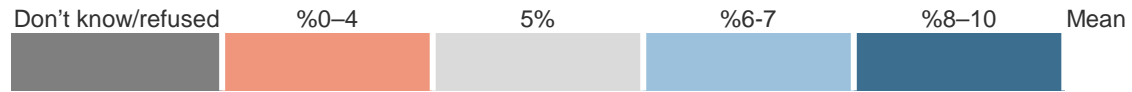
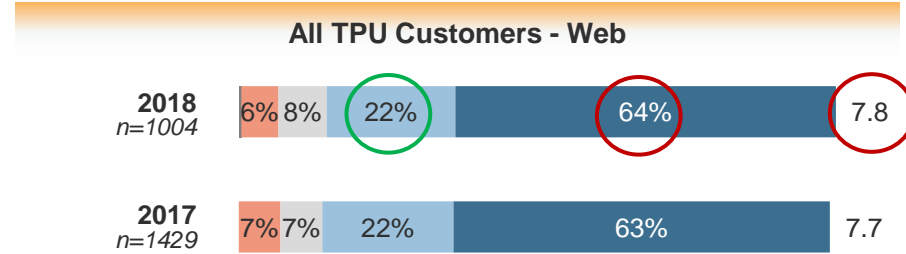
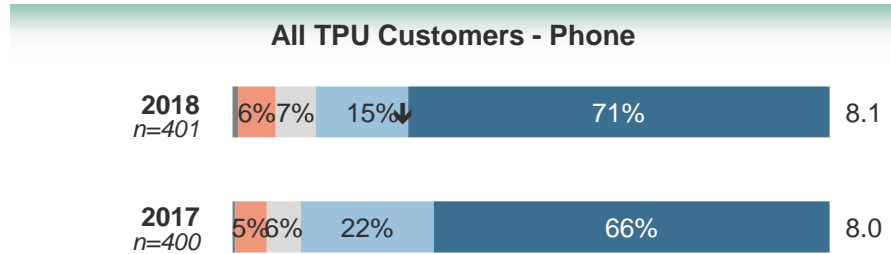


- Data was collected via both telephone interviews and self-administered web surveys among Tacoma Public Utilities' Residential customers. The phone survey was conducted from July 23rd to August 4th, and the web survey was conducted concurrently from July 24th to August 5th, 2018. Customer lists provided by Tacoma Public Utilities were used for both the phone and web surveys.
- A total of 401 telephone interviews and 1,004 web surveys were conducted across five customer types. The telephone quotas were set in proportion to their distribution in the TPU residential customer population while the online interviews were weighted to match this distribution:

	Counts		
	Phone	Web	Weighted Web
Power, Water, and Environmental Services	130	368	322
Power only single-family	92	230	228
Power only multi-family	101	198	248
Water only	44	107	118
Power and Water only	34	101	88

- In proportion to the primary contact phone number type (landline or mobile) provided to TPU by Residential customers, 29% of phone respondents were contacted via their landline phone, and 71% were contacted via their mobile phone.
- Tacoma Public Utilities was identified as the study sponsor.
- Residential customers were screened and qualified based on the following criteria:
 - Head or co-head of household who is familiar with their TPU services
 - Adult, 18 years of age and older.
- The sampling error for 401 telephone interviews is +/-4.9% at the 95% confidence level.
- The sampling error for 1,004 online interviews is +/-3.1% at the 95% confidence level.

Overall Satisfaction: Tacoma Public Utilities



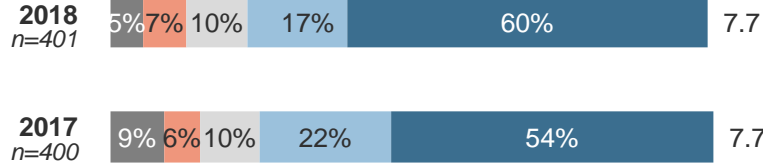
Q2. Overall, how satisfied or dissatisfied are you with Tacoma Public Utilities as a provider of services in your area in general, and not necessarily just those of which you are a current customer or user?

↑↓ Indicate significant differences between the current wave and previous waves. ○ / ○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results. ⁴

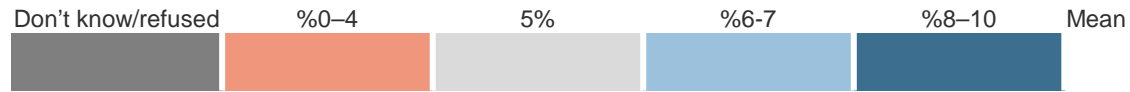
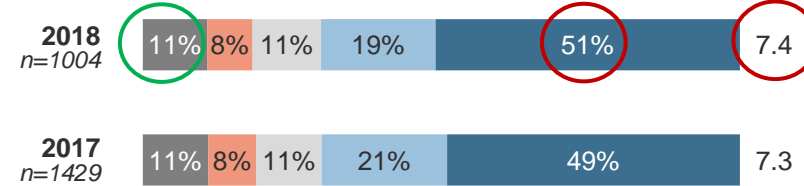
Being well managed



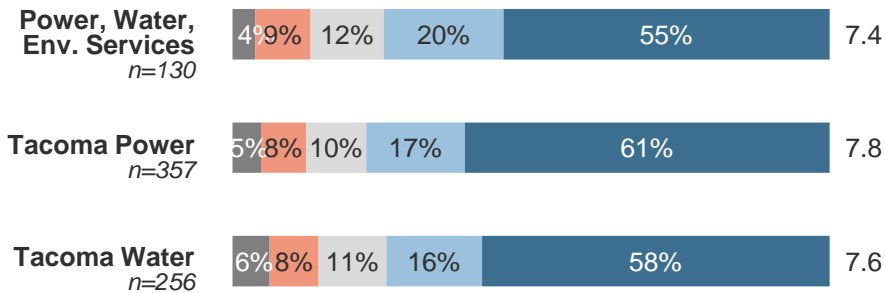
All TPU Customers - Phone



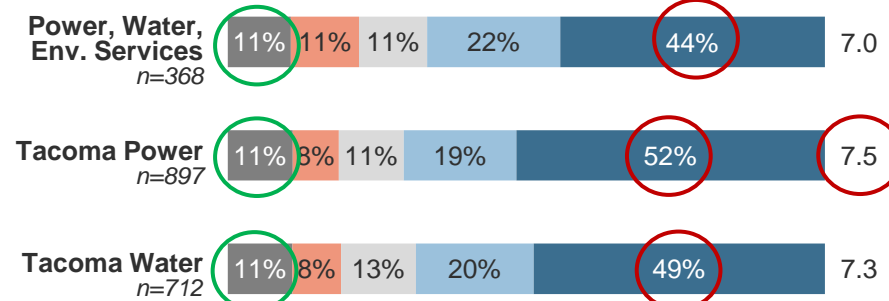
All TPU Customers - Web



By Customer Group – Phone (2018)



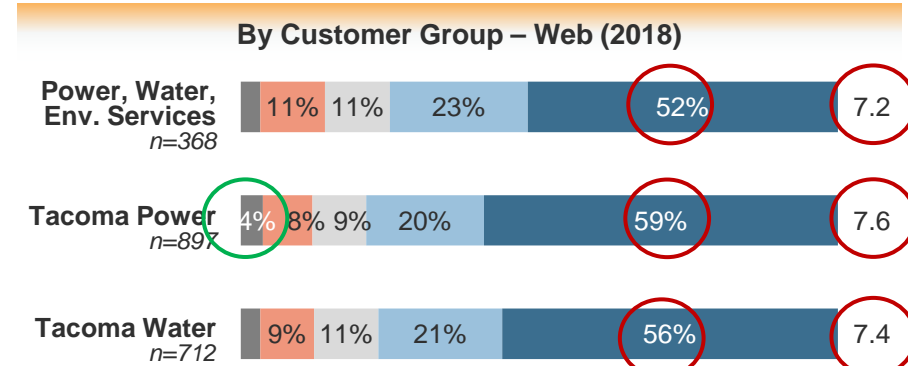
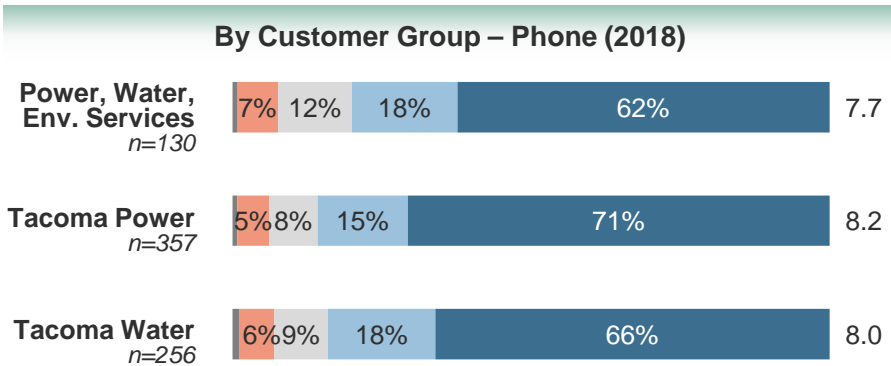
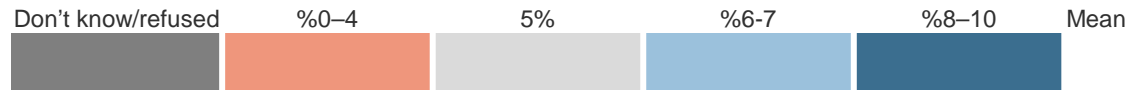
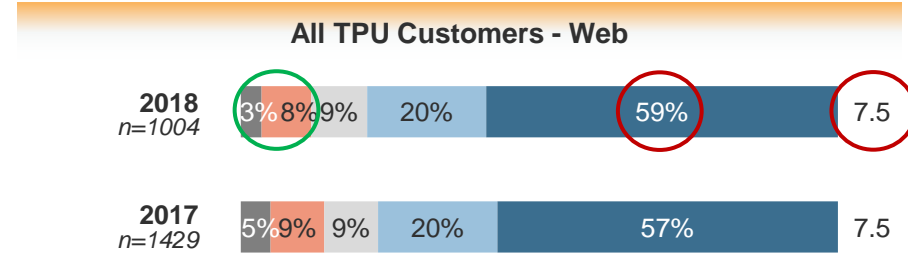
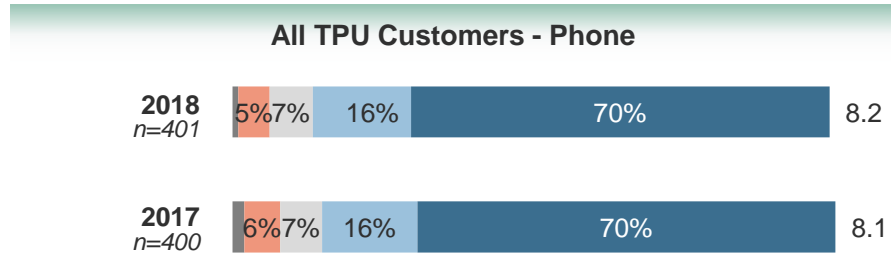
By Customer Group – Web (2018)



How would you rate T-P-U's performance with regard to...?
MANAGE. Being well managed

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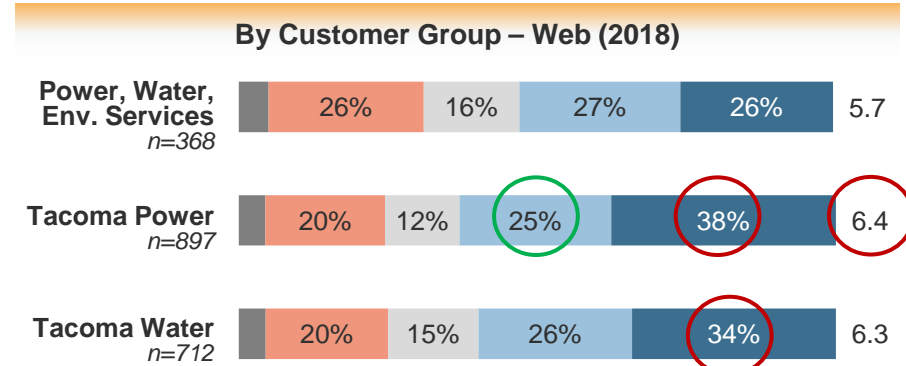
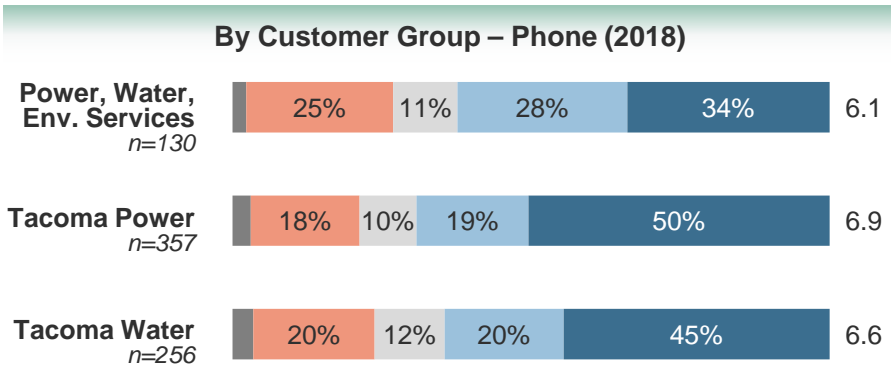
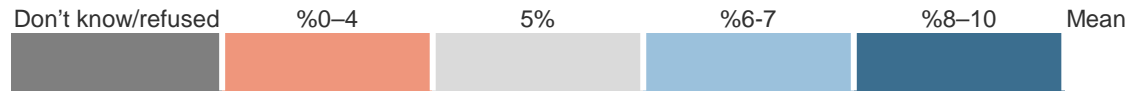
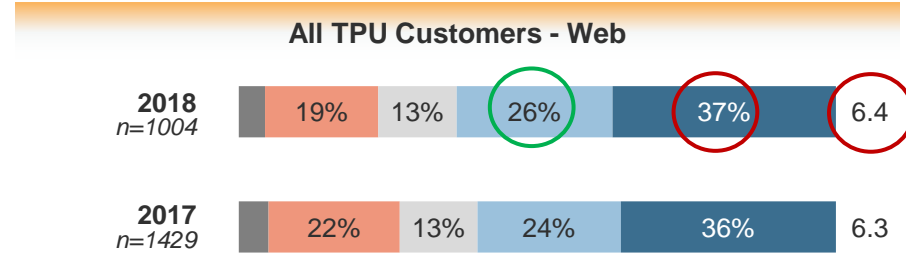
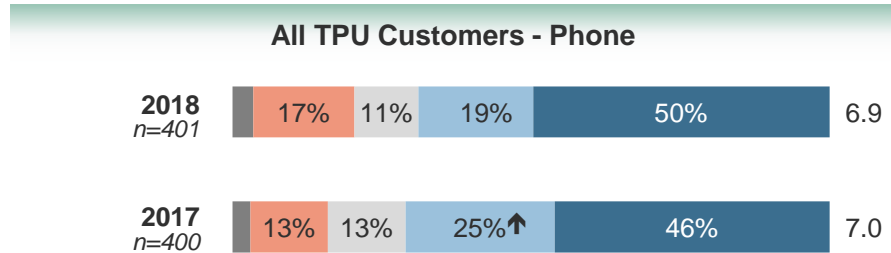
Being a company you can trust



