

October 24, 2018

MOTION

I hereby move that the following motion be approved:

18-12. The Department of Public Utilities 2019/2020 Budget, as submitted and filed with the Clerk of the Board, be accepted and approved and the City Council is requested to approve the same as provided by Section 4.12 of the Charter of the City of Tacoma.



TACOMA PUBLIC UTILITIES

UTILITY BOARD MEETING

2019/2020 DRAFT PRELIMINARY BIENNIUM BUDGET

Wednesday October 24, 2018

Tacoma Public Utilities

Public Utility Board

Woodrow Jones, Chair

Karen Larkin, Vice-Chair

Bryan Flint, Secretary

Mark Patterson, Member

Christine Cooley, Member

Executive Team

Jackie Flowers –

Director of Utilities/Chief Executive Officer

Chris Robinson –

Tacoma Power Superintendent/Chief Operating Officer

Scott Dewhirst –

Tacoma Water Superintendent

Dale W. King –

Tacoma Rail Superintendent

Prepared by:

Management Services Office

Jim Sant

Barbara Ostrander

Michelle Rhubright

Maria Kossan

**City of Tacoma, Washington
Department of Public Utilities
2019/2020 Draft Preliminary Biennium Budget**

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**City of Tacoma, Washington
Department of Public Utilities
2019/2020 Draft Preliminary Biennium Budget**

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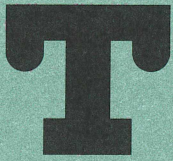
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TACOMA PUBLIC UTILITIES

3628 South 35th Street

Tacoma, Washington 98409-3192

October 24, 2018

To the Members of the Public Utility Board:

The preliminary draft of the Department of Public Utilities Budget for the 2019/2020 biennium is presented for your consideration and approval before transmittal to the City Clerk for distribution to the City Council. State law requires that the budget be filed at least 60 days before the beginning of the next fiscal year. The budget will be delivered to the City Clerk's office on October 31, 2018.

My office, staffs of the various divisions, the division managers and Superintendents, and the Management Services Office have carefully reviewed these requested appropriations. The divisional budgets were discussed at Public Utility Board Study Sessions on August 22, September 12, and September 26, 2018. A summary budget was presented at the Public Utility Board Meeting on October 10, 2018 and the budget was also discussed in detail at a joint City Council/Public Utility Board Study Session on October 16, 2018. Public outreach has been an integral part of the budget process and included public meetings with franchise cities and neighborhood organizations as well as newsletters, web page items and banners, bill messages and handouts.

These budgets were developed without compromising the mission or values of Tacoma Public Utilities. All expenditures were thoroughly reviewed and capital outlay budgets were examined fully and prioritized for possible deferral or elimination. Financing of these projects is consistent with the Board's established rate policies.

The Tacoma Public Utilities 2019/2020 biennial budget totals \$1.29 billion which represents a 6.5 percent increase from the 2017/2018 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Tacoma Water and Tacoma Rail, the details of which are noted in their subsections below.

The assumption for all of Tacoma Public Utilities includes health and welfare benefit costs which are consistent with levels in the Citywide biennial budget.

Tacoma Power

This budget continues to support Tacoma Power's strategy to maintain low rates while providing reliable and environmentally responsible electric power.

Tacoma Power's 2019/2020 budget is \$958.8 million. This is up \$35.4 million, or 3.8 percent, from the 2017/2018 budget.



Tacoma Power personnel costs are projected to decrease approximately \$(15.0) million or (7.5) percent. These costs include decreases in Tacoma Power staffing levels from 858.6 to 838.28 full time equivalents (FTEs). Repurposing of several existing positions, will address resource needs driven by Tacoma Power's strategic initiatives. Supplies, services and other charges will increase by \$43.3 million or 9.3 percent. The total capital outlay proposed is \$149.7 million, of which \$89.7 million of this capital plan will be paid for from the operating fund while the rest will be paid from bond proceeds.

Taxes, primarily City of Tacoma gross earnings tax of \$70.2 million and State of Washington utilities and business taxes of \$44.2 million, total \$114.4 million for the biennium, which is an increase of \$7.2 million from the prior biennium. Included in the tax figures are administrative fees for small surrounding cities where Tacoma Power operates, plus Click! Network franchise-like fees.

Funding for the budget will be primarily from sales of electric energy, bulk power sales and telecommunications revenues. Tacoma Power also receives other electric and miscellaneous revenues, such as interest income, rents, and wheeling revenues. Tacoma Power will maintain a minimum cash reserve of 90 days of operating expenses including capital paid from the operating fund. The budget includes anticipated additional revenue of \$16.5 million, derived from an average system rate increase of approximately 2.0 percent in each of the two years of the biennium. The budget assumes that the rate stabilization fund maintains its current balance of \$48 million as a protection against potentially unfavorable conditions which could have swift and substantial negative impacts on revenues. An appropriation from the operating fund of \$9.2 million is planned to balance Tacoma Power's budget and to help minimize rate increases.

Tacoma Water

In formulating its budget, Tacoma Water continues to focus on cost control while maintaining responsible stewardship of the utility's assets.

Tacoma Water's 2019/2020 budget is \$228.3 million. This is a \$36.7 million increase, or 19.2 percent, over the current budget.

Tacoma Water's personnel costs are planned to increase by \$3.4 million, including an increase in planned staffing levels of 15.8 FTEs. The increase in FTEs supports broad analysis, data driven decision making and strategic asset management, and aligns staffing with emerging areas of emphasis. Supplies, services and other charges will increase to cover growing operational expenses to provide safe, clean water and to address other priorities. Debt Service is expected to increase to \$53.2 million in the next biennium. Part of the debt service expense will be offset by the Build America Bonds subsidy which is recorded as non-operating revenue. The total capital outlay proposed is \$61.4 million. The capital financing plan calls for \$35.1 million to be paid from the operating fund and capital reserve fund with the remainder coming from existing debt proceeds.

Taxes paid by Tacoma Water total \$24.9 million for the biennium, an increase of \$2.1 million. City of Tacoma gross earnings tax equals \$14.7 million and State of Washington utilities and business taxes equal \$10.2 million. Included in the total tax figures are franchise, administrative, and other fees paid to other cities and entities.

Tacoma Water receives most of its revenue from water sales and other operating earnings. To balance its budget, an anticipated additional revenue amount of \$6.4 million is required, which would come from an average system rate increase of approximately 2.5 percent in both 2019 and 2020.

Tacoma Rail

Tacoma Rail's 2019/2020 budget is \$67.7 million. This is \$1.0 million, or 1.5 percent, above the current budget. Tacoma Rail's operations by necessity fluctuate and are greatly influenced by economic activity, particularly driven by the movement of goods and commodities around the Port of Tacoma.

Personnel costs are projected to increase by \$2.4 million, with staffing levels budgeted to increase by 8 FTEs for the biennium. Supplies, services and other charges are planned to decrease by \$(1.5) million or (6.7) percent. The total capital outlay proposed is \$5.9 million. \$4.5 million of this capital plan will be paid from the operating fund while \$1.4 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenues. Tacoma Rail proposes modest rate increases for 2019 with further rate analysis to follow for 2020.

Taxes paid by Tacoma Rail total \$6.4 million for the biennium, an increase of \$86.7 thousand. City of Tacoma gross earnings tax equals \$5.4 million and State of Washington utilities and business taxes total approximately \$1.0 million.

Fleet Services Fund

The Fleet Services Fund's 2019/2020 biennial budget is \$26.4 million as compared to \$24.8 million in the current biennium. The majority of the increase relates to a higher capital outlay which is up \$3.4 million.

Other Funds

Self-Insurance Claim Fund biennial appropriations, which are provided by Tacoma Power, Tacoma Water and Tacoma Rail plus appropriations from the cash reserves, total \$6.7 million.

The Family Need Fund, which is a funding source for bill payment assistance to qualifying low income Power customers, will have a total biennial budget of \$2.5 million.

Service Divisions

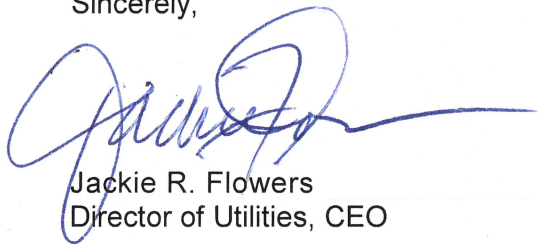
Expenditures for the service divisions are included for information only because their costs are included in the budgets of the operating divisions, and other funds within the department. Portions of the Customer Services costs are reimbursed by the City's Environmental Services. Service division budgets include the Administrative Offices,

Customer Services, TPU Safety, Real Property Services, UTS Software & Desktop Support and Copiers. The operating divisions reviewed these budgets during the budget process to ensure that only essential services are budgeted. The service divisions have budgets that total \$72.3 million for the 2019/2020 biennium, up from \$69.9 million in the current biennium.