How would you rate T-P-U's performance with regard to...?
TRUST. Being a company you can trust

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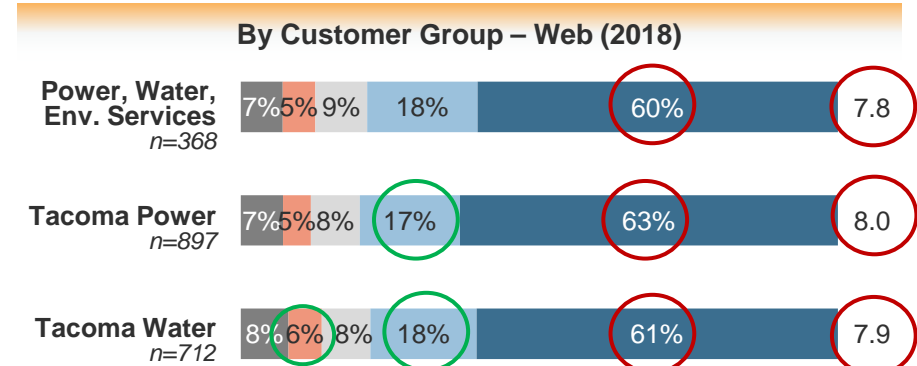
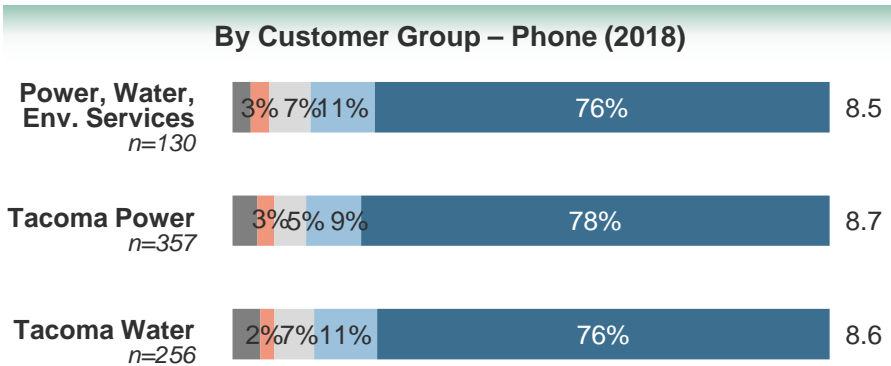
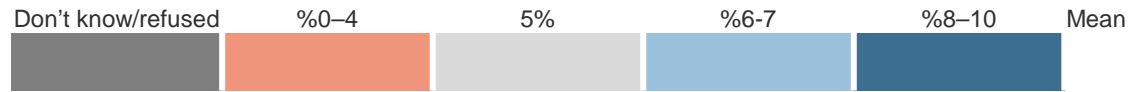
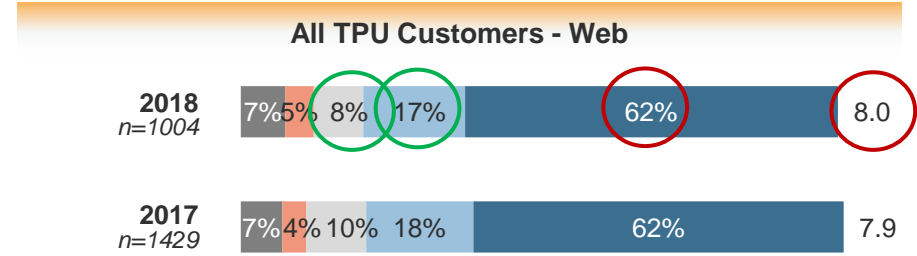
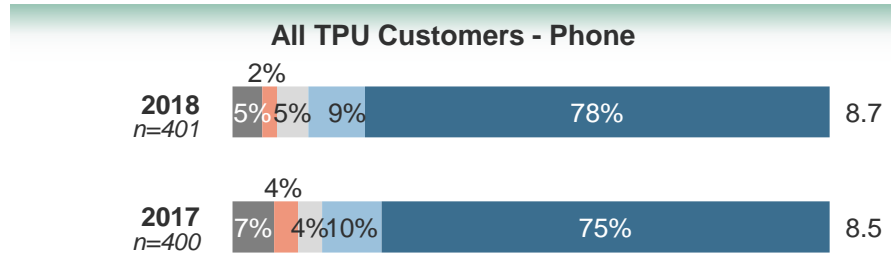
Controlling costs



How would you rate T-P-U's performance with regard to...?
COSTC. Controlling costs to keep rates low

↑/↓ Indicate significant differences between the current wave and previous waves. ○/○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results. 7

Having knowledgeable and well-trained employees



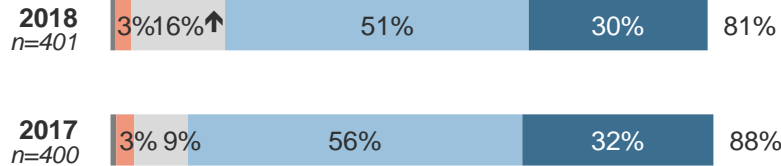
How would you rate T-P-U's performance with regard to...?
 KNOWLEDG. Having knowledgeable and well-trained employees

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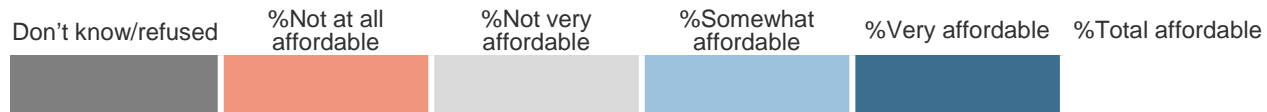
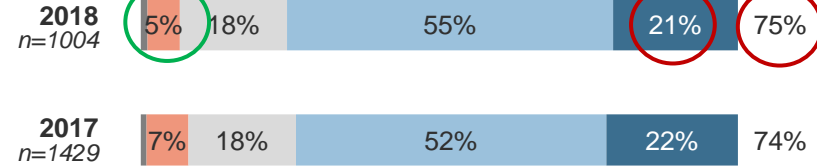
Bill Affordability



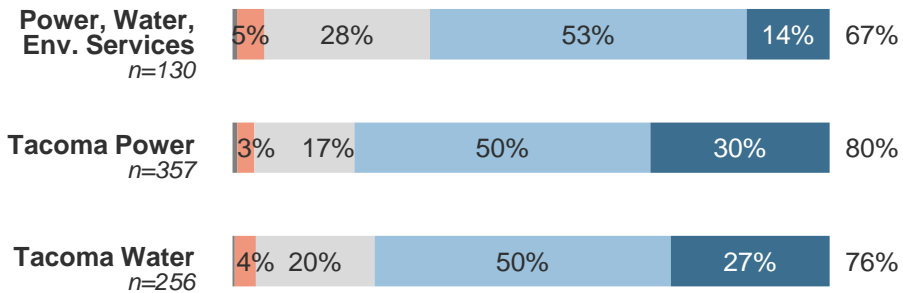
All TPU Customers - Phone



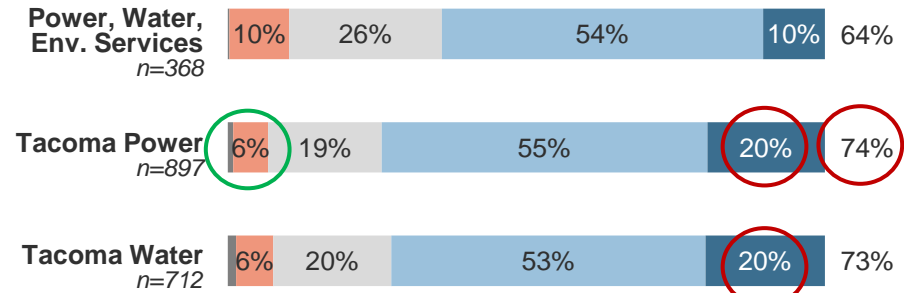
All TPU Customers - Web



By Customer Group – Phone (2018)



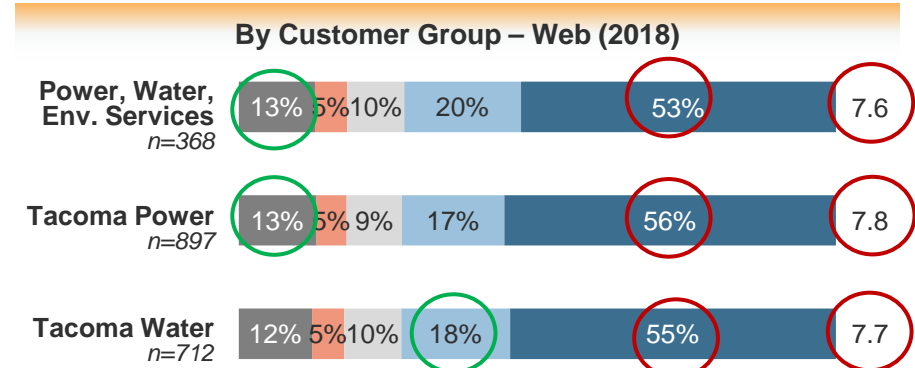
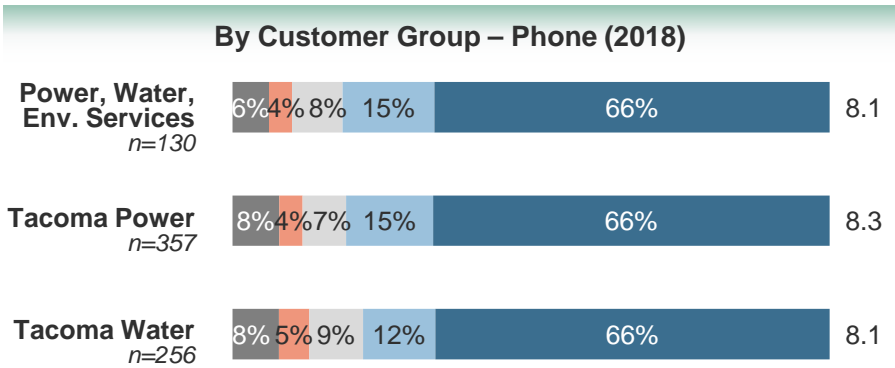
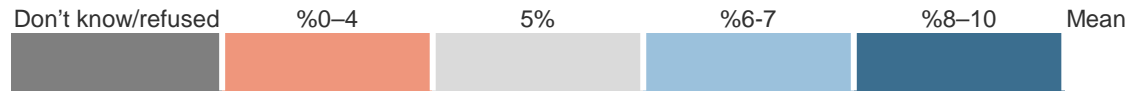
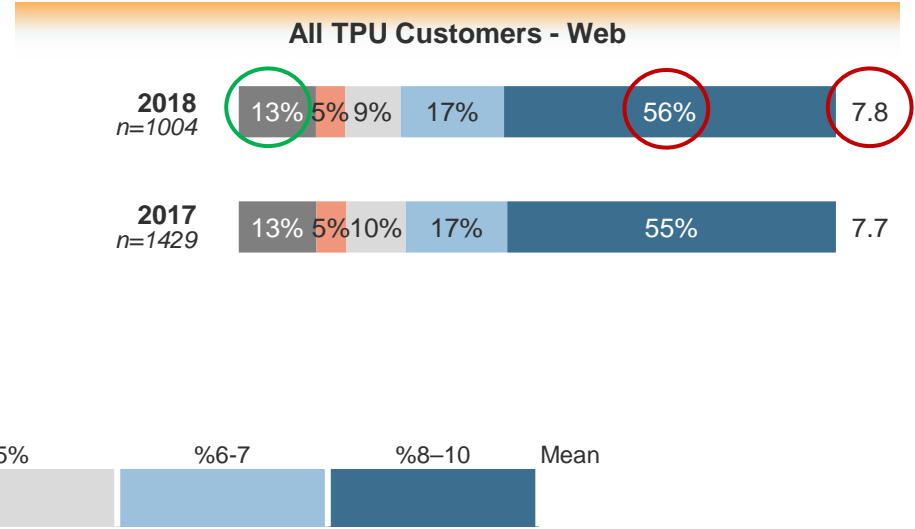
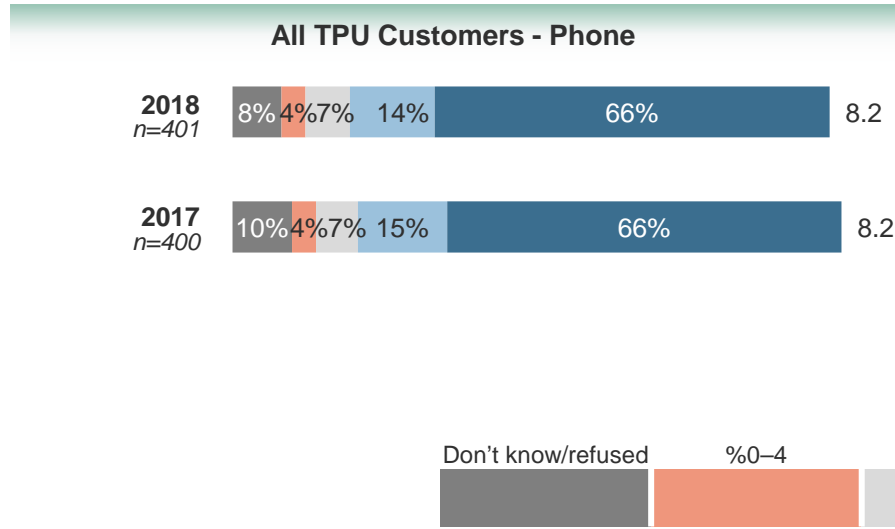
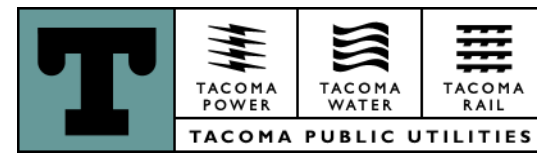
By Customer Group – Web (2018)



BILLAFF. Given your household's financial circumstances, would you characterize the bills you receive from T-P-U as being...?

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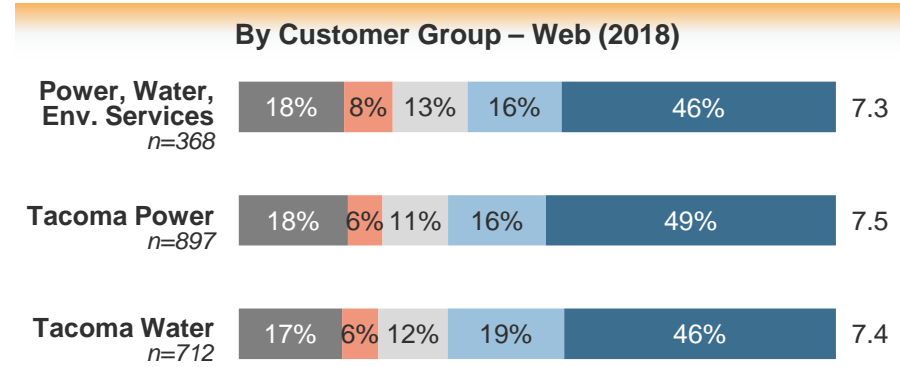
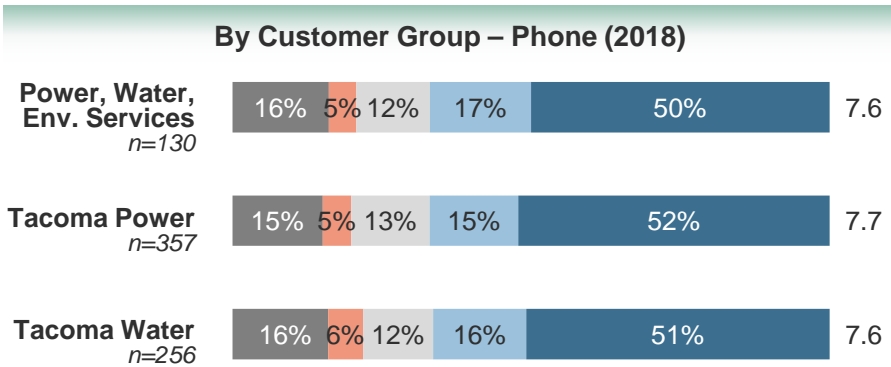
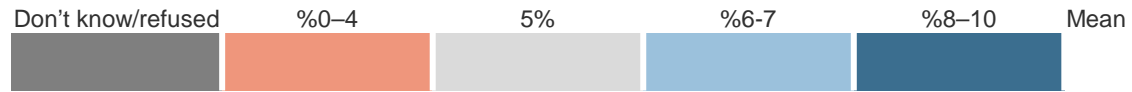
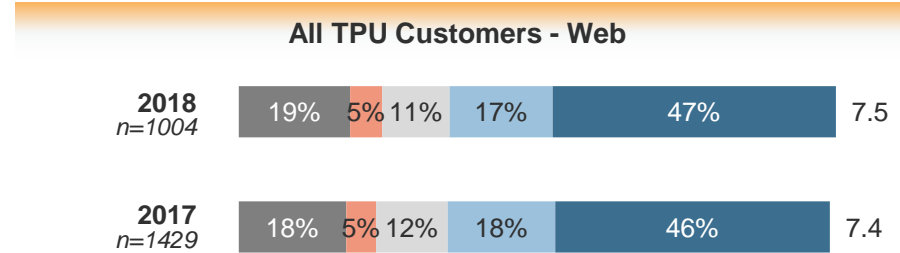
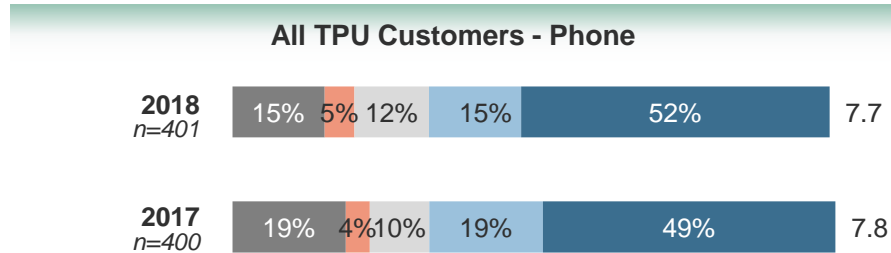
Being environmentally responsible



How would you rate T-P-U's performance with regard to...?
ENVRESP. Being environmentally responsible

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Community Involvement



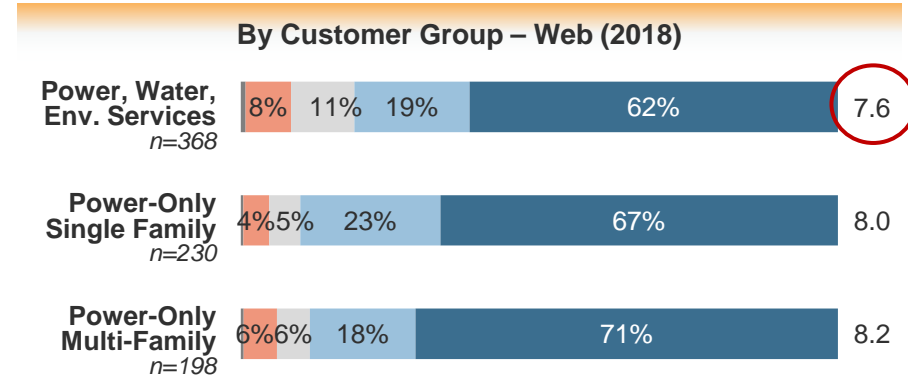
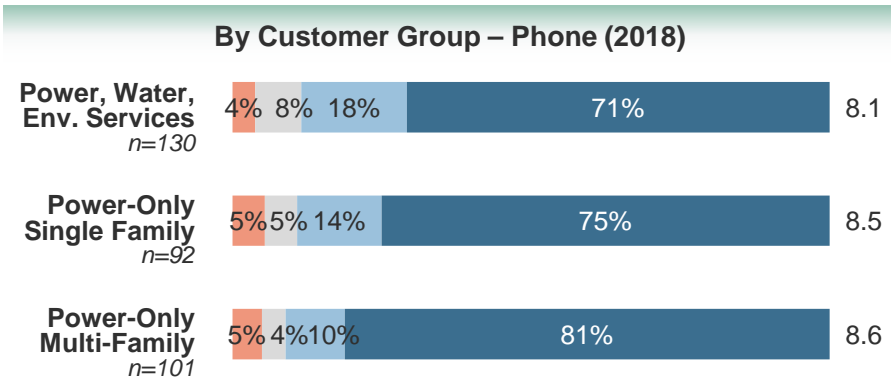
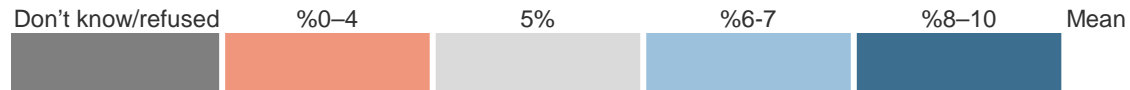
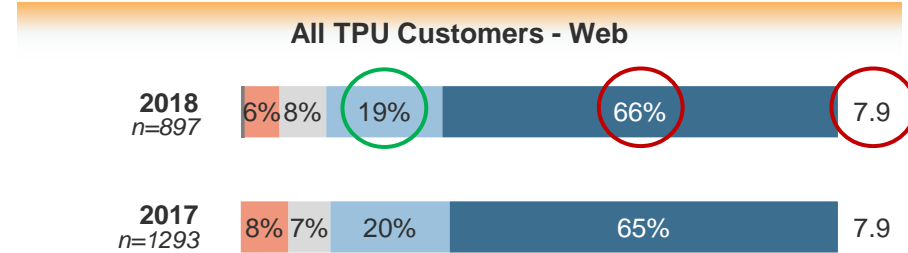
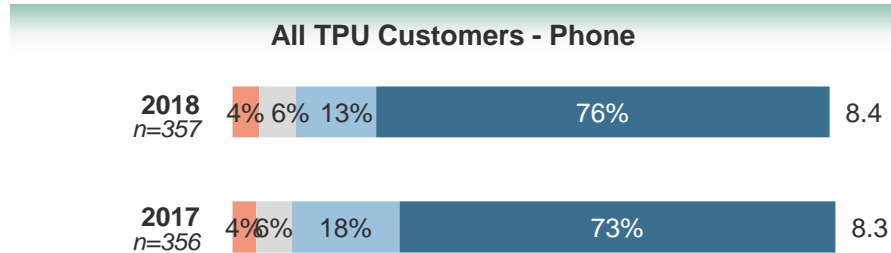
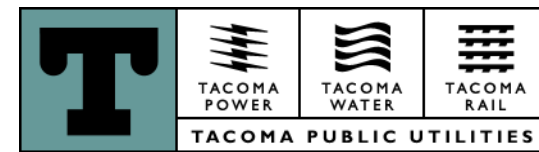
How would you rate T-P-U's performance with regard to...?
 INVOLV. Being involved in community organizations and activities

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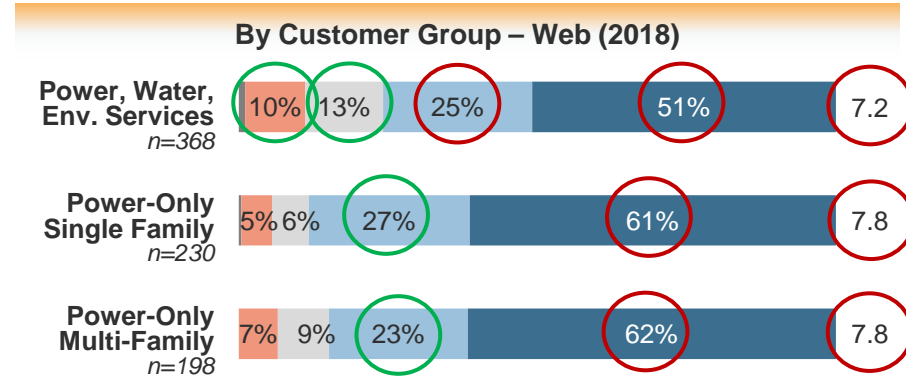
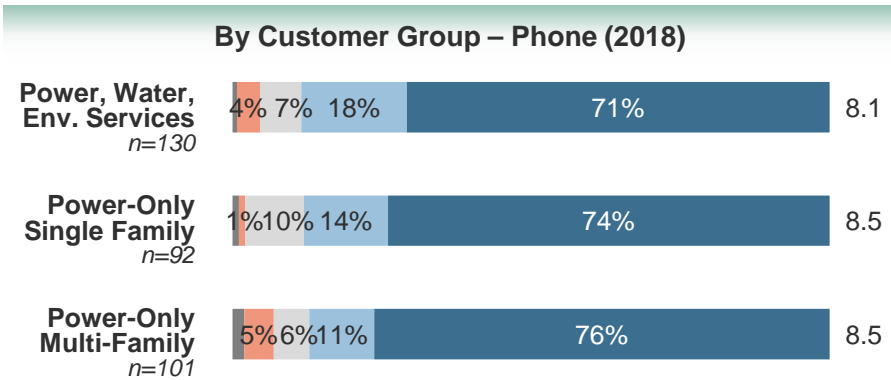
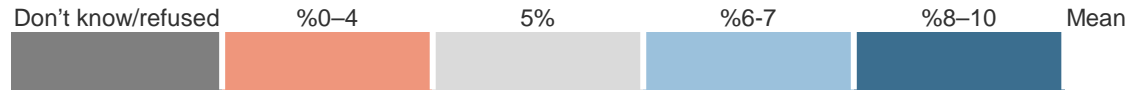
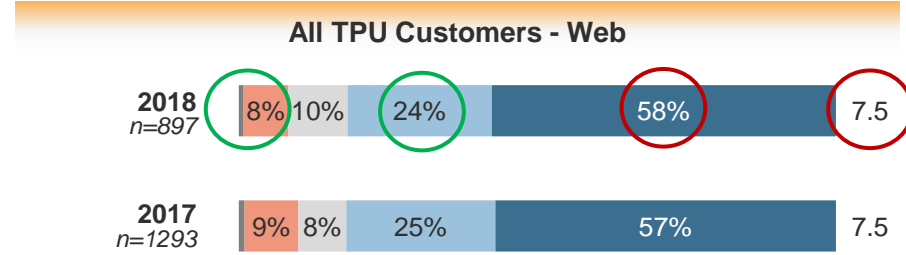
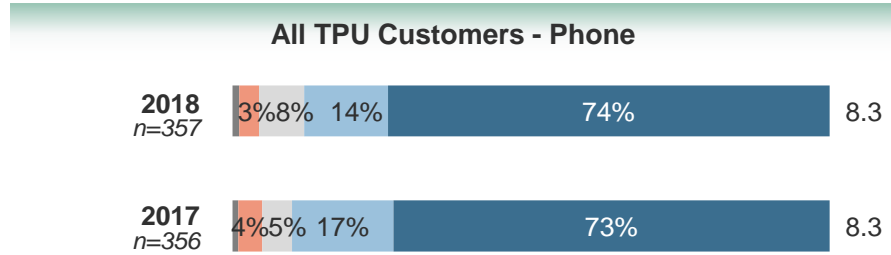
Tacoma Power