Summary

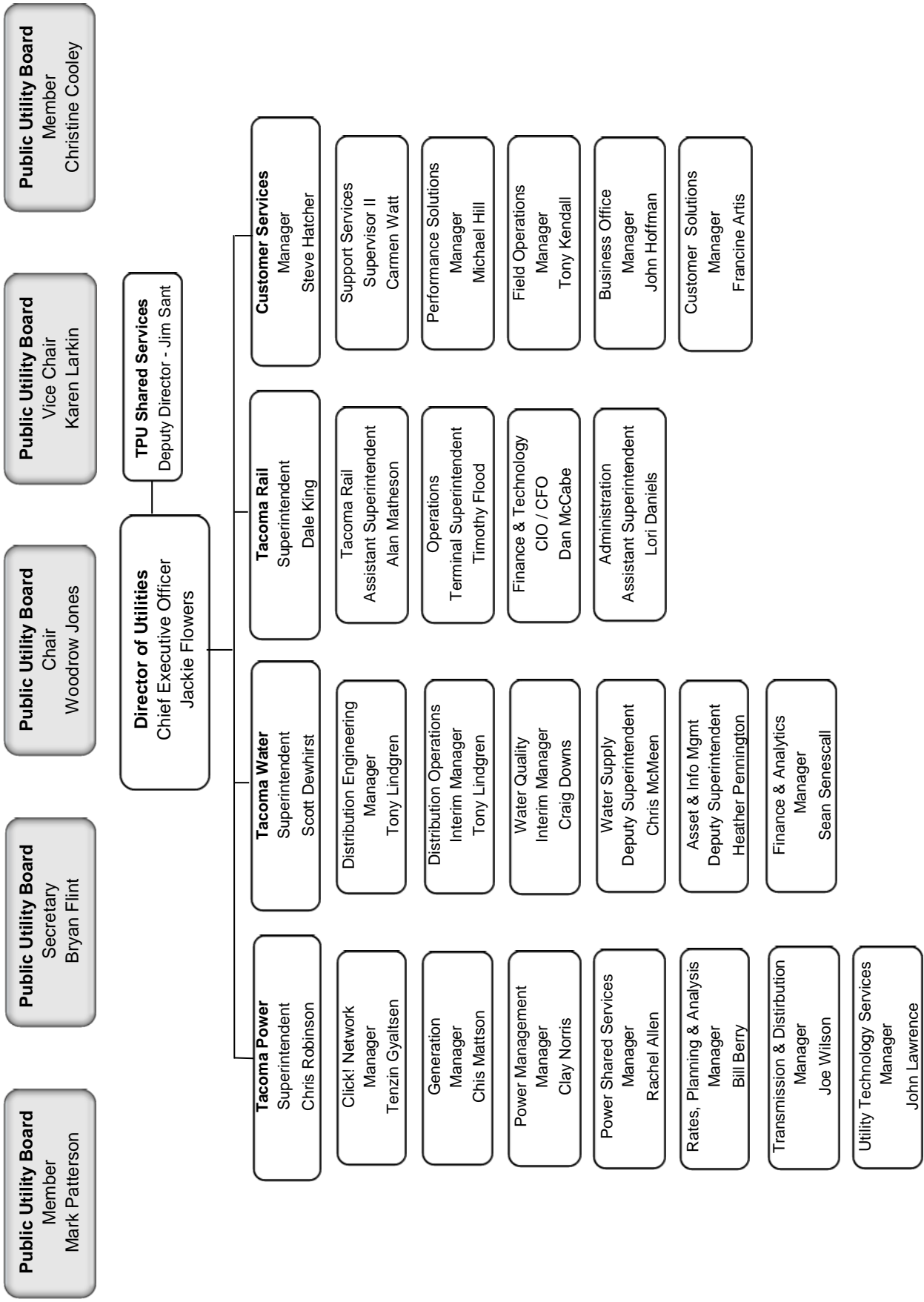
The revenues and expenditures contained in the Department of Public Utilities 2019/2020 biennial budget requests were developed in accordance with the stated mission of the department and in conformance with the objectives of our strategic plan. The proposed budget appropriations were reviewed extensively by my office, divisional management, the Management Services Office, and the Public Utility Board. TPU's budgets and rate proposals reflect strategies that are durable over the long run. The Utilities have considered the economy and market conditions and have properly aligned their budgets and their work forces for the 2019/2020 biennium and beyond.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jackie R. Flowers", with a long horizontal flourish extending to the right.

Jackie R. Flowers
Director of Utilities, CEO

CITY OF TACOMA - DEPARTMENT OF PUBLIC UTILITIES



**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES**

DEPARTMENT SUMMARY

The Department of Public Utilities consists of the Tacoma Power, Tacoma Water, and Tacoma Rail Operating Divisions, Fleet Services, the Customer Services Division, and Administrative and Support Services.

Memorandum budgets have been prepared for the Customer Services and Administrative/Support Services Divisions. Except for a portion of the Customer Services' budget, which is reimbursed by the City's Environmental Services, all planned Service Division expenses have been allocated to and are included in the three Operating Funds' budgets.

The following is a summary of the appropriations by fund.

2017-2018 BUDGET

	Personnel Costs	Supplies, Services & Other Charges	Taxes	Debt Service	Capital Outlay	2017-2018 Total
Tacoma Power Division	\$200,456,764	\$466,917,187	\$107,182,939	\$66,995,223	\$81,830,000	\$923,382,113
Tacoma Water Division	54,522,063	53,274,970	22,742,786	53,012,978	8,010,973	191,563,770
Tacoma Rail Division	31,543,815	22,705,310	6,295,643	1,799,885	4,298,543	66,643,196
Operating Funds	286,522,642	542,897,467	136,221,368	121,808,086	94,139,516	1,181,589,079
Fleet Services Fund	6,643,452	4,698,624	0	0	13,418,000	24,760,076
Family Need Fund	0	2,000,000	0	0	0	2,000,000
Self-Insurance Fund	0	3,762,254	0	0	0	3,762,254
Other Funds	6,643,452	10,460,878	0	0	13,418,000	30,522,330
Total TPU 2017-2018	\$293,166,094	\$553,358,345	\$136,221,368	\$121,808,086	\$107,557,516	\$1,212,111,409

2019-2020 BUDGET

	Personnel Costs	Supplies, Services & Other Charges	Taxes	Debt Service	Capital Outlay	2019-2020 Total
Tacoma Power Division	\$185,415,658	\$510,242,691	\$114,377,816	\$59,122,802	\$89,672,000	\$958,830,967
Tacoma Water Division	57,949,725	57,146,959	24,866,802	53,216,486	35,111,569	228,291,541
Tacoma Rail Division	33,984,306	21,179,656	6,382,314	1,640,486	4,466,084	67,652,846
Operating Funds	277,349,689	588,569,306	145,626,932	113,979,774	129,249,653	1,254,775,354
Fleet Services Fund	6,767,495	2,831,263	0	0	16,780,500	26,379,258
Family Need Fund	0	2,500,000	0	0	0	2,500,000
Self-Insurance Fund	0	6,712,450	0	0	0	6,712,450
Other Funds	6,767,495	12,043,713	0	0	16,780,500	35,591,708
Total TPU 2019-2020	\$284,117,184	\$600,613,019	\$145,626,932	\$113,979,774	\$146,030,153	\$1,290,367,062

Prior years may have been reclassified or restated to reflect organizational changes.

Job Classifications and Salary Information:

Visit www.cityoftacoma.org/empage.aspx for current job classification specs with salary data.

**CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES**

COMPARATIVE BUDGET

Fund	Biennial Budget 2017-2018	Biennial Budget 2019-2020	\$ Increase or Decrease	% Increase or Decrease	% 2019-2020 Total Dept.
Tacoma Power	\$923,382,113	\$958,830,967	\$35,448,854	3.8%	74.3%
Tacoma Water	191,563,770	228,291,541	36,727,771	19.2%	17.8%
Tacoma Rail	66,643,196	67,652,846	1,009,650	1.5%	5.2%
Fleet Services	24,760,076	26,379,258	1,619,182	6.5%	2.0%
Family Need	2,000,000	2,500,000	500,000	25.0%	0.2%
Self-Insurance Claim	3,762,254	6,712,450	2,950,196	78.4%	0.5%
Total Department	\$1,212,111,409	\$1,290,367,062	\$78,255,653	6.5%	100.0%

DEPARTMENT OF PUBLIC UTILITIES	2015-16	2017-18	2019-20
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax	\$74,474,474	\$83,786,232	\$90,242,645
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State of Washington:

Utility & Business Tax	34,821,596	37,371,929	39,867,810
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Other *

15,076,263	15,063,207	15,516,477
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Subtotal

124,372,333	136,221,368	145,626,932
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Federal Taxes (FICA)

14,493,112	15,385,561	16,440,940
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Federal Railroad Taxes (RR)

4,238,342	4,051,175	4,438,438
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Subtotal

18,731,454	19,436,736	20,879,378
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Total Taxes	\$143,103,787	\$155,658,104	\$166,506,310
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other Cities and entities and fire patrol assessments paid to WA State DNR.

DEPARTMENT OF PUBLIC UTILITIES	2017-18	2019-20
General Government Expenses	Biennium Budget	Biennium Budget



City Clerk	\$83,480	\$225,938
City Council	197,554	179,837
City Manager's Office	122,636	121,393
CMO Equity	145,086	527,858
Government Relations	103,754	92,119
Hearing Examiner	68,937	55,755
HUB	465,839	154,804
LEAP	355,818	162,171
TTEP	330,241	313,075
Office of Management and Budget	93,317	74,858
Continuous Improvement	30,857	387,984
TFD Emergency Management	0	119,252

Total Miscellaneous General Government Expenses	1,997,519	2,415,044
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Finance	6,996,448	7,769,410
Human Resources	4,702,409	7,123,207
IT	21,464,048	22,247,545
Legal	2,689,678	3,048,738

Total TPU General Government Expenses	\$37,850,102	\$42,603,944
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TACOMA POWER

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA POWER	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Operating Revenue			
Sales of Electric Energy	\$740,512,345	\$732,280,506	\$825,769,355
Anticipated Additional Revenue	0	43,226,663	16,541,545
Other Electric Revenue	34,795,634	35,494,747	39,743,995
Telecommunications Revenue	53,993,196	61,299,566	54,732,255
Total Operating Revenue	829,301,174	872,301,482	936,787,150
Other Income	28,271,579	12,922,473	12,864,759
Appropriation from Fund Balance	0	38,158,158	9,179,057

Total Revenue & Available Funds	\$857,572,754	\$923,382,113	\$958,830,967
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EXPENDITURES

Personnel Costs	\$173,794,905	\$200,456,764	\$185,415,658
Supplies, Services & Other Charges	426,406,313	466,917,187	510,242,691
Taxes - Current Revenue Estimate	95,663,067	102,266,598	112,496,480
Taxes - Anticipated Additional Revenue	0	4,916,341	1,881,336
Debt Service	69,744,311	66,995,223	59,122,802
Capital Outlay	50,176,235	81,830,000	89,672,000
Cash Defeasance	122,135,000	0	0

Total Expenditures	\$937,919,831	\$923,382,113	\$958,830,967
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CAPITAL OUTLAY FINANCING DETAIL

Funded From Operating Fund	\$81,830,000	\$89,672,000
Funded From New Bonds	108,644,000	60,051,000

Total Capital Outlay	\$190,474,000	\$149,723,000
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PERSONNEL - Budgeted FTEs	856.21 / 854.21	857.27 / 860.02	838.28 / 838.28
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Prior years may have been reclassified or restated to reflect organizational changes.

TACOMA POWER	2015-16	2017-18	2019-20
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Sales of Electric Energy	\$740,512,345	\$732,280,506	\$825,769,355
Anticipated Additional Revenue	0	43,226,663	16,541,545
Other Electric Revenue	34,795,634	35,494,747	39,743,995
Telecommunications Revenue	53,993,196	61,299,566	54,732,255
Total Operating Revenue	829,301,174	872,301,482	936,787,150
Other Income	28,271,579	12,922,473	12,864,759
Appropriation from Fund Balance	0	38,158,158	9,179,057

Total Revenue & Available Funds	\$857,572,754	\$923,382,113	\$958,830,967
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REVENUE DETAIL

Sales of Electric Energy

Residential	\$300,766,720	\$314,653,878	\$366,568,235
Private Off-Street Lighting	2,519,642	2,543,906	3,061,854
Small General	54,659,459	54,346,433	57,254,711
General	195,787,187	195,825,501	208,176,072
High Voltage General	36,520,280	36,485,717	45,607,004
Contract Industrial - Firm	42,819,622	42,637,365	47,244,762
Street Lighting & Traffic Signals	2,716,137	2,397,520	2,016,509
Total Retail Sales	635,789,048	648,890,320	729,929,147

Other Sales

Bulk Power Sales	104,886,683	83,390,186	95,840,208
Accrued Unbilled Revenue	(163,386)	0	0
Total Other Sales	104,723,297	83,390,186	95,840,208
Anticipated Additional Revenue	0	43,226,663	16,541,545
Total Sales of Electric Energy	740,512,345	775,507,169	842,310,900

TACOMA POWER	2015-16	2017-18	2019-20
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

Other Electric Revenue

Rent from Electric Property	2,687,255	2,824,560	2,704,477
Interdepartmental Rent	4,619,843	4,925,388	4,924,037
Service Connection Fees	1,953,794	2,273,080	2,451,276
Green Power	156,199	226,404	111,948
Overhead on Work for Others	238,737	226,345	573,785
Late Payment Fees	1,939,175	2,323,843	2,517,398
Income from Campgrounds	2,710,891	2,809,965	3,008,934
Wheeling	19,795,779	19,856,880	23,374,353
Miscellaneous	693,962	28,282	77,787
Total Other Electric Revenue	34,795,634	35,494,747	39,743,995

Telecommunications Revenue

CATV	31,726,756	38,786,871	32,758,843
Broadband	2,306,899	2,411,528	2,446,773
Internet	13,681,100	18,265,376	18,427,102
Miscellaneous	6,278,441	1,835,791	1,099,537
Total Telecommunications	53,993,196	61,299,566	54,732,255

Other Income

Interest	4,412,669	3,750,235	3,645,145
Federal Subsidy for BABS/CREBS interest	7,359,582	7,340,000	7,418,000
Miscellaneous	4,499,329	1,832,238	1,801,614
Transfer from Other Funds:			
Capital Reserve Fund	12,000,000	0	0
Total Other Income	28,271,579	12,922,473	12,864,759

Other Available Funds

Appropriation from Fund Balance	0	38,158,158	9,179,057
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Total Revenue & Available Funds	\$857,572,754	\$923,382,113	\$958,830,967
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TACOMA POWER	2015-16	2017-18	2019-20
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Power Administration	\$123,471,480	\$136,330,792	\$139,993,579
Click!	60,157,829	69,749,612	54,455,682
Generation	74,933,147	83,976,592	88,768,243
Power Management	309,451,486	335,491,958	363,714,727
Power Shared Services	17,683,492	20,522,943	25,244,294
Rates, Planning & Analysis	5,938,870	8,157,979	10,053,019
Transmission & Distribution	85,999,506	97,539,340	92,145,737
Utility Technology Services	18,228,475	22,787,674	35,660,883

Total for Division	\$695,864,285	\$774,556,890	\$810,036,165
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$154,595,475	\$171,373,051	\$169,701,179
Employee Benefits	59,363,059	64,887,312	58,229,067
Capital Credit & Labor To/From Others	(40,163,629)	(35,803,599)	(42,514,588)
Total Personnel Costs	173,794,905	200,456,764	185,415,658
Supplies	261,489,710	284,010,964	298,920,868
Services	81,572,348	92,136,732	98,853,564
Other Charges	31,808,911	31,524,269	46,185,874
Assessments	51,535,344	59,245,222	66,282,385
Taxes	95,663,067	107,182,939	114,377,816

Total for Division	\$695,864,285	\$774,556,890	\$810,036,165
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TACOMA POWER	2015-16	2017-18	2019-20
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (7.5%)	\$55,941,921	\$61,778,397	\$68,950,770
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State of Washington:

Utility & Business Tax	25,990,360	26,746,080	29,555,802
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Other*

County/Schools/Fire Protection Dist.	4,044,205	4,243,300	4,188,800
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Franchise Administrative Fees	7,151,098	6,775,934	7,498,155
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Click! Franchise-Like Fees	2,535,483	2,722,887	2,302,953
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Subtotal	95,663,067	102,266,598	112,496,480
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Anticipated Additional Revenue**

Gross Earnings Tax (7.5%)		3,242,000	1,240,616
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Utility & Business Tax		1,674,341	640,720
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	4,916,341	1,881,336
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Total City & Utility Tax	95,663,067	107,182,939	114,377,816
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Federal Taxes (FICA)	11,413,951	11,974,468	12,611,278
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Total Tacoma Power Taxes	\$107,077,018	\$119,157,407	\$126,989,094
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

** Taxes on anticipated additional revenue due to rate increase.

TACOMA POWER	2015-16	2017-18	2019-20
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$42,279,311	\$45,325,223	\$42,287,802
Principal	149,600,000	21,670,000	16,835,000

Total Debt Service	\$191,879,311	\$66,995,223	\$59,122,802
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DEBT SERVICE DETAIL

2005A Revenue Bonds	Interest	\$5,196	\$0	\$0
\$93,480,000	Principal	130,000	0	0
2005B Ref & Rev Bonds*	Interest	2,658,774	0	0
\$156,425,000	Principal	122,135,000	0	0
2010B Revenue Bonds	Interest	17,383,651	17,383,647	17,383,647
\$147,070,000	Principal	0	0	0
2010C Revenue Bonds	Interest	2,728,556	2,728,552	2,728,552
\$24,185,000	Principal	0	0	0
2013A Ref & Rev Bonds	Interest	15,437,446	12,971,200	8,990,450
\$181,610,000	Principal	27,335,000	21,670,000	16,835,000
2013B Ref & Rev Bonds	Interest	3,232,222	3,232,220	3,232,220
\$35,620,000	Principal	0	0	0
2015 Line of Credit	Interest	833,466	1,600,000	1,600,000
\$100,000,000	Principal	0	0	0
2017 Bonds	Interest	0	7,409,604	6,573,600
\$100,000,000 - Anticipated	Principal	0	0	0
2020 Bonds	Interest	0	0	1,779,333
\$80,000,000 - Anticipated	Principal	0	0	0