Electric Service Measures

Overall Satisfaction with Electric Service Provided by Tacoma Power



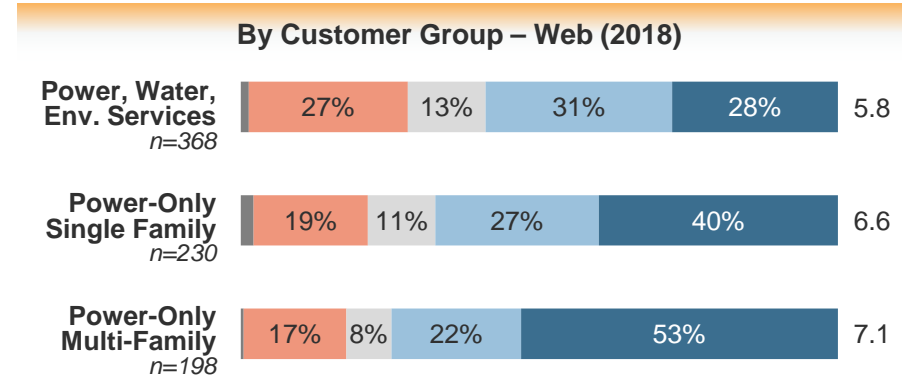
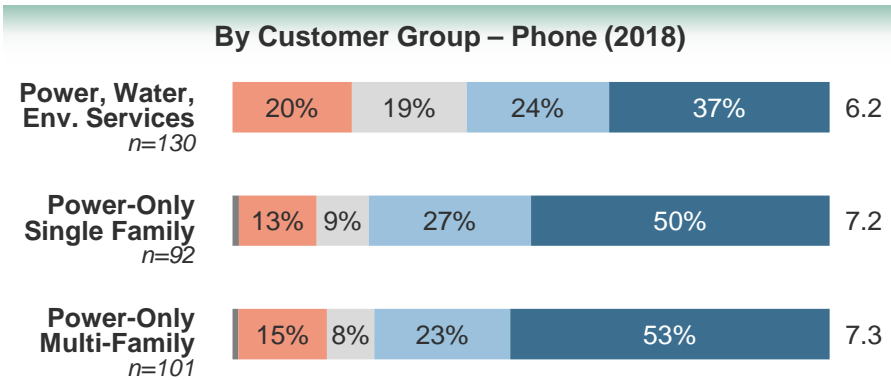
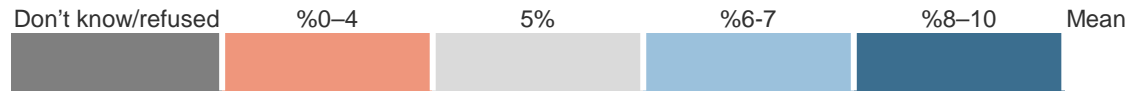
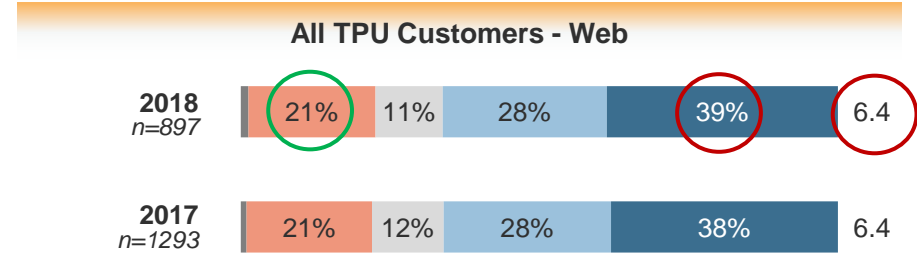
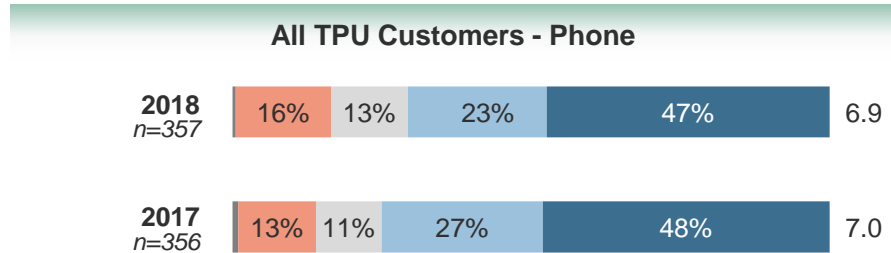
Value of Electric Service



Q12. Using the scale from a 0 to 10 scale where a 0 means you receive a very poor value and a 10 means you receive a very good value, how would you rate the value you receive from Tacoma Power in terms of the electric service you receive.

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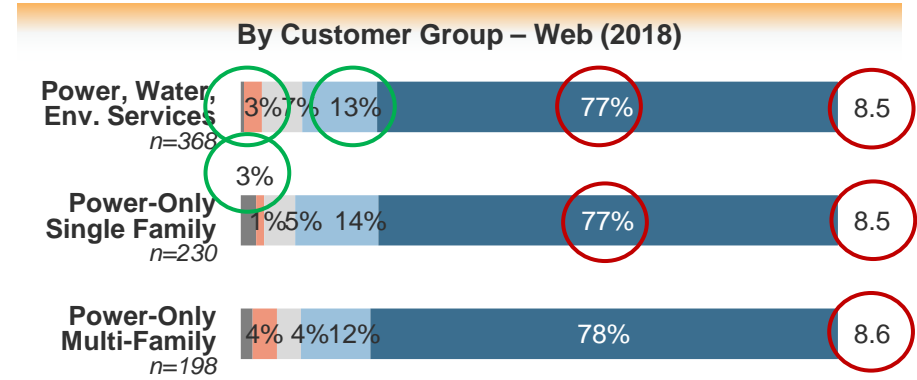
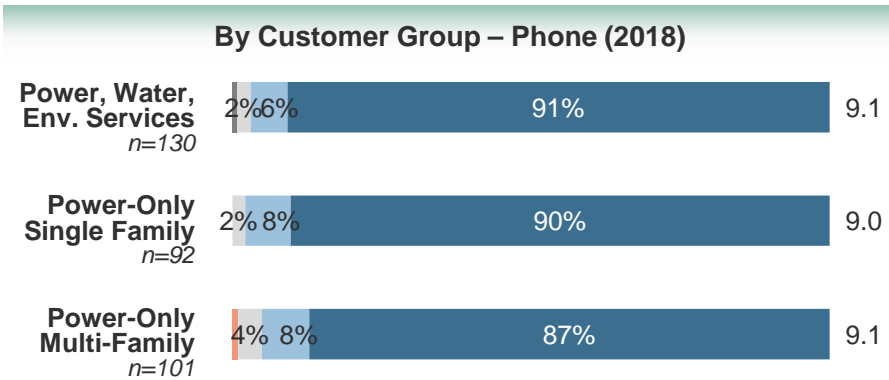
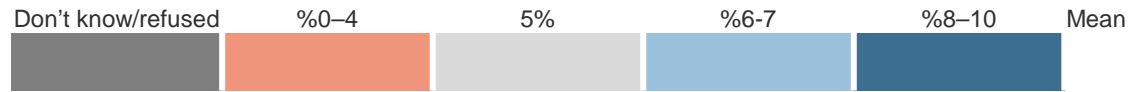
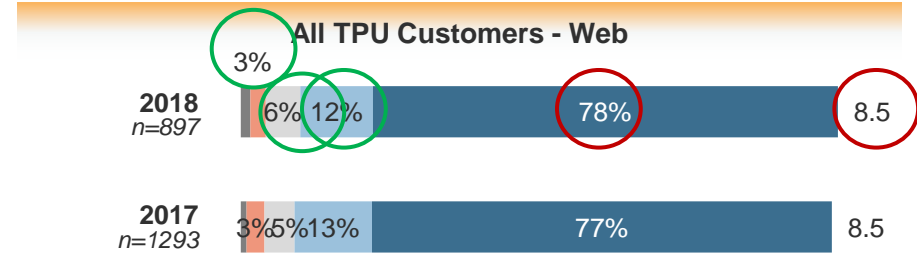
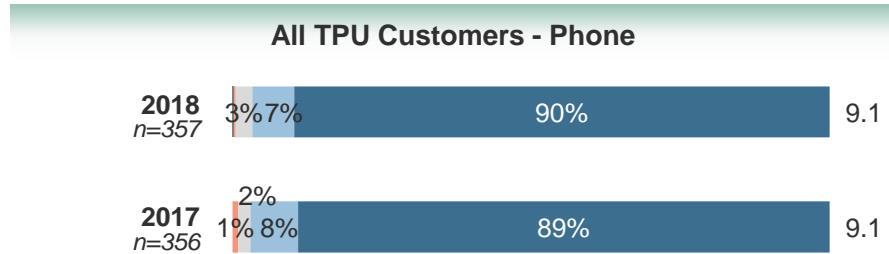
Reasonableness of Electric Rates



RATESE. In general, to what extent do you think the rates you pay for the electric service you receive from Tacoma Power are reasonable?

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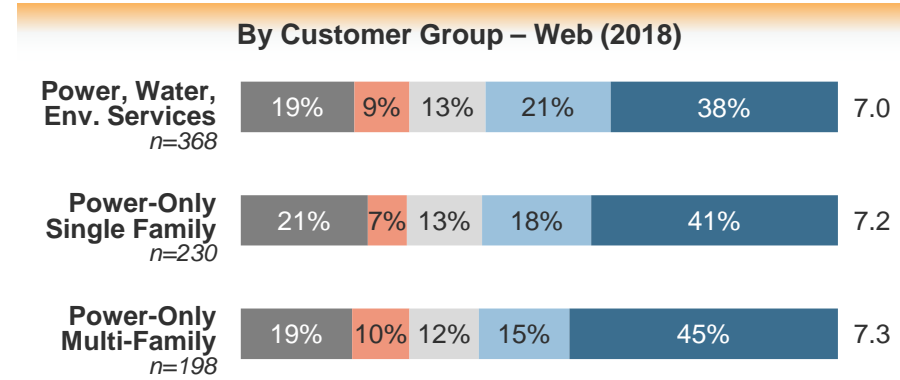
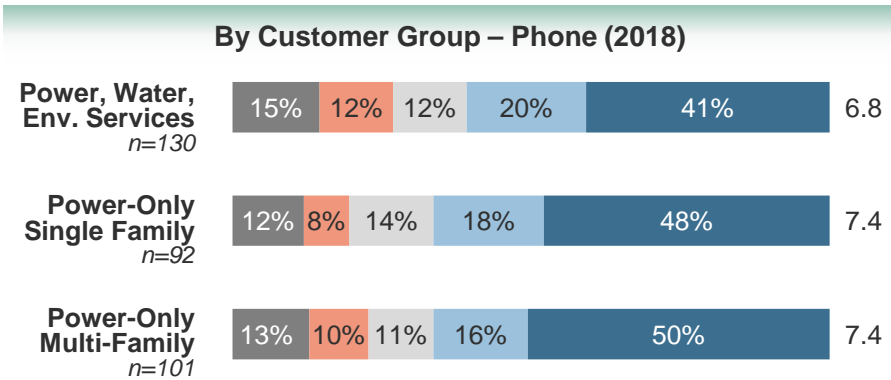
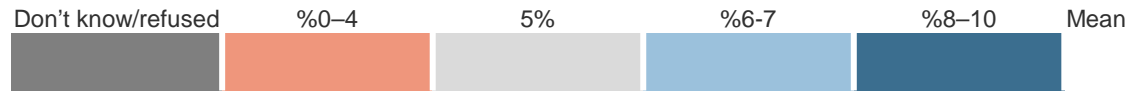
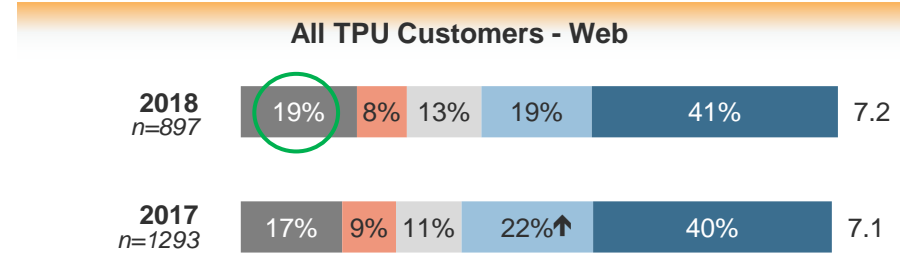
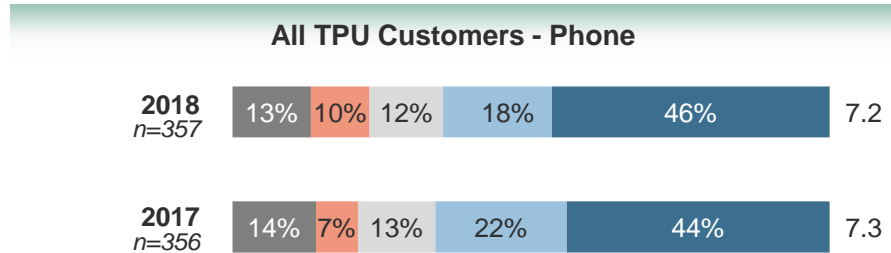
Providing Reliable Electric Service



How would you rate T-P-U's performance with regard to...?
RELIABLE. Providing reliable electric service

↑↓ Indicate significant differences between the current wave and previous waves. ○ / ○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

Support of Renewable Energy Sources



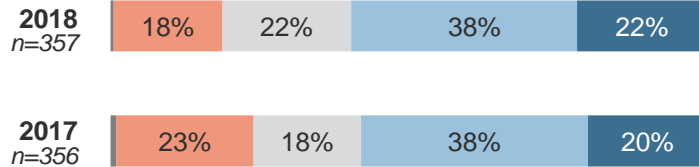
PG2. How good of a job would you say Tacoma Power is doing with regard to supporting renewable energy sources such as solar, wind and hydroelectric power?

↑↓ Indicate significant differences between the current wave and previous waves. ○ / ● circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

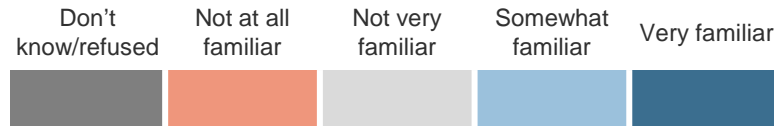
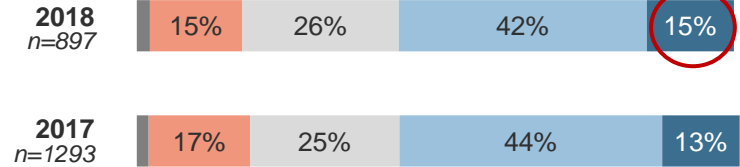
Familiarity with Tacoma Power's Energy Conservation Programs



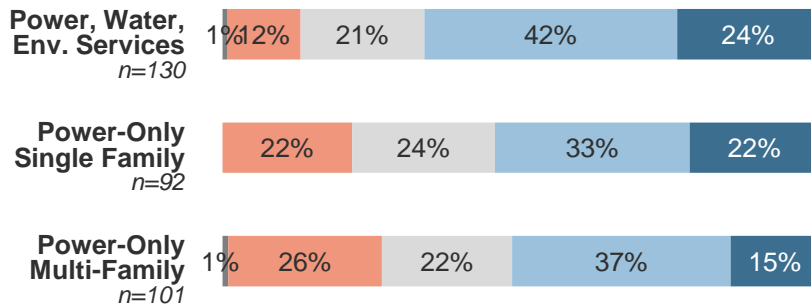
All TPU Customers - Phone



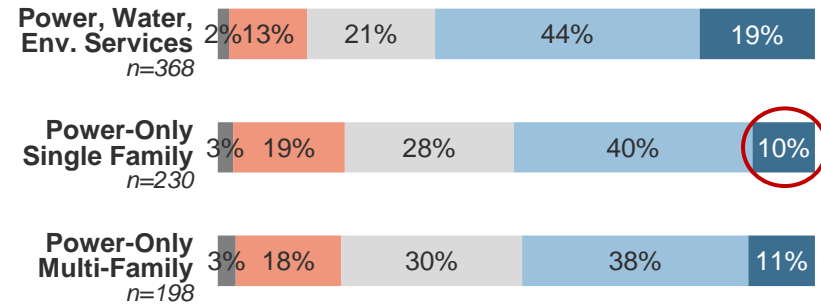
All TPU Customers - Web



By Customer Group – Phone (2018)



By Customer Group – Web (2018)



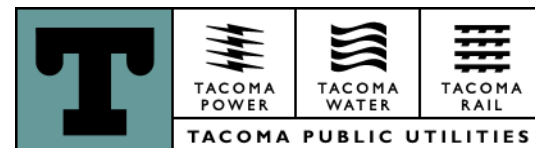
CONSPRG1.How familiar are you with Tacoma Power's energy conservation programs, such as discounts on lighting and rebates and loans for home weatherization and ductless heat pumps?

↑↓ Indicate significant differences between the current wave and previous waves. ○ / ● circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

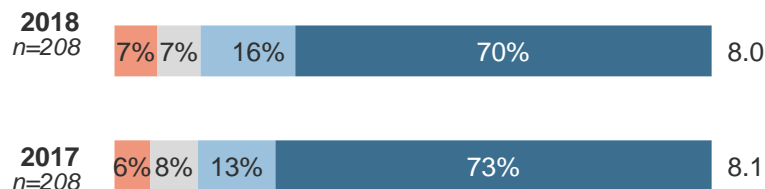
Tacoma Water

Water Service Measures

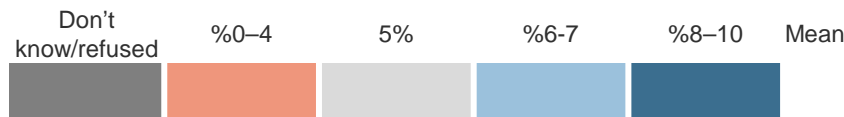
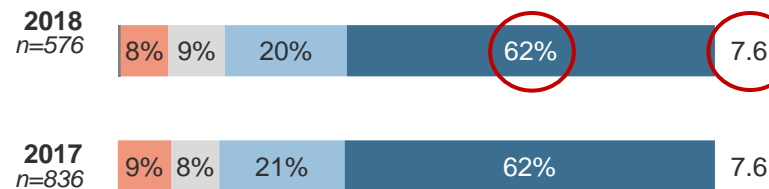
Overall Satisfaction with the Water Service from Tacoma Water



All Tacoma Water Customers - Phone



All Tacoma Water Customers - Web



What does Tacoma Water do well to earn your satisfaction?	Phone		Web	
	2017	2018	2017	2018
<i>All power customers</i>	n= 151	145	511	353
Water quality	34%	42%	20%	21%
Reliable service	36%	29%	19%	19%
Satisfied/no problems	25%	24%	15%	14%
Reasonable rates	6%	12%	6%	5%
Responsive	7%	9%	7%	3%↓
Billing/payments	8%	7%	8%	5%
Solve problems	0%	6%	1%	1%
Communication	6%	6%	6%	4%
Other	17%	13%	16%	15%

What does Tacoma Water need to improve most to earn your satisfaction?	Phone		Web	
	2017	2018	2017	2018
<i>All power customers</i>	n= 56	63	323	220
Rates	23%	43%↑	39%	37%
Water quality	21%	25%	8%	9%
Billing	18%	11%	12%	11%
Maintenance	5%	8%	3%	2%
Communication	5%	5%	1%	4%
Customer service	11%	3%	4%	6%
Water pressure	0%	5%	2%	2%
Other	11%	10%	5%	5%

Q3_2 . Based on your overall experience as a customer, and using that same scale, how satisfied or dissatisfied are you with water service provided by Tacoma Water

Q5_1. What does Tacoma Water do well to earn your satisfaction? (Asked of respondents who answered Q3_2 with a rating of 8-10)

Q5_2. What does Tacoma Water need to improve most to earn your satisfaction? (Asked of respondents who answered Q3_1 with a rating of 0-7)

↑↓ Indicate significant differences between the current wave and previous waves.

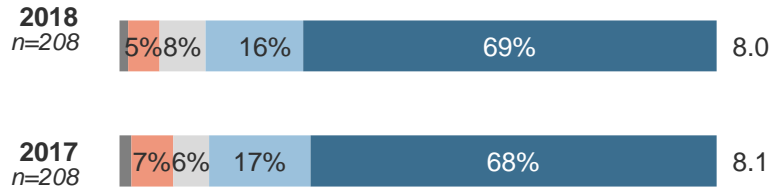
Red text indicates a significantly lower rating among web respondents when compared to phone respondents in 2018.

Green text indicates a significantly higher rating among web respondents when compared to phone respondents in 2018.

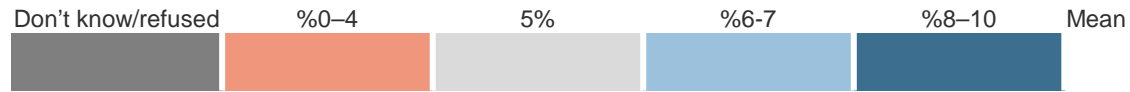
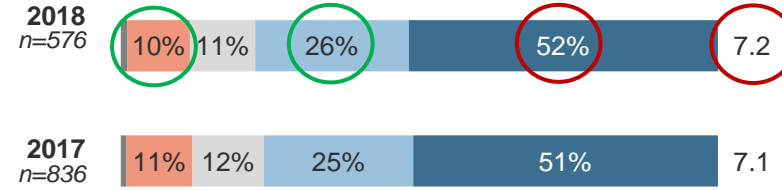
Value of Water Service



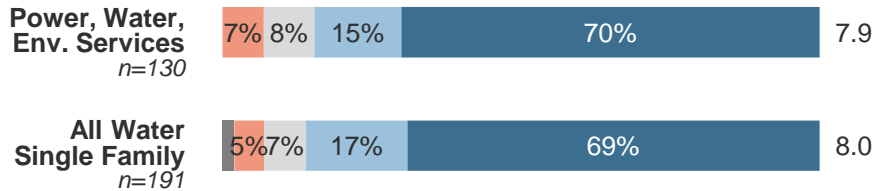
All Tacoma Water Customers - Phone



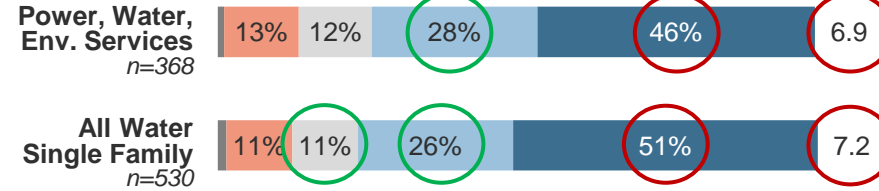
All Tacoma Water Customers - Web



By Customer Group – Phone (2018)



By Customer Group – Web (2018)



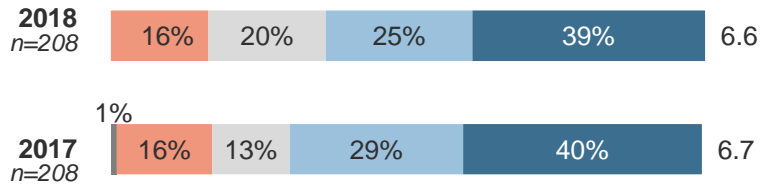
Q13. Using the scale from a 0 to 10 scale where a 0 means you receive a very poor value and a 10 means you receive a very good value, how would you rate the value you receive from Tacoma Water in terms of the water service you receive

↑↓ Indicate significant differences between the current wave and previous waves. ○ / ○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

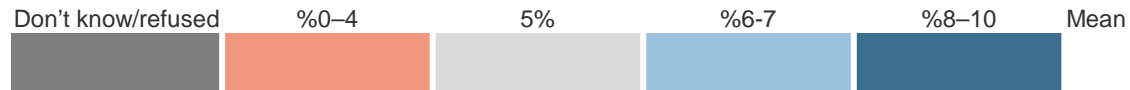
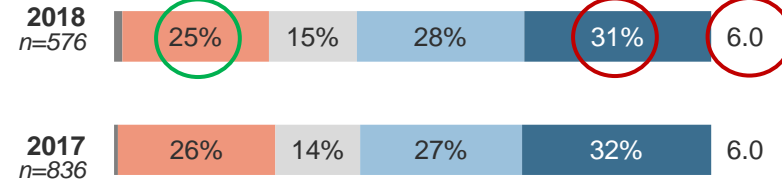
Reasonableness of Water Rates



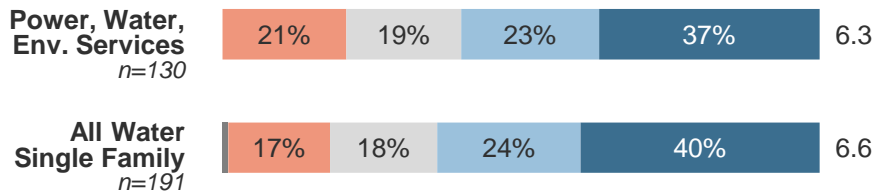
All Tacoma Water Customers - Phone



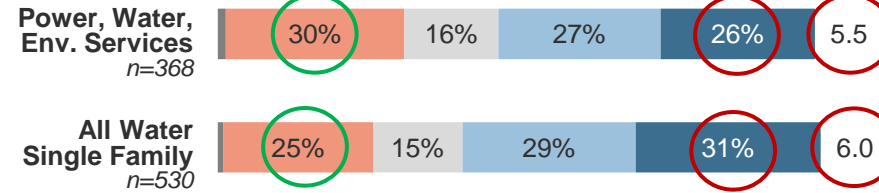
All Tacoma Water Customers - Web



By Customer Group – Phone (2018)



By Customer Group – Web (2018)



RATESW. In general, to what extent do you think the rates you pay for the water service you receive from Tacoma Water are reasonable?

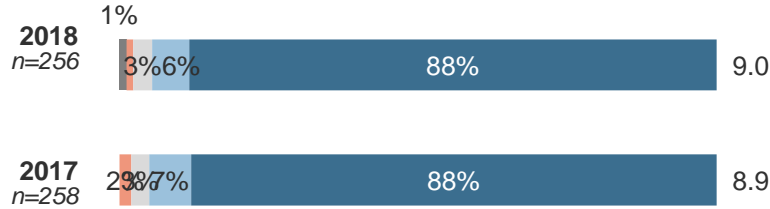
Please answer using a scale from 0 to 10 where a 0 means you think they are extremely unreasonable and a 10 means you think they are extremely reasonable.