Total Debt Service	\$191,879,311	\$66,995,223	\$59,122,802
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TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

SUMMARY

Click! Network

Capital Projects:	\$0	\$0
Additions and Replacements:	18,229,000	1,797,000
Click! Total	18,229,000	1,797,000

General Plant

Capital Projects:	9,203,000	36,757,000
Additions and Replacements:	2,725,000	2,404,000
General Plant Total	11,928,000	39,161,000

Generation

Capital Projects:	44,228,000	17,950,000
Additions and Replacements:	2,896,000	4,622,000
Generation Total	47,124,000	22,572,000

Power Management

Capital Projects:	28,850,000	14,713,000
Additions and Replacements:	0	0
Power Management Total	28,850,000	14,713,000

Transmission & Distribution

Capital Projects:	19,131,000	9,587,000
Additions and Replacements:	33,260,000	41,492,000
Transmission & Distribution Total	52,391,000	51,079,000

Utility Technology Services

Capital Projects:	29,508,000	16,729,000
Additions and Replacements:	2,444,000	3,672,000
Utility Technology Services Total	31,952,000	20,401,000

Sub-Total	\$190,474,000	\$149,723,000
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Projects Funded from New Bonds (108,644,000) (60,051,000)

Total Operating Fund Capital Outlay	\$81,830,000	\$89,672,000
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TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

CLICK! Network A & R

Broadband Services - Comm	\$619,000	\$150,000
Cable Modems - Comm	1,650,000	0
Click! Equipment	0	50,000
Customer Related Equip - Comm	1,718,000	694,000
Equipment - Comm	50,000	0
FTTH ONT/OLT & Cabinets	0	100,000
Headend Replace & Upgrades - Comm	614,000	150,000
HFC Network Infrastructure Enhancements - Power	138,000	80,000
Network Infill MDU - Comm	421,000	149,000
Network Security Enhancements - Power	80,000	0
Network Upgrade - Comm	11,100,000	0
Network Upgrades & Replacements - Power	1,250,000	164,000
New Service Drop Capitalization - Comm	326,000	200,000
Node Upgrades	0	60,000
Voice Gateway - Comm	263,000	0
Click! Network Total	\$18,229,000	\$1,797,000

General Plant Capital Projects

Advanced Metering Infrastructure (AMI)	\$0	\$24,325,000
Tacoma Power Storage Facility	0	2,945,000
Service Division Capital-Customer Service	1,243,000	223,000
TPU ABN Main Floor Data Center Power System Upgrade	0	186,000
TPU ABN West Vault Electrical Equipment Replacement	0	170,000
TPU ABS Transfer Switch Replacement	0	230,000
2017/18 Capital Funding	6,300,000	0
2019/20 Capital Funding	0	8,678,000
Admin Complex Auditorium Upgrade	431,000	0
Facilities ABN Main Fan Modernization	389,000	0
Facilities ABN-ECC-Wynoochee Dam Elevator Controllers	840,000	0

General Plant A & R

Facilities Critical Operations Power Systems	175,000	226,000
General Plant	750,000	901,000
Tacoma Power Security Upgrade	1,800,000	1,277,000
General Plant Total	\$11,928,000	\$39,161,000

Generation Capital Projects

Alder Cooling Water Pipe Replacements (2" Pipe)	\$0	\$177,000
Cowlitz Falls Downstream Fish Passage - FERC	8,223,000	0
Cowlitz Falls Fish Facility Start-Up (Downstream Fish Passage)	0	927,000
Cowlitz Fish Release Site Development - Tilton & Upper Cowlitz	0	821,000
Cowlitz Off-site Fish Rearing - Satellite Ponds - FERC	1,274,000	0
Cowlitz Salmon Hatchery Filtration System	277,000	0
Cowlitz Salmon Hatchery Generator No 2 Replacement	200,000	0
Cowlitz Trout Hatchery Fish Rearing Revision	1,819,000	3,500,000

TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Cowlitz Trout Hatchery Five Acre Ponds Liner Replacement	1,943,000	0
Cowlitz Trout Hatchery Water Treatment Modernization	4,300,000	0
Cushman #1 Dam ROV Replacement	0	2,867,000
Cushman #1 Units 21, 22 TIV Replacement	746,000	0
Cushman #2 Spillway Gate Remote Operation	0	237,000
Cushman #2 Unit 31, 32, 33 Generator Breaker Replacement	1,500,000	0
Cushman #2 Station Service Upgrades (EG, ATS & SWGR)	0	612,000
Cushman Fish Facilities Improvements - FERC	1,875,000	0
Cushman Fish Habitat Restoration - FERC	1,844,000	0
Cushman Powerhouse Cranes - Controls Upgrade	0	141,000
Fish Habitat & Land Acquisition (CRR Fund) - FERC	2,400,000	0
Hydro Exciter Replacement Program	2,332,000	0
Hydro Generator Life - Extension Program	2,210,000	0
Hydro Governor Replacement Program	2,698,000	0
LaGrande Units 1 - 4 Excitation AC Supply Replacement	0	266,000
LaGrande Units 1 - 4 Protection Relay Replacement	0	223,000
LaGrande Downstream Fish Barrier - FERC	500,000	527,000
LaGrande Shop Building	1,013,000	0
Mayfield Unit 41 Exciter Replacement	0	309,000
Mayfield Units 42, 43, 44 Generator Breaker Replacement	0	999,000
Mayfield Downstream Fish Passage Modification - FERC	1,899,000	0
Mayfield Penstocks Slope Tendon Replacement	6,487,000	0
Mayfield Plant Access Road Rebuild	368,000	0
Mayfield Fish Passage Modification	0	1,672,000
Mayfield Water System Replacements & Upgrades	0	920,000
Mossyrock Dam ROV & Guard Valve Upgrades	0	500,000
Mossyrock Units 51 & 52 Generator Breakers	0	2,495,000
Nisqually Hydro Project Relay Upgrades	320,000	0
Strong Motion Accelerometer (SMA) Replacement and Upgrade	0	200,000
Wynoochee Dam Electrical Power System Upgrade	0	557,000

Generation A & R

ADA Improvements	47,000	50,000
Cowlitz Project Fish Facilities	200,000	0
Cowlitz Project Generation	185,000	208,000
Cowlitz Project Recreation	143,000	192,000
Cushman Project Fish Facilities	464,000	0
Cushman Project Generation	211,000	200,000
Fish Facilities	0	1,434,000
Generation Electrical	0	244,000
Generation Paving	210,000	100,000
Hydro Plant Automation	170,000	268,000
Hydro Plant Electrical Systems	230,000	0
Hydro Plant Mechanical	162,000	179,000
Hydro Plant Water and Sewer Systems	160,000	0
Hydro Wildlife	113,000	50,000
Natural Resources	50,000	50,000

TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Nisqually Project Generation	200,000	200,000
Nisqually Project Recreation	110,000	110,000
Plant Engineering	120,000	115,000
TPU Facility Energy Conservation	0	907,000
Water and Sewer Systems	0	217,000
Wynoochee River Project Generation	121,000	98,000
Generation Total	\$47,124,000	\$22,572,000

Power Management Capital Projects

2019/20 Conservation Portfolio	\$0	\$14,713,000
2017/18 Energy Conservation	21,850,000	0
City of Tacoma LED Street Light Upgrade	7,000,000	0

Power Management A & R

Power Management Technology Upgrades	0	0
Power Management Total	\$28,850,000	\$14,713,000

Transmission & Distribution Capital Projects

#6 Copper Conductor Replacement	\$1,380,000	\$1,500,000
115 kV System Reliability Improvements (NE Bus Sectionalizing)	1,100,000	0
230 kV System Reliability Improvements Program	276,000	0
Distribution Efficiency Program	184,000	180,000
Distribution Substation Transformer Replacement Program	2,668,000	2,878,000
Distribution System Upgrades	0	1,488,000
Downtown Infrastructure Development Program	800,000	0
Henderson Bay Crossing Rehabilitation	4,070,000	0
Mayfield Bank 1 Transformer Replacement	0	3,267,000
Nisqually Substation Protection & SCADA Upgrade	434,000	0
Padmount Switchgear Replacement Program	460,000	0
Pearl - Cushman Line Upgrade Phase 2	4,716,000	0
South Service Area Feeder Enhancements	552,000	0
Transmission Line Auto Sectionalizing	0	274,000
Transmission Line Uprating	1,303,000	0
Vactor Truck Decant & Soil Containment	1,188,000	0

Transmission & Distribution A & R

Cable Replacement Program	3,800,000	0
Central Business District	800,000	2,726,000
Distribution Transformer Purchase	2,900,000	3,362,000
HFC Infill Construction	1,594,000	1,855,000
HFC Road Projects	498,000	1,029,000
Meters and Devices	1,250,000	919,000
NERC/WECC Compliance	200,000	0
New Services	2,000,000	4,823,000
Overhead Distribution	2,000,000	14,998,000
Pad-mount Switchgear Replacement	0	474,000
Pole Replacement Program	8,000,000	0

TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Protection & Controls	1,303,000	776,000
Rental Light	870,000	841,000
Road Related (City, County & State)	4,000,000	4,000,000
Substation	2,115,000	2,268,000
T & D Tools and Equipment	180,000	135,000
Transmission	1,200,000	800,000
Underground Distribution	550,000	2,486,000
Transmission & Distribution Total	\$52,391,000	\$51,079,000

Utility Technology Services Capital Projects

AMI	\$3,545,000	\$0
Asset Analytics	0	64,081
Automated Fuel System	0	443,168
Automated Testing	0	222,664
Avista Decision Support System Integration	0	500,310
Cybersecurity Managed Security Service Provider	464,000	0
Digital Microwave Modernization Loop 1	5,130,000	0
Digital Mobile Radio	2,422,500	0
Drawing Management Solution	278,000	0
EMS Replacement - Part 2 (Implementation)	6,630,000	0
ESRI GIS Data Replication	267,500	0
Facility/Comm Systems Monitoring	0	1,011,121
IT Asset Management	427,000	0
IT Service Management	670,000	0
ITSM/ITAM Tool Enhancements	0	346,701
IVR Ph 2A - Technical Upgrade & 2B - Functional Upgrade	793,000	0
Land Mobile Radio	0	2,045,241
Market Integration Tools	0	1,701,438
Mobile Workforce Mgmt Roadmap & Tech Solution	1,312,500	0
Natural Resources Operational Analytics	505,000	0
Power Generation Cybersecurity Controls Implementation	263,500	0
Power GIS Modernization	0	3,830,245
Power Management Technology Upgrades	1,820,000	0
Technology Contingency	2,253,000	0
TPU Auditorium TV Tacoma Upgrade	0	389,286
TPU Conference Rooms Tech Refresh	0	302,542
TPU Main Campus Data Center	1,615,000	0
TPU Network Backbone Modernization Phase 2	275,000	0
TPU Operations Center Ph2	0	817,470
TPU Voice Comm System Tech Refresh & Impr Ph 1	252,000	0
TPU Voice Comm System Tech Refresh & Impr Ph 2	119,000	0
TPU Voice Comm System Tech Refresh & Impr Ph 3	200,000	0
TPU Voice Comm System Tech Refresh & Impr Ph 4	24,000	0
TPU Voice Comm System Tech Refresh & Impr Ph 5	242,000	0
Wan Modernization	0	1,962,821
Workforce Connect	0	3,049,334
Workplace Giving Automation	0	42,578

TACOMA POWER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Utility Technology Services A & R

Communications	1,098,000	1,551,000
Cybersecurity	549,000	636,000
Energy Management System	304,000	0
System Management	493,000	1,244,000
Telephony	0	241,000
Utility Technology Services Total	\$31,952,000	\$20,401,000

Total Capital Outlay	\$190,474,000	\$149,723,000
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TACOMA WATER

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA WATER	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Operating Revenue			
Water Sales	\$154,939,927	\$145,440,571	\$168,370,780
Anticipated Additional Revenue	0	7,872,671	6,363,724
Other Operating Revenue	13,913,066	14,145,816	7,992,092
Total Operating Revenue	168,852,993	167,459,058	182,726,596
Non-Operating Revenue			
Interest	1,373,688	600,000	600,000
BABS Interest Federal Subsidy	5,514,618	5,540,624	5,540,624
Miscellaneous	603,904	90,000	465,384
Transfers from other Funds:			
Capital Reserve Fund	2,299,390	8,010,973	22,002,893
Appropriation from Fund Balance	0	9,863,115	16,956,044
Total Revenue & Available Funds	\$178,644,592	\$191,563,770	\$228,291,541

EXPENDITURES

Personnel Costs	\$46,634,999	\$54,522,063	\$57,949,725
Supplies, Services & Other Charges	44,750,254	53,274,970	57,146,959
Taxes - Current Revenue Estimate	22,851,347	21,643,155	24,037,673
Taxes - Anticipated Additional Revenue	0	1,099,631	829,129
Debt Service	50,901,049	53,012,978	53,216,486
Capital Outlay	2,299,390	8,010,973	35,111,569
Total Expenditures	\$167,437,039	\$191,563,770	\$228,291,541

CAPITAL OUTLAY FINANCING DETAIL

Funded from Operating Fund	\$0	\$13,108,676
Funded from Capital Reserve Fund	8,010,973	22,002,893
Funded from Existing Bonds	40,040,521	26,254,910
Total Capital Outlay	\$48,051,494	\$61,366,479

PERSONNEL - Budgeted FTEs	256.2 / 256.2	272.5 / 274.5	287.8 / 290.8
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Prior years may have been reclassified or restated to reflect organizational changes.

TACOMA WATER	2015-16	2017-18	2019-20
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Water Sales	\$154,939,927	\$145,440,571	\$168,370,780
Anticipated Additional Revenue	0	7,872,671	6,363,724
Other Operating Revenue	13,913,066	14,145,816	7,992,092
Total Operating Revenue	168,852,993	167,459,058	182,726,596
Non-Operating Revenue	9,791,599	14,241,597	28,608,901
Appropriation from Fund Balance	0	9,863,115	16,956,044

Total Revenue & Available Funds	\$178,644,592	\$191,563,770	\$228,291,541
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REVENUE DETAIL

Water Sales

Residential	\$98,887,838	\$94,234,074	\$111,573,358
Pulp Mill	11,797,065	12,562,228	13,305,108
Wholesale	9,163,986	4,228,737	5,674,463
Other Water Sales	35,091,038	34,415,532	37,817,851
	154,939,927	145,440,571	168,370,780
Anticipated Additional Revenue	0	7,872,671	6,363,724
Total Water Sales	154,939,927	153,313,242	174,734,504

Cascade Water Alliance	5,493,628	5,278,268	5,036,541
Public Fire Protection	5,717,536	6,442,965	0
Miscellaneous Water Revenue	2,701,902	2,424,583	2,955,551
Total Other Operating Revenue	13,913,066	14,145,816	7,992,092

Total Operating Revenue	168,852,993	167,459,058	182,726,596
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Other Income

Interest	1,373,688	600,000	600,000
BABS Interest Federal Subsidy	5,514,618	5,540,624	5,540,624
Miscellaneous	603,904	90,000	465,384
Transfers from Other Funds:			
Capital Reserve Fund	2,299,390	8,010,973	22,002,893
Total Non-Operating Revenue	9,791,599	14,241,597	28,608,901

Appropriation from Fund Balance	0	9,863,115	16,956,044
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Total Revenue & Available Funds	\$178,644,592	\$191,563,770	\$228,291,541
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TACOMA WATER	2015-16	2017-18	2019-20
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Water Administration	\$54,439,339	\$54,140,281	\$59,436,902
Distribution Engineering	4,853,622	7,164,471	6,475,944
Distribution Operations	18,575,641	22,491,158	26,275,717
Quality	11,620,236	14,654,658	15,530,433
Supply	18,325,749	21,354,696	19,345,826
Asset and Information Management	4,761,775	8,158,758	8,264,560
Rates and Financial Planning	1,660,238	2,575,797	4,634,104

Total for Division	\$114,236,600	\$130,539,819	\$139,963,486
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$41,175,274	\$46,316,908	\$51,164,691
Employee Benefits	16,780,159	19,368,085	19,861,443
Capital Credit & Labor To/From Others	(11,320,435)	(11,162,930)	(13,076,408)
Total Personnel Costs	46,634,999	54,522,063	57,949,725
Supplies	13,694,248	13,970,211	16,204,628
Services	8,921,408	15,485,414	14,294,791
Other Charges	2,619,943	2,876,580	3,464,542
Assessments	19,514,656	20,942,765	23,182,998
Taxes	22,851,347	22,742,786	24,866,802

Total for Division	\$114,236,600	\$130,539,819	\$139,963,486
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TACOMA WATER Taxes	2015-16 Biennium Actual	2017-18 Biennium Budget	2019-20 Biennium Budget
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TAX PAYMENTS

City of Tacoma:			
Gross Earnings Tax (8.0%)	\$13,531,202	\$12,759,190	\$14,132,161
State of Washington:			
Utility & Business Taxes	7,974,784	7,562,879	8,380,257
Other*	1,345,362	1,321,086	1,525,255
Subtotal	22,851,347	21,643,155	24,037,673
Anticipated Additional Revenue**			
Gross Earnings Tax (8.0%)		675,190	509,098
Utility & Business Taxes		424,441	320,031
Other*		0	0
		1,099,631	829,129
Total City and Utility Tax	22,851,347	22,742,786	24,866,802
Federal Taxes (FICA)	3,079,161	3,411,093	3,829,662
Total Tacoma Water Taxes	\$25,930,508	\$26,153,879	\$28,696,464

Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

** Taxes on anticipated additional revenue due to rate increase.

TACOMA WATER	2015-16	2017-18	2019-20
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$29,761,597	\$30,078,523	\$27,890,452
Principal	21,139,452	22,934,455	25,326,034

Total Debt Service	\$50,901,049	\$53,012,978	\$53,216,486
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DEBT SERVICE DETAIL

BONDS

2005 Bonds	Interest	\$2,558,912	\$500	\$500
\$5,000 remaining after refund	Principal	3,937,083	0	0

2009 Build America Bonds	Interest	8,830,661	8,830,661	8,830,661
\$76,775,000				

2010 Refunding of 2001 Bonds	Interest	2,413,575	2,349,300	1,853,400
\$26,395,000	Principal	1,111,250	4,505,000	8,360,000

2010 Build America Bonds	Interest	8,154,705	8,154,705	8,154,705
\$74,985,000				

2013 Refunding of 2003 Bonds	Interest	5,948,400	5,948,400	5,948,400
\$74,355,000	Principal	0	0	0

2015 Refunding Bonds	Interest		1,485,128	1,158,000
\$18,430,000	Principal	4,965,837	6,090,000	3,110,000

LOANS

Public Works Trust Fund Loans	Interest	59,041	240,564	186,629
	Principal	5,393,536	5,393,541	5,393,542

State Drinking Water Fund Loans	Interest	1,796,303	3,069,266	1,758,158
	Principal	5,731,746	6,945,914	8,462,492

Total Debt Service	\$50,901,049	\$53,012,978	\$53,216,486
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TACOMA WATER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

SUMMARY

General Plant	\$5,111,724	\$16,795,574
Water Distribution	27,935,816	32,067,914
Water Quality	5,301,255	4,173,620
Water Transmission/Storage/Supply	9,702,699	8,329,371

Sub-Total	\$48,051,494	\$61,366,479
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Projects Funded from Existing Bonds	(40,040,521)	(26,254,910)
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Total Operating Fund Capital Outlay	\$8,010,973	\$35,111,569
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General Plant

UTS Projects	\$2,770,107	\$2,506,266
Advanced Meter Infrastructure (AMI)	1,181,617	13,108,675
Land Acquisition and Strategy	500,000	500,000
Unanticipated Capital & Plant/Equipment Failure Contingency	660,000	680,633

General Plant Total	\$5,111,724	\$16,795,574
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Water Distribution

FRP: Franchise Required Projects	\$200,000	\$200,000
Projects of Opportunity (Prop 3 and Prop A)	200,000	200,000
WDP: Water Division Projects	716,602	1,867,250
MRP: Main Replacement Projects	9,755,190	9,333,398
MRP: Galvanized Main Replacement Projects	1,292,108	2,307,596
MRP: Sound Transit Light Rail Ext MLK	0	3,297,204
MRP: Curran Road Improvements	0	2,196,414
Main Retirements	155,638	100,000
LID/Contract Contributions	200,000	200,000
Lead Gooseneck Replacement Program	5,200,000	5,527,052
Hydrant Installation and Replacement	721,933	460,000
Water Service Renewal and Replacement	4,253,590	4,685,000
Valve Installation and Replacement	615,487	655,000
Capital Meter Replacements	700,000	650,000
Blowoff Installation and Replacement	346,985	335,000
Water bottle Refill Stations	0	54,000
TPU Decant Facility	1,162,287	0
WDP: Tehaleh Main Extension	1,038,996	0
Curran Road System Acquisition	1,000,000	0
Meter Upgrade Project	300,000	0
Leak Detection Equipment	59,000	0
Ground Penetrating Radar Equipment	18,000	0

Water Distribution Total	\$27,935,816	\$32,067,914
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TACOMA WATER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Water Quality

Water Quality Tools and Equipment	\$200,000	\$200,000
Built Forestland Assets	75,000	75,000
Dedicated Distribution System Sample Stations	96,000	48,000
Muckleshoot Agreement	500,000	500,000
Palmer Area Improvements	200,000	50,000
Corrosion Control GPL Wells	2,000,000	2,000,000
MIT Kapowsin Remediation	600,000	594,902
Portable Sample Stations	50,000	0
Pipeline 4 Swan Creek Crossing	700,000	0
1st Diversion:		
Watershed Tools and Equipment	43,452	43,452
Watershed Betterments	94,292	86,905
Major Treatment and Equipment	108,631	123,839
North Fork Wells Control Valves	275,556	53,052
North Fork 7 Motor	133,333	15,916
HCP Culvert Replacement	37,778	24,444
Security Gates and Cameras	0	58,364
North Fork Wells Renewal and Replacement	0	299,746
Connection to USACE Early Warning System at HHD	16,946	0
Smay Creek Forest Road Crossing	170,267	0
Water Quality Total	\$5,301,255	\$4,173,620

Water Transmission/Storage/Supply

Cathodic Protection	\$500,000	\$500,000
Welll Renewal and Replacement	650,000	400,000
Supply Tools	50,000	50,000
Supply System Improvements	450,000	702,825
Hood Street Facilities Seismic Improvements	414,180	1,047,600
Water Distribution Operations Building Seismic Improvement	175,500	4,129,800
Replace PL1 at Puyallup River	5,723,162	200,000
Seismic Improvement to Steel Reservoirs	0	304,146
Addition of Isolation Valve at Indian Hill Reservoir	0	100,000
Well 12A Pipe Supports	0	100,000
Add Seismic Valves to Alaska Street Reservoir	0	195,000
McMillin PS#1 and McMillin Gate House Genset Replacement	0	200,000
Re-Architecture of SCADA Network for connection to TPU Ops LAN	0	400,000
SCADA Systems - Intrusion Alarm Security Improvements	75,000	0
STPS Building Seismic Improvements	151,576	0
Replace/Improve Large Valves	300,000	0
Demo of McMillin Building/Standpipe	121,787	0
West McDonald Ridge Permanent Power	84,494	0

TACOMA WATER	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Meter Installation Project	237,000	0
Pipeline 1 at Deep Creek	670,000	0
Emergency Intertie with LUD at 356th Pump Station	100,000	0
Transmission/Storage/Supply Total	\$9,702,699	\$8,329,371

Total Capital Outlay	\$48,051,494	\$61,366,479
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TACOMA RAIL

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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TACOMA RAIL	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Switching Revenue	\$55,308,525	\$60,027,884	\$59,490,512
Miscellaneous Revenue	4,683,716	4,251,312	5,498,000
Total Operating Revenue	59,992,241	64,279,196	64,988,512
Other Income	2,831,403	2,364,000	2,664,334

Total Revenue & Available Funds	\$62,823,643	\$66,643,196	\$67,652,846
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EXPENDITURES

Personnel Costs	\$30,452,253	\$31,543,815	\$33,984,306
Supplies, Services & Other Charges	20,609,120	22,705,310	21,179,656
Taxes	5,857,919	6,295,643	6,382,314
Debt Service	1,431,736	1,799,885	1,640,486
Capital Outlay	5,725,882	4,298,543	4,466,084

Total Expenditures	\$64,076,911	\$66,643,196	\$67,652,846
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CAPITAL OUTLAY FINANCING DETAIL

Funded from Operating Fund		\$4,298,543	\$4,466,084
Funded from Anticipated Bank Loan Proceeds/Grants		1,361,457	1,450,000

Total Capital Outlay		\$5,660,000	\$5,916,084
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PERSONNEL - Budgeted FTEs	121.0 / 122.0	118.0 / 118.0	126.0 / 126.0
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TACOMA RAIL	2015-16	2017-18	2019-20
Revenue	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE SUMMARY

Switching Revenue	\$55,308,525	\$60,027,884	\$59,490,512
Miscellaneous Revenue	4,683,716	4,251,312	5,498,000

Total Operating Revenue	59,992,241	64,279,196	64,988,512
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Other Income	2,831,403	2,364,000	2,664,334
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Total Revenue & Available Funds	\$62,823,643	\$66,643,196	\$67,652,846
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REVENUE DETAIL

Switching Revenue

Line Hauls & Local	\$52,596,235	\$57,727,884	\$57,190,512
Demurrage	2,712,290	2,300,000	2,300,000

Total Switching Revenue	55,308,525	60,027,884	59,490,512
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Locomotive Servicing	3,723,902	3,729,312	4,800,000
Miscellaneous Revenue	959,814	522,000	698,000

Total Miscellaneous Revenue	4,683,716	4,251,312	5,498,000
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Total Operating Revenue	59,992,241	64,279,196	64,988,512
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Other Income

Rent & Other Income	2,663,812	2,160,000	2,220,000
Interest Income	167,591	204,000	225,000

Total Non-Operating Revenue	2,831,403	2,364,000	2,445,000
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Appropriation from Fund Balance	0	0	219,334
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Total Revenue & Available Funds	\$62,823,643	\$66,643,196	\$67,652,846
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TACOMA RAIL	2015-16	2017-18	2019-20
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Section

Rail Administration	\$19,364,751	\$21,662,977	\$19,212,001
Operations	22,729,900	23,091,658	24,502,263
Mechanical	9,353,480	10,349,435	12,744,323
Construction	5,471,162	5,440,698	5,087,688

Total for Division	\$56,919,293	\$60,544,768	\$61,546,276
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$22,342,007	\$23,205,388	\$25,690,332
Employee Benefits	9,324,415	9,692,927	9,896,974
Capital Credit & Labor To/From Others	(1,214,168)	(1,354,500)	(1,603,000)
Total Personnel Costs	30,452,253	31,543,815	33,984,306
Supplies	2,491,508	2,873,441	2,899,812
Services	7,226,281	7,748,242	9,547,202
Other Charges	7,931,420	8,705,421	4,683,836
Assessments	2,959,911	3,378,206	4,048,806
Taxes	5,857,919	6,295,643	6,382,314

Total for Division	\$56,919,293	\$60,544,768	\$61,546,276
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TACOMA RAIL	2015-16	2017-18	2019-20
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (8.0%)	\$5,001,352	\$5,331,455	\$5,410,000
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State of Washington:

Utility & Business Tax	856,453	964,188	971,000
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Other Taxes	115	0	1,314
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Subtotal	5,857,919	6,295,643	6,382,314
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Federal Railroad Taxes	4,238,342	4,051,175	4,438,438
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Total Tacoma Rail Taxes	\$10,096,261	\$10,346,818	\$10,820,752
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Note: State Sales Tax is included in O & M Budget line items for materials.