↑/↓ Indicate significant differences between the current wave and previous waves. ○ / ○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

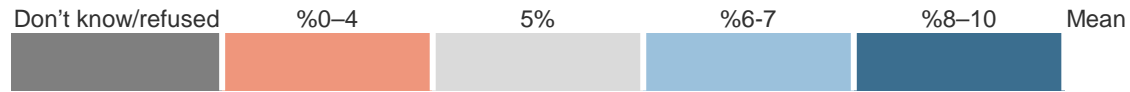
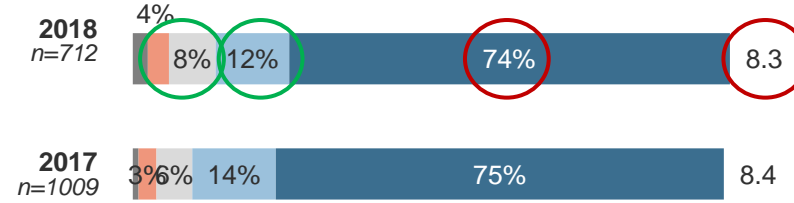
Reliability of Water Service



All Tacoma Water Customers - Phone

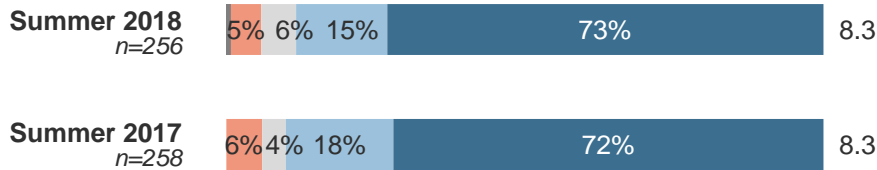


All Tacoma Water Customers - Web

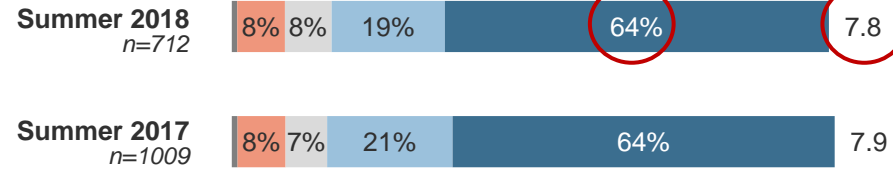


Water Quality

All Tacoma Water Customers - Phone



All Tacoma Water Customers - Web

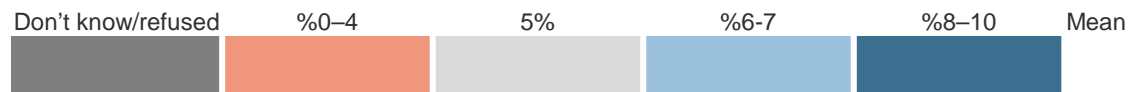
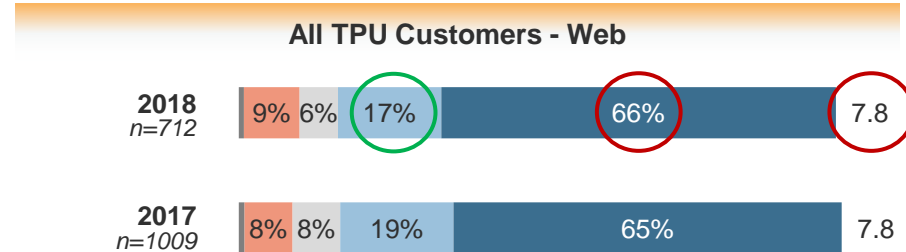
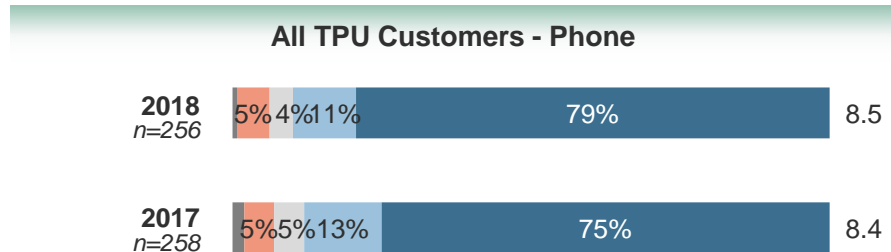


How would you rate Tacoma Water's performance with regard to...?
 WTRREL. Overall reliability of water service
 WQUAL. The quality of the water overall

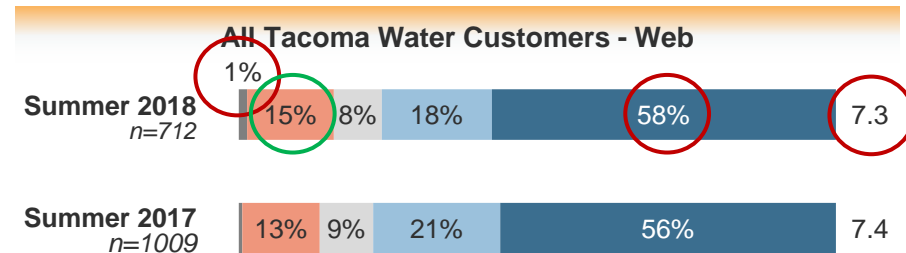
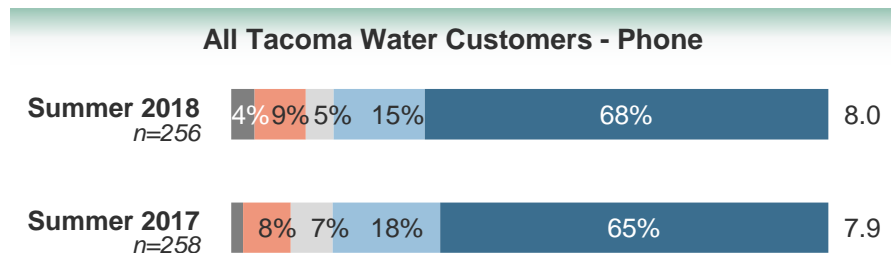
↑↓ Indicate significant differences between the current wave and previous waves. ○ / ○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

Water Quality Measures Among All Customers Who Receive Water Tacoma Water

- Smell



-Taste



How would you rate your level of satisfaction with the water Tacoma Water provides with regard to...?

SMELL. Smell

TASTE. Taste

↑/↓ Indicate significant differences between the current wave and previous waves. ●/○ circles indicate significantly higher/lower percentages for web results versus the 2018 phone results.

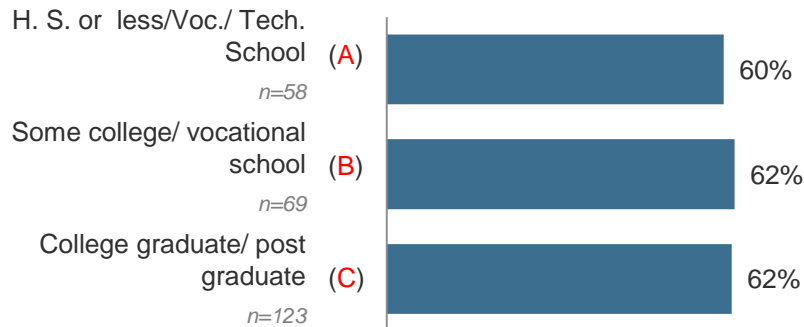
Awareness of Water Filtration at the Source



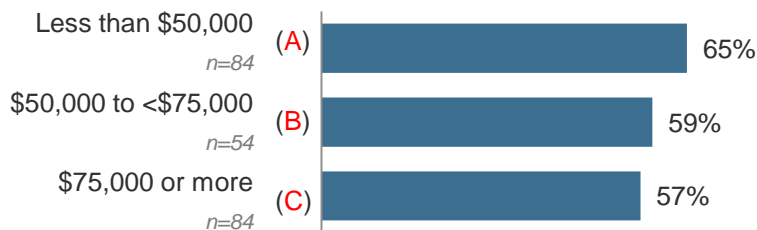
All Tacoma Water Customers - Phone



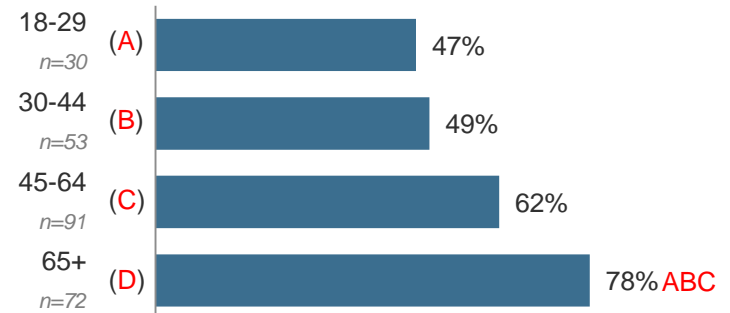
Education



Income



Age



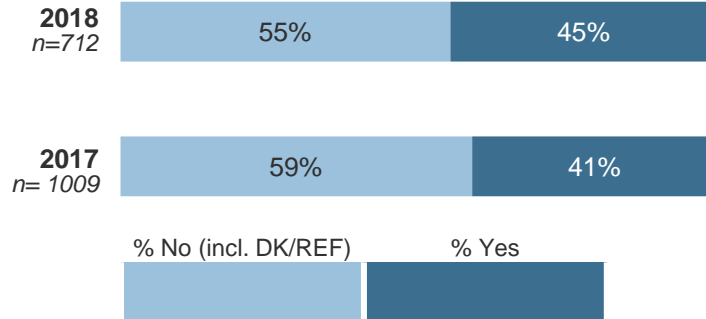
Tacoma Residency



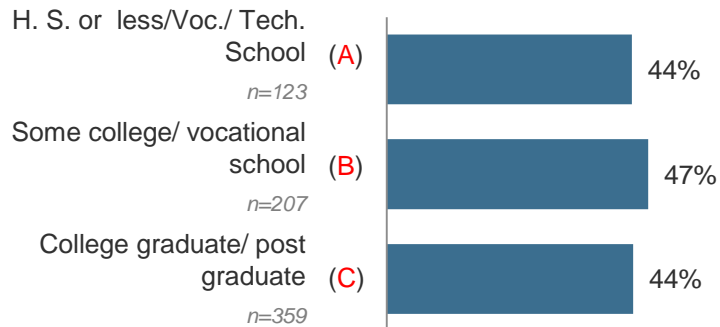
Awareness of Water Filtration at the Source



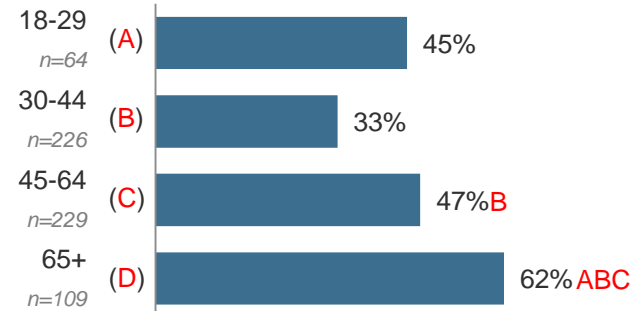
All Tacoma Water Customers - Web



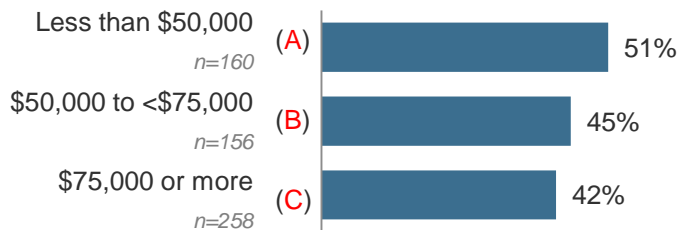
Education



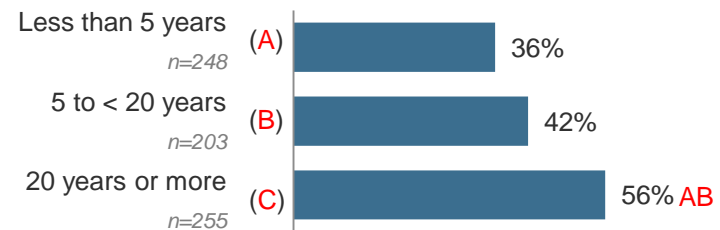
Age



Income



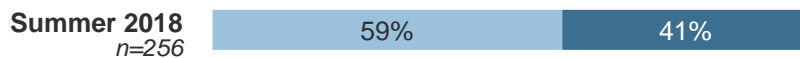
Tacoma Residency



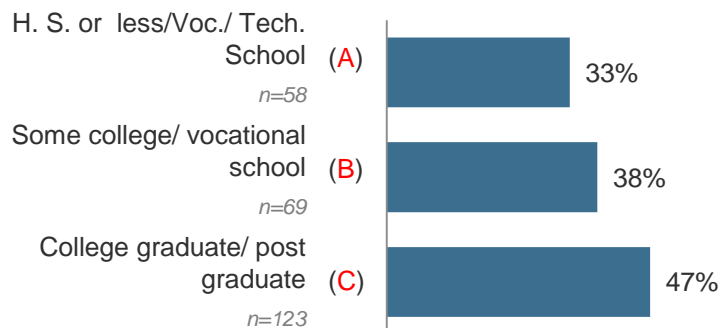
Awareness of Tacoma Water's Supply Source - Phone



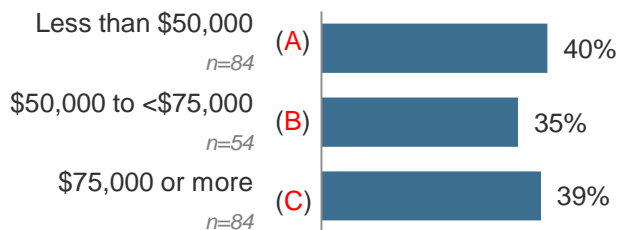
All Tacoma Water Customers - Phone



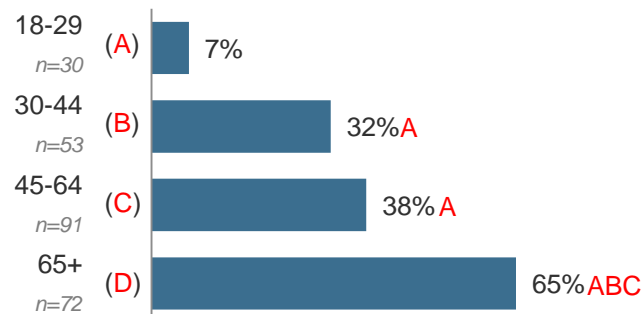
Education



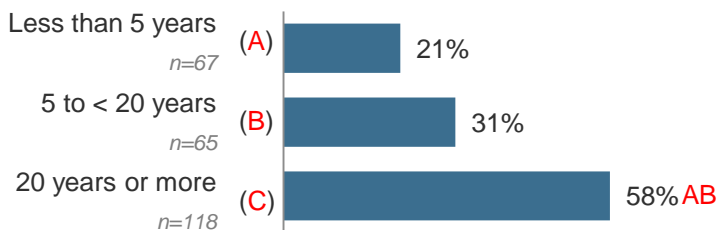
Income



Age



Tacoma Residency

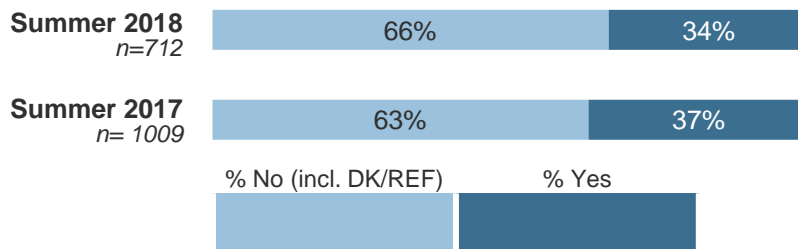


SOURCE. Do you know where Tacoma Water's water supply comes from?
A, B, C, and D indicate significant differences between customer types.