Federal Railroad Taxes are paid in lieu of FICA and Retirement and are included in personnel services.

TACOMA RAIL	2015-16	2017-18	2019-20
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

DEBT SERVICE SUMMARY

Interest	\$30,214	\$866	\$0
Principal	1,401,522	1,799,019	1,640,486

Total Debt Service	\$1,431,736	\$1,799,885	\$1,640,486
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DEBT SERVICE DETAIL

Revenue Bond - \$2,000,000	Interest	\$30,214	\$866	\$0
	Principal	490,617	64,238	0
Rail Bank Loans	Principal	910,905	1,734,781	1,640,486

Total Debt Service	\$1,431,736	\$1,799,885	\$1,640,486
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TACOMA RAIL	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

SUMMARY

General Plant	\$0	\$41,084
Communications	235,000	150,000
Facility Upgrades	1,025,000	2,300,000
Rail Equipment/Vehicles	1,000,000	1,175,000
Track Improvements	3,400,000	2,250,000

Sub-Total	\$5,660,000	\$5,916,084
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Projects Funded from Grants	(\$400,000)	(\$1,000,000)
Projects Funded from Rail Bank Loan Proceeds	(311,457)	(450,000)
Projects Funded from Anticipated Bank Loan Proceeds	(650,000)	0

Total Operating Fund Capital Outlay	\$4,298,543	\$4,466,084
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General Plant

TPU Auditorium TV Upgrade	\$0	\$41,084
General Plant Total	\$0	\$41,084

Communications

Radio Repeater Upgrades	\$150,000	\$150,000
GPS and Cameras for Locomotives	85,000	0
Communications Total	\$235,000	\$150,000

Facility Upgrades

Locomotive Load Box	\$0	\$50,000
ITS Project	300,000	300,000
Stormwater Treatment and Filtration	100,000	50,000
Secondary Fueling Upgrades	500,000	1,900,000
Admin Building Window Replacement	25,000	0
West End Track Pan Replacement	100,000	0
Facility Upgrades Total	\$1,025,000	\$2,300,000

TACOMA RAIL	2017-18	2019-20
Capital Outlay	Biennium Budget	Biennium Budget

Rail Equipment/Vehicles

Locomotive Repower	\$1,000,000	\$1,000,000
Lift Truck (Fork Lift)	0	25,000
Trucks	0	150,000
Rail Equipment/Vehicles Total	\$1,000,000	\$1,175,000

Track Improvement Projects

Tidelands Infrastructure Improvements	\$1,000,000	\$1,000,000
Marine View Drive Crossing Signals	0	1,000,000
Taylor Way Crossings	0	250,000
Taylor Way and Hylebos Creek Bridge Relay	525,000	0
Port Road Main Rail Relay	505,000	0
South Lead Rail Relay	200,000	0
Kia Siding Rail Relay	270,000	0
Buffelen Curve Rehabilitation	420,000	0
Switch Replacements	480,000	0
Track Improvement Projects Total	\$3,400,000	\$2,250,000

Total Capital Outlay	\$5,660,000	\$5,916,084
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FLEET SERVICES FUND

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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FLEET SERVICES	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Replacement Fees	\$9,949,015	\$14,265,897	\$6,979,830
Administrative Overhead	1,681,250	2,745,393	2,827,007
Fees for Services	4,740,836	7,623,786	6,721,751
Total Operating Revenue	16,371,101	24,635,076	16,528,588
Other Income	577,746	125,000	50,000
Appropriation from Fund Balance	0	0	9,800,670

Total Revenue & Available Funds	\$16,948,847	\$24,760,076	\$26,379,258
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EXPENDITURES

Personnel Costs	\$5,819,193	\$6,643,452	\$6,767,495
Supplies	229,364	198,744	237,576
Services	881,114	704,178	506,928
Other Charges	552,723	2,426,589	738,193
Assessments	1,233,530	1,369,113	1,348,567
Total Operations & Maintenance	8,715,924	11,342,076	9,598,758
Capital Outlay	10,889,266	13,418,000	16,780,500

Total Expenditures	\$19,605,190	\$24,760,076	\$26,379,258
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PERSONNEL - Budgeted FTEs	29.5 / 29.5	29.0 / 29.0	30.0 / 30.0
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SELF-INSURANCE FUND

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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SELF-INSURANCE CLAIM FUND	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

REVENUE

Sources of Revenue

Transfers - Tacoma Power	\$1,800,000	\$1,400,000	\$2,000,000
Transfers - Tacoma Water	480,000	480,000	480,000
Transfers - Tacoma Rail	200,000	200,000	1,200,000
Interest	125,073	120,000	150,000
Appropriation from Fund Balance	0	1,562,254	2,882,450

Total Revenue & Available Funds	\$2,605,073	\$3,762,254	\$6,712,450
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EXPENDITURES

Secondary Labor Costs	\$6,013	\$0	\$0
Supplies	2,293	2,500	1,700
Services	351,874	1,500,000	1,506,500
Other Charges	522,399	2,003,100	5,012,250
Assessments	249,860	256,654	192,000

Total Expenditures	\$1,132,439	\$3,762,254	\$6,712,450
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FAMILY NEED FUND

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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FAMILY NEED FUND	2015-16	2017-18	2019-20
Recapitulation of Biennial Budget	Biennium Actual	Biennium Budget	Biennium Budget

RECEIPTS

Public Contributions	\$43,110	\$0	\$0
Tacoma Power Contribution	960,000	200,000	1,000,000
Interest	24,641	0	0
Appropriation from Fund Balance	0	1,800,000	1,500,000

Total Receipts	\$1,027,751	\$2,000,000	\$2,500,000
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EXPENDITURES

Family Need	\$717,335	\$2,000,000	\$2,500,000
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Total Expenditures	\$717,335	\$2,000,000	\$2,500,000
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Tacoma Water has their own program outside of this fund.

Additional Administrative expenses are paid by Tacoma Power and are included in Power's budget.

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**ADMINISTRATIVE OFFICES
and
TPU SUPPORT SERVICES**

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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TPU ADMINISTRATION	2015-16	2017-18	2019-20
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$6,973,039	\$8,787,916	\$10,356,363
Employee Benefits	2,554,596	3,197,102	3,540,857
Capital Credit & Labor To/From Others	(1,128)	(195,000)	(210,050)
Total Personnel Costs	9,526,507	11,790,018	13,687,170
Supplies	324,541	348,434	391,530
Services	1,633,172	2,900,352	2,571,767
Other Charges	1,527,281	1,969,443	2,158,353
Assessments	491,440	657,989	725,376

Total for TPU Administration	\$13,502,941	\$17,666,236	\$19,534,196
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Director & Board (575100)

Salaries & Wages	\$964,332	\$1,070,149	\$1,166,200
Employee Benefits	296,710	339,126	296,604
Capital Credit & Labor To/From Others	29,016	35,000	40,000
Total Personnel Costs	1,290,058	1,444,275	1,502,804
Supplies	78,657	87,186	72,585
Services	316,537	503,000	354,000
Other Charges	402,506	621,686	581,149
Assessments	69,243	86,658	70,677
Total	\$2,157,000	\$2,742,805	\$2,581,215

Management Services Office (575200)

Salaries & Wages	\$1,775,862	\$2,094,841	\$2,210,036
Employee Benefits	659,822	785,958	773,326
Capital Credit & Labor To/From Others	182	0	12,000
Total Personnel Costs	2,435,866	2,880,799	2,995,362
Supplies	45,612	42,580	42,451
Services	72,093	197,500	144,000
Other Charges	148,807	184,346	184,102
Assessments	116,929	171,327	164,713
Total	\$2,819,307	\$3,476,552	\$3,530,629

TPU ADMINISTRATION	2015-16	2017-18	2019-20
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

Public Records Office (575201)