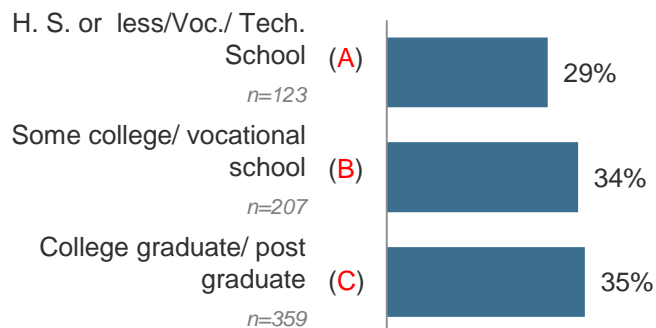
Awareness of Tacoma Water's Supply Source - Web



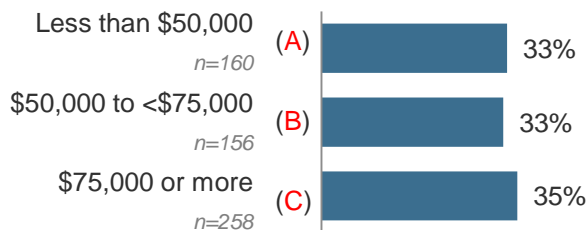
All Tacoma Water Customers - Web



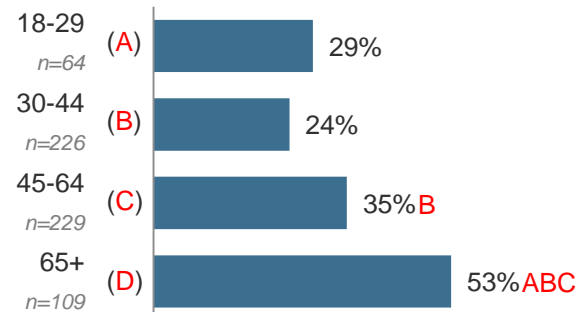
Education



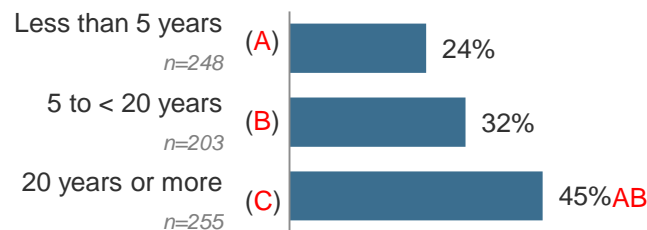
Income



Age



Tacoma Residency

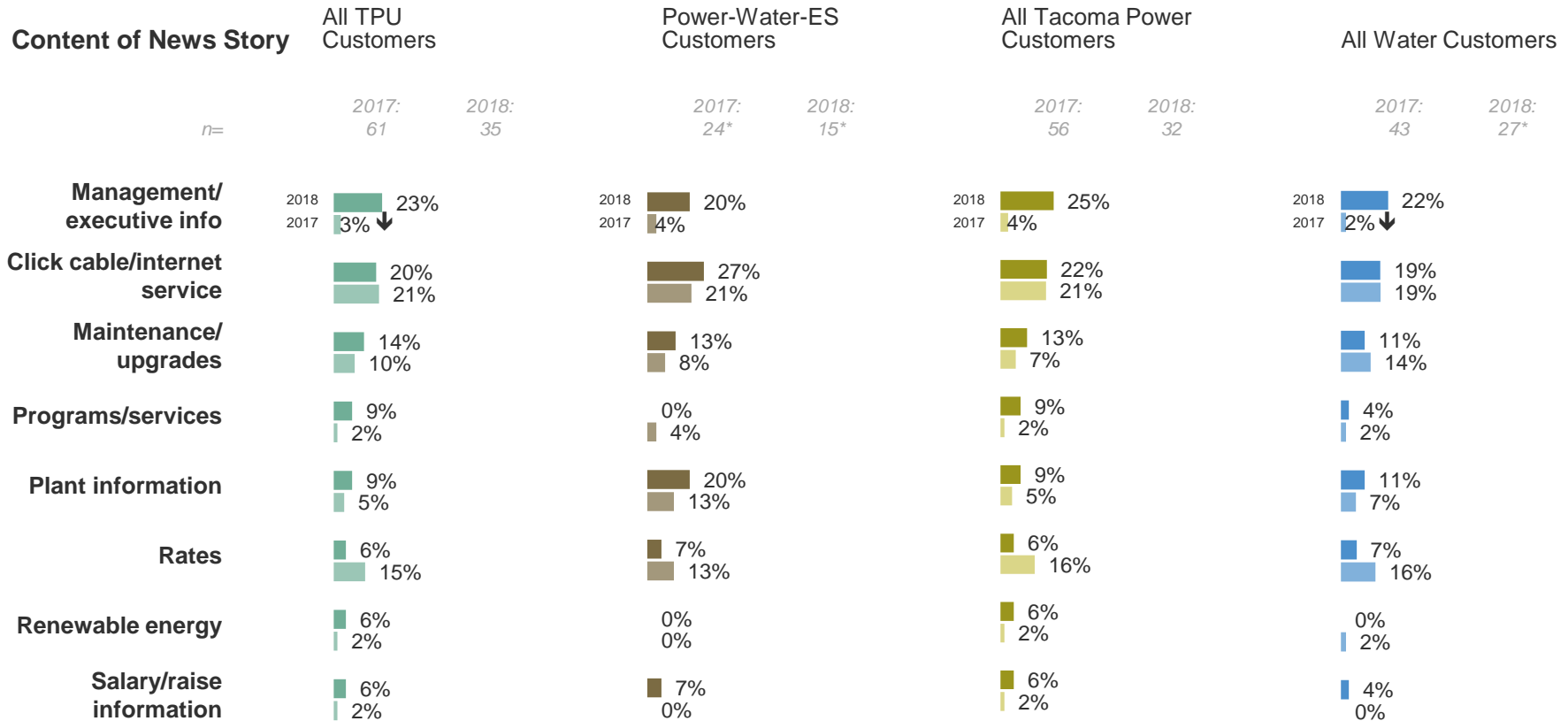


SOURCE: Do you know where Tacoma Water's water supply comes from?
 A, B, C, and D indicate significant differences between customer types.

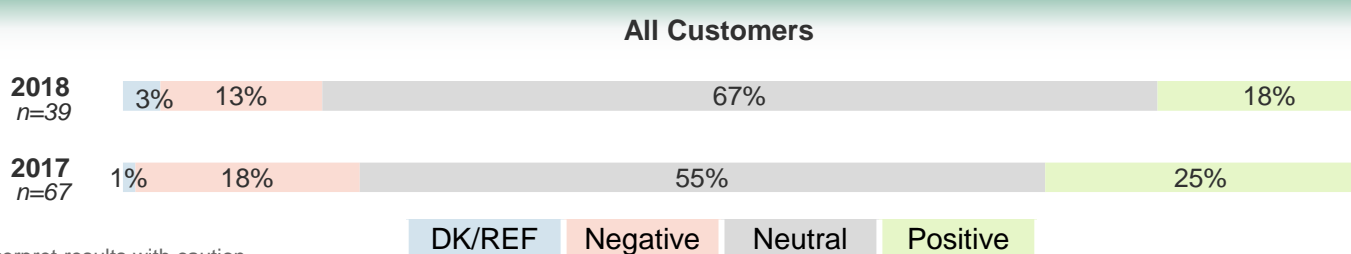
Media Awareness

TPU News Story Content – Past Three Months

Phone



Opinion of TPU following news stories...



*Base size <30, interpret results with caution.

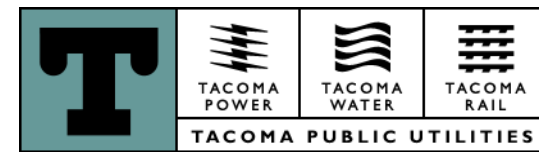
MED_OE. What were these news stories about?

OPINION. Overall, have the news stories you've seen or heard over the past 3 months about Tacoma Public Utilities made you feel...?

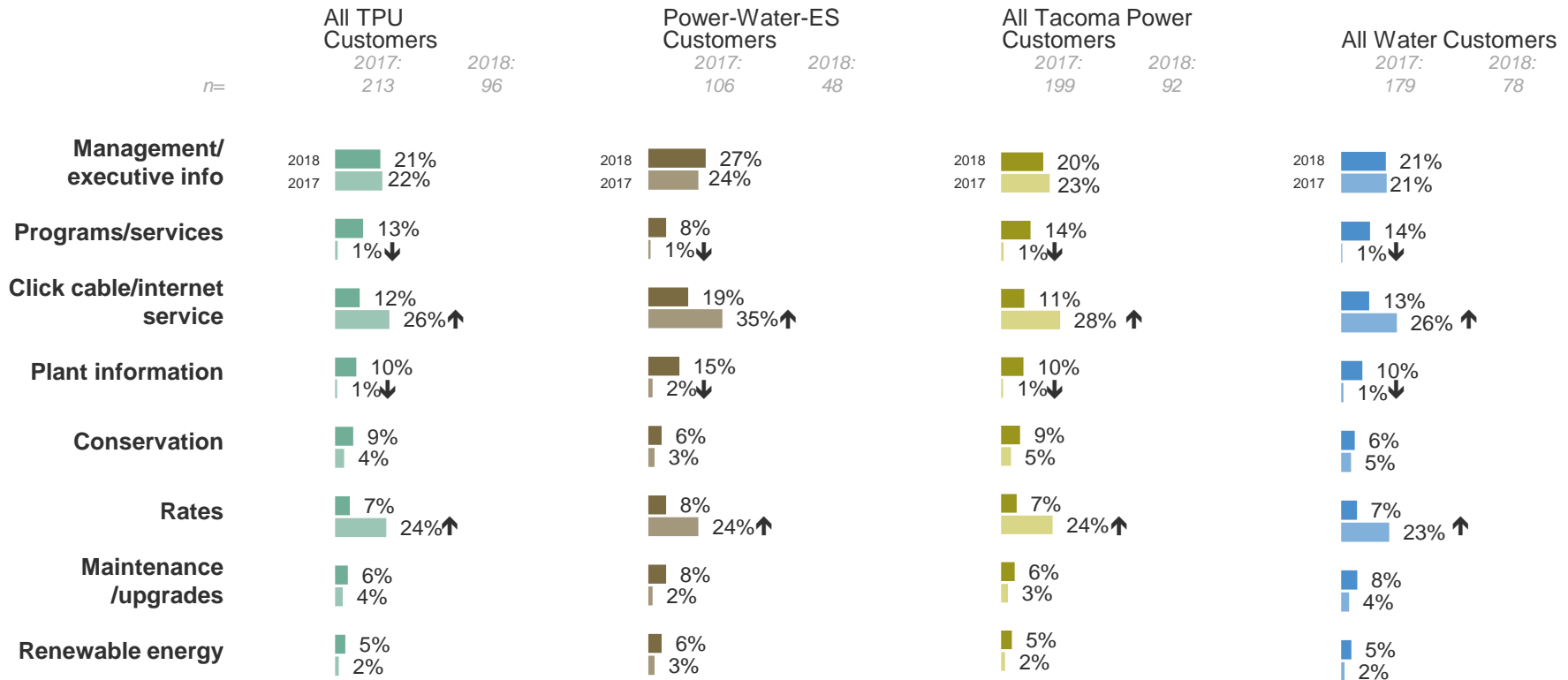
↑↓ Indicate significant differences between the current wave and previous waves.

TPU News Story Content – Past Three Months

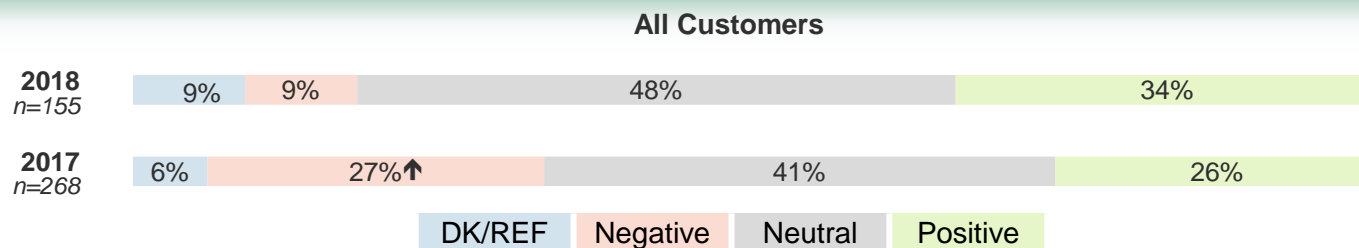
Web



Content of News Story



Opinion of TPU following news stories...



MED_OE. What were these news stories about?

OPINION. Overall, have the news stories you've seen or heard over the past 3 months about Tacoma Public Utilities made you feel...?

↑↓ Indicate significant differences between the current wave and previous waves.

TPU Legislative Policies & Legislative Agenda

November 15, 2018

- Clark Mather, Community and Government Relations Manager
- Marian Dacca, State Relations Manager

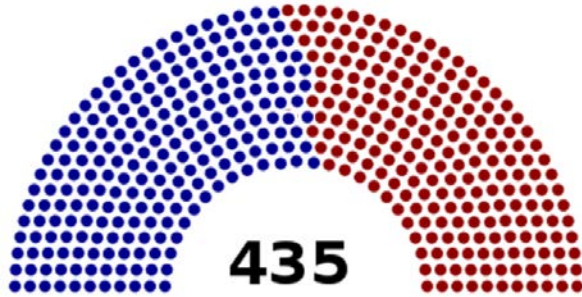


Overview

- **2018 General Election Results**
- **TPU Legislative Policies**
- **TPU Legislative Agenda**
- **Upcoming schedule milestones**

Federal Election Results

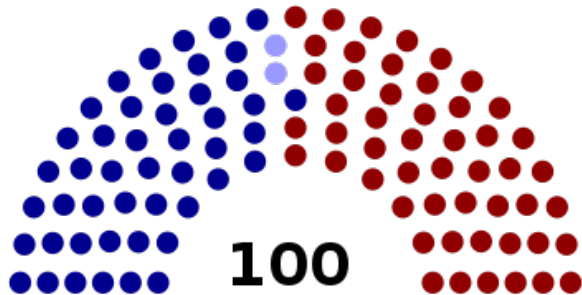
U.S. House of Representatives – Democratic Majority



~225 – ~200, 10?

- Democrats will take control of the House
- As of 11/13, Democrats will expand their membership in the House by at least 30 seats
- 10 races are too close to call
- Republicans currently hold a 235 – 193 Majority
- 218 needed for control

U.S. Senate – Republican Majority



~51 – ~47, 2?

- Republicans will retain their control of the Senate
- Two seats remain undecided. FL Senate Race too close to call, MS runoff election 11/27
- Republicans currently hold a 51 – 49 Majority

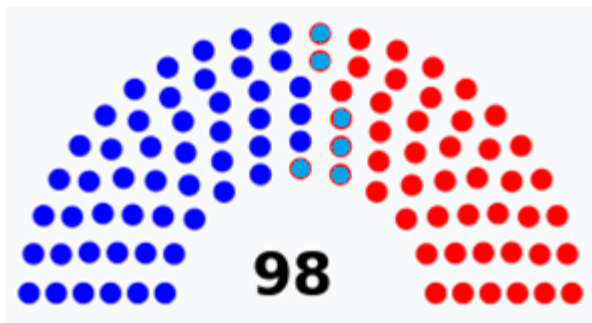
President – Republican

- President Donald Trump
- Term expires January 20, 2021

**Results as of 11/13/18, 9pm*

State Election Results

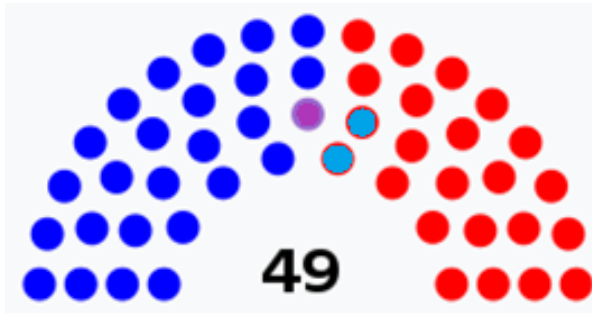
House of Representatives – Democratic Majority



- As of 11/13, Democrats will expand their majority in the House by 6 seats
- 3 races are too close to call
- Democrats currently hold a 50-48 Majority

~56 – ~42

Senate – Democratic Majority



- As of 11/13, Democrats will expand their majority in the Senate by 2 seats
- 2 races are too close to call
- Democrats currently hold a 25-24 Majority
- (25 Democrats – 23 Republicans + 1 Ind. Democrat who caucuses with the Republicans)

~27 – ~22

Governor – Democrat

- Governor Jay Inslee – Democrat
- Term expires 2020

**Results as of 11/13/18, 9pm*

TPU Delegation - State Election Results

25th Legislative District includes Fife, Puyallup, Graham, and Parkland.

- Senator Hans Zieger (R), term ends 2020, not up for re-election this cycle.
- **Kelly Chambers (R) defeats Jamie Smith (D) in an open seat previously held by Rep. Stambaugh (R)**
- **Chris Gildon (R) defeats Brian Duthie (D), in an open seat previously held by Rep. McDonald (R)**

27th Legislative District includes Tacoma, Ruston, Browns Point, and Fife Heights.

- Senator Jeannie Darnielle (D), term ends 2020, not up for re-election this cycle.
- Rep. Jake Fey (D), received 72% of the vote
- Rep. Laurie Jinkins (D), received 71% of the vote

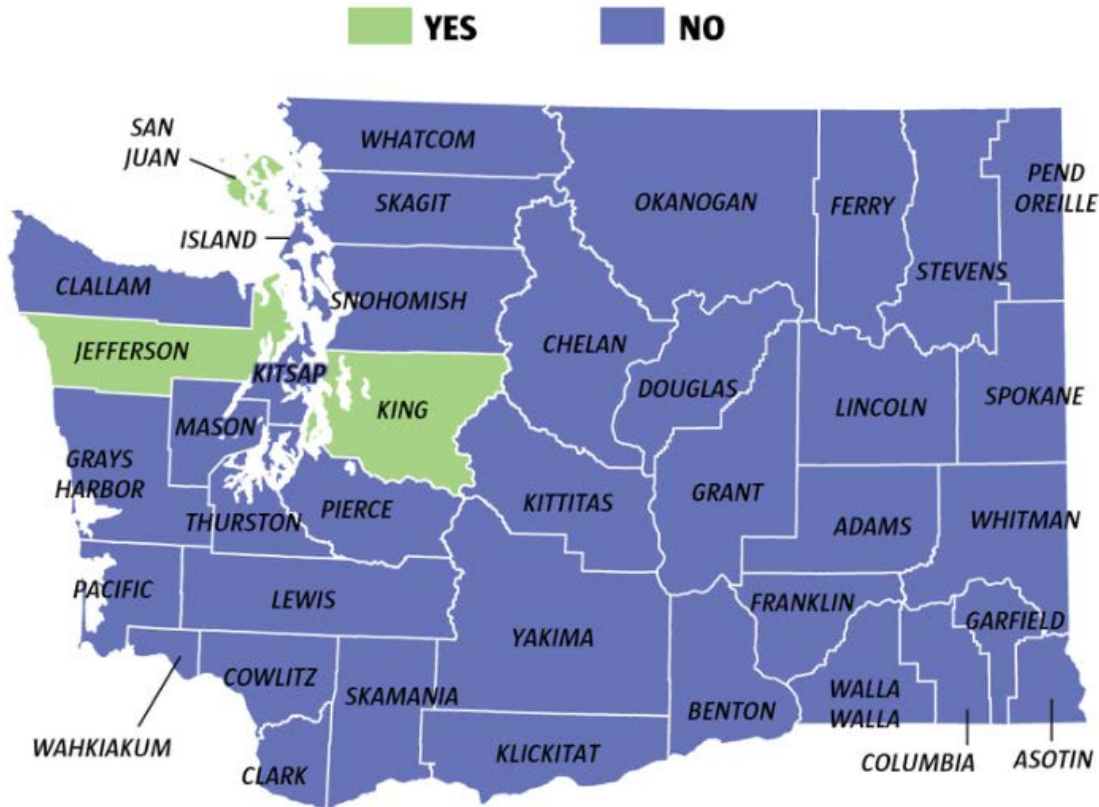
28th Legislative District includes Tacoma, University Place, Parkland, DuPont and Joint Base Lewis McChord.

- 28th LD: Senator Steve O'Ban (R), term ends 2020, not up for re-election this cycle.
- **Mari Leavitt (D) defeats incumbent Rep. Dick Muri (R)**
- Rep. Christine Kilduff (D), received 57% of the vote

29th Legislative District includes Tacoma, Lakewood, Spanaway and Frederickson.

- Senator Steve Conway (D) received 63% of the vote
- Rep. Steve Kirby (D) – unopposed
- **Melanie Morgan (D) defeats Terry Harder (R), seat previously held by Rep. Sawyer (D)**

Initiative 1631 – Carbon Fee

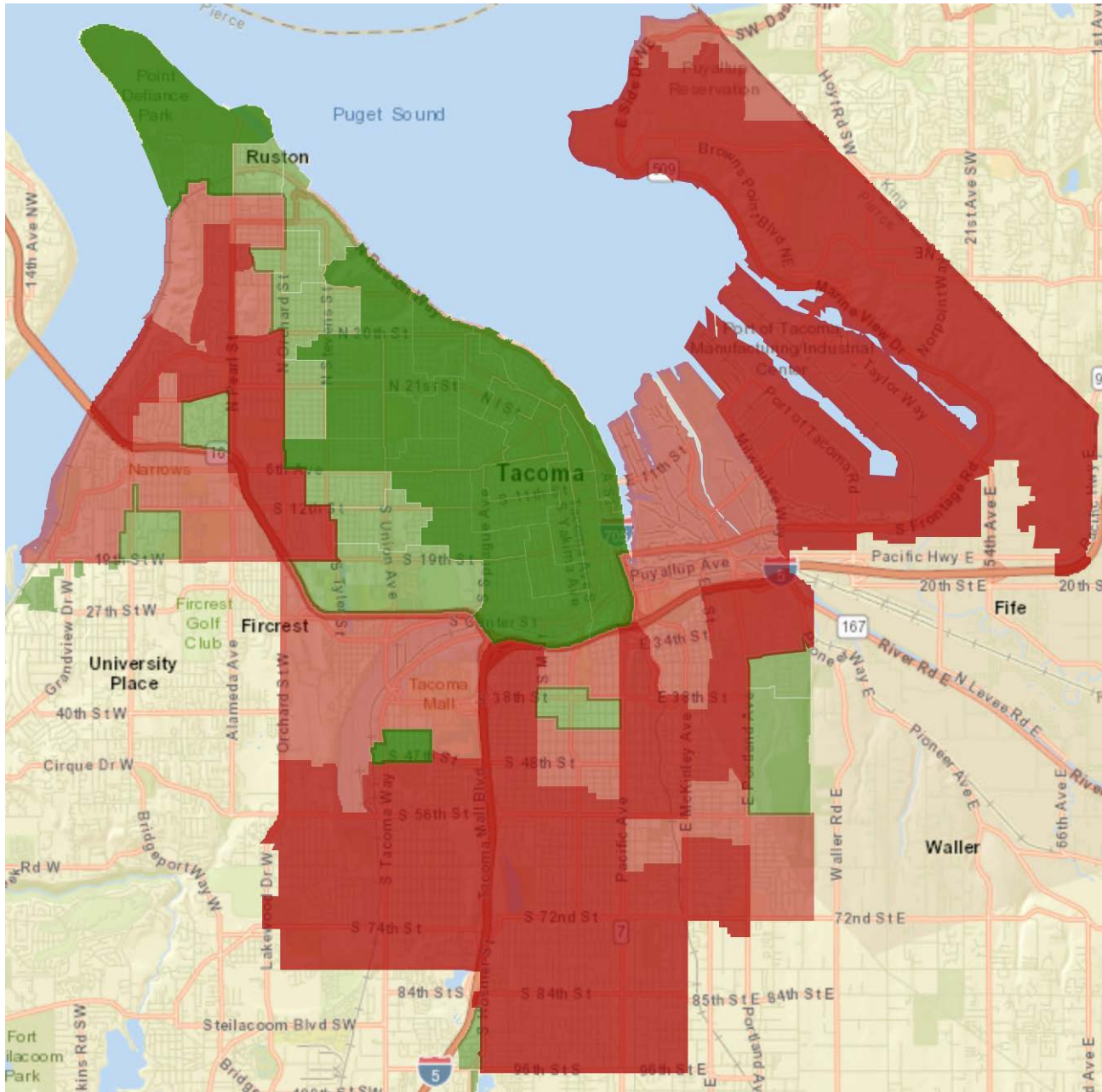


“AN ACT Relating to reducing pollution by investing in clean air, clean energy, clean water, healthy forests, and healthy communities and imposing a fee on large emitters based on their pollution.”

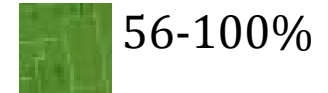
Voters rejected I-1631 by a margin of:

- 56.5% - No
 - **+380,206 votes**
- 43.5% - Yes

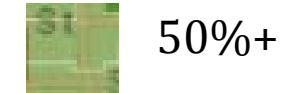
Initiative 1631 - Carbon Fee



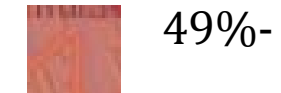
Strong Support:



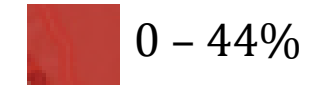
Support:



Oppose:



Strong Oppose:



City of Tacoma

(74,828 Votes)

50.31% - No

- 37,648

49.69% - Yes

- 37,180

**Results as of 11/13/18, 9pm*

Proposed Legislative Policies

Maintain current policies with two exceptions

TPU General Issues – Federal

- Clarified language to reflect support for pre-tax reform tax exempt financing policy

Tacoma Power – Comprehensive

- Added word ‘reasonable’ for consistency with COT Legislative Policy Statement/Board Member feedback

Proposed Federal Agenda

TPU-Wide

- Protecting/amending tax exempt financing

Power

- Increase funding for the Low Income Home Energy Assistance Program
- Provide funding for the Hydropower Incentive Program
- Support certain improvements to hydroelectric relicensing statutes

Water

- Support implementation of the Howard Hanson Dam – Additional Water Storage Project
- Support funding of the Water Infrastructure Finance and Innovation Act
- Support funding for the Drinking Water State Revolving Fund

Rail

- Support permanent extension of the '45G' tax credit
- Establish capital grant program for short line railroads

Proposed State Agenda

Power

- Seek clear authority for COUs to support electrification of transportation
- Seek new funding for equitable access to solar
- Actively engage and seek to support proposals that decarbonize the economy at reasonable costs to customers

Water

- Support the Public Works Trust Fund

Rail

- Support Tacoma Rail's applications for State Rail Grant and Loan Program funds



What's Ahead...

City Council Study Session on COT Legislative Agenda

- Tuesday, December 4, 2018

Scheduled Public Utility Board adoption of Legislative Agenda & Legislative Policies

- Wednesday, December 12, 2018

2019 Legislative Session

- 2019 Legislative Session: Monday, January 14, 2019
 - » *Long Session*, lasting for 105 calendar days

116th Congress

- Convenes Thursday, January 3, 2019



General Liability Insurance

Tacoma Public Utilities

Board Study Session
November 14, 2018



●●● PURPOSE

- Brief overview of general liability insurance renewal
- Insurance industry developments
- Your feedback on level of insurance engagement

General Liability Insurance

- December 1st annual renewal – same coverage levels

Tacoma Power and Tacoma Water

- \$60 million annual aggregate limit
- \$1.5 million self-insured retention

Tacoma Rail

- \$50 million per occurrence; \$100 million aggregate limit
- \$1 million self-insured retention

Insurance Developments

■ Wildfire Risk

- Insurance providers beginning to exclude coverage
- Some power utilities facing liability
 - Preemptive power shut down last month
- TPU maintained its coverage



Insurance Developments

- **Lead in Water Risk**
 - Insurance providers beginning to exclude coverage
 - TPU coverage maintained in 1st and 2nd tiers (\$25 million)



Board Feedback

- Questions about renewal?

- Feedback on desired level of engagement to bind insurance

** Renewal process background

** Some options to consider

- Status quo – Brief description during Board Meeting expenditure approval
- Gen Gov approach – Allow management, committee and insurance broker to handle it
- Alternative - Annual study session update without Board expenditure approval