Salaries & Wages			\$672,870
Employee Benefits			262,369
Capital Credit & Labor To/From Others			0
Total Personnel Costs	0	0	935,239
Supplies			83,281
Services			81,200
Other Charges			121,048
Assessments			0
Total	\$0	\$0	\$1,220,768

Public Affairs (575701)

Salaries & Wages	\$1,060,487	\$1,835,502	\$2,025,678
Employee Benefits	327,129	575,118	695,234
Capital Credit & Labor To/From Others	7,725	0	0
Total Personnel Costs	1,395,340	2,410,621	2,720,912
Supplies	18,108	39,351	69,401
Services	415,335	586,500	531,650
Other Charges	151,043	204,129	247,809
Assessments	47,728	75,415	130,390
Total	\$2,027,555	\$3,316,015	\$3,700,162

Market Development (572000)

Salaries & Wages	\$760,835	\$1,748,133	\$1,485,110
Employee Benefits	247,283	594,610	485,549
Capital Credit & Labor To/From Others	(1,230)	0	0
Total Personnel Costs	1,006,888	2,342,743	1,970,659
Supplies	13,795	19,594	29,576
Services	221,095	851,000	426,000
Other Charges	101,490	211,559	183,257
Assessments	33,750	79,389	88,529
Total	\$1,377,018	\$3,504,285	\$2,698,021

TPU ADMINISTRATION	2015-16	2017-18	2019-20
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

Account Executives (572100)

Salaries & Wages	\$483,887	\$601,470	\$676,267
Employee Benefits	188,418	233,382	239,806
Capital Credit & Labor To/From Others	3,361	0	0
Total Personnel Costs	675,666	834,852	916,072
Supplies	12,215	11,829	13,485
Services	36,812	98,408	48,973
Other Charges	45,957	48,170	45,357
Assessments	45,112	53,022	44,368
Total	\$815,764	\$1,046,280	\$1,068,255

Communications (575700)

Salaries & Wages	\$1,927,636	\$1,437,821	\$2,120,201
Employee Benefits	835,235	668,908	787,968
Capital Credit & Labor To/From Others	(40,182)	(230,000)	(262,050)
Total Personnel Costs	2,722,688	1,876,729	2,646,120
Supplies	156,154	147,894	80,751
Services	571,301	663,944	985,944
Other Charges	677,477	699,553	795,631
Assessments	178,678	192,178	226,700
Total	\$4,306,298	\$3,580,298	\$4,735,146

Total for TPU Administration	\$13,502,941	\$17,666,236	\$19,534,196
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PERSONNEL - Budgeted FTEs	33.75 / 33.75	38.0 / 38.0	45.0 / 45.0
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TPU SUPPORT SERVICES	2015-16	2017-18	2019-20
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

TPU Safety (575800)

Salaries & Wages			\$354,144
Employee Benefits			141,052
Capital Credit & Labor To/From Others			0

Total Personnel Costs	0	0	495,196
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Supplies			17,390
Services			500,000
Other Charges			16,000
Assessments			22,587

Total for TPU Safety	\$0	\$0	\$1,051,173
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PERSONNEL - Budgeted FTEs	0.0 / 0.0	0.0 / 0.0	2.0 / 2.0
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TPU Real Property Services (576800)

Salaries & Wages	\$132,826	\$1,254,010	\$1,342,690
Employee Benefits	67,041	534,527	514,320
Capital Credit & Labor To/From Others	1,459,904	0	0

Total Personnel Costs	1,659,771	1,788,537	1,857,010
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Supplies	17,156	22,901	30,889
Services	3,490	15,000	12,600
Other Charges	154,864	170,845	144,549
Assessments	55,097	78,711	114,432

Total for TPU Real Property Services	\$1,890,379	\$2,075,994	\$2,159,480
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PERSONNEL - Budgeted FTEs	7.12 / 7.12	7.12 / 7.12	7.25 / 7.25
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TPU UTS Software & Desktop Support (579800)

Salaries & Wages	\$990,445	\$1,255,249	\$1,456,677
Employee Benefits	377,217	418,924	521,614
Capital Credit & Labor To/From Others	(230,143)	(106,200)	(282,219)

Total Personnel Costs	1,137,518	1,567,973	1,696,072
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Supplies	227,700	29,665	32,772
Services	500,042	710,620	255,000
Other Charges	347,960	525,712	518,098
Assessments	171,157	0	0

Total for TPU UTS Software & Desktop Support	\$2,384,377	\$2,833,970	\$2,501,942
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PERSONNEL - Budgeted FTEs	8.0 / 8.0	5.0 / 5.0	7.0 / 7.0
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TPU SUPPORT SERVICES	2015-16	2017-18	2019-20
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Copier Services (577400)

Salaries & Wages	\$25,187	\$0	\$0
Employee Benefits	16,557	0	0
Capital Credit & Labor To/From Others	(184)	60,000	60,000
Total Personnel Costs	41,560	60,000	60,000
Supplies	95,462	95,000	96,747
Services	209,279	276,000	288,000
Other Charges	550,024	462,770	442,770
Assessments	1,651	0	0
Total for Copier Services	\$897,977	\$893,770	\$887,517

PERSONNEL - Budgeted FTEs	0.25 / 0.25	0.0 / 0.0	0.0 / 0.0
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TPU IT Dedicated Resources (575900)

Salaries & Wages	\$1,720,945	\$2,063,560	
Employee Benefits	647,963	826,506	
Capital Credit & Labor To/From Others	0	0	
Total Personnel Costs	2,368,908	2,890,066	0
Supplies	16,674	16,809	
Services	0	0	
Other Charges	0	0	
Assessments	107,847	218,721	
Total for TPU IT Dedicated Resources	\$2,493,429	\$3,125,597	\$0

PERSONNEL - Budgeted FTEs	9.0 / 9.0	11.0 / 11.0	0.0 / 0.0
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CUSTOMER SERVICES DIVISION

TACOMA PUBLIC UTILITIES

2019/2020

DRAFT PRELIMINARY BIENNIUM BUDGET

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CUSTOMER SERVICES	2015-16	2017-18	2019-20
Division Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$19,614,884	\$20,917,991	\$23,538,872
Employee Benefits	8,992,992	9,549,165	9,981,044
Capital Credit & Labor To/From Others	(418,666)	(530,900)	(696,101)
Total Personnel Costs	28,189,210	29,936,256	32,823,815
Supplies	829,031	1,019,565	1,099,847
Services	1,633,343	1,779,767	2,353,154
Other Charges	3,436,010	3,862,015	4,958,880
Assessments	3,381,602	3,829,165	4,302,389
Total Operation & Maintenance	37,469,196	40,426,768	45,538,085
Capital Outlay	2,465,548	2,835,000	584,420

Total for Customer Services	\$39,934,744	\$43,261,768	\$46,122,505
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SUMMARY - Operation & Maintenance by Cost Center

Customer Services Administration

579500 TPU CS Support Services	\$1,111,735	\$1,116,626	\$1,192,665
579600 TPU CS Switchboard	151,095	187,764	159,493
579700 TPU CS Administration	5,855,060	4,680,372	5,692,970

Customer Services Performance Solutions

578800 TPU CS Performance Solutions	0	1,963,214	2,866,501
577100 TPU CS Training	529,488	952,603	1,133,184

Customer Services Operations

578900 TPU CS Operations Admin	1,085,567	1,405,904	1,337,183
579100 TPU CS Mail Svcs	2,949,640	3,302,409	3,628,121
579200 TPU CS Field Investigation	4,107,027	4,259,012	4,135,498
579300 TPU TMB Mail Services	557,803	636,691	657,922
579400 TPU CS Meter Reading	3,731,524	3,570,666	3,883,741

Customer Services Business Office

572400 TPU CS PayGo	524,111	549,455	580,165
572500 TPU CS Customer Solutions	834,526	937,266	2,194,876
577200 TPU CS Phones	6,550,817	6,926,795	7,353,134
578100 TPU CS Lobby Svcs	1,997,549	1,988,804	2,299,093
578500 TPU CS Back Office	3,302,018	3,741,341	4,463,426
579000 TPU CS Business Solutions	1,309,111	1,181,935	1,226,458
579900 TPU CS Bus Office Admin	2,872,124	3,025,911	2,733,655

Total Operation & Maintenance	37,469,196	40,426,768	45,538,085
Capital Outlay	2,465,548	2,835,000	584,420

Total for Customer Services	\$39,934,744	\$43,261,768	\$46,122,505
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PERSONNEL - Budgeted FTEs	146.0 / 146.0	147.0 / 147.0	155.9 / 155.9
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RESOLUTION NO. U-11032

A RESOLUTION related to the purchase of materials, supplies, equipment and the furnishing of services; authorizing the City officials to enter into contracts and, where specified, waive competitive bidding requirements, authorize sale of surplus property, or increase or extend existing agreements.

WHEREAS the City of Tacoma, Department of Public Utilities, requested bids/proposals for the purchase of certain materials, supplies, equipment and/or the furnishing of certain services, or proposes to purchase off an agreement previously competitively bid and entered into by another governmental entity, or for the sales of surplus, or desires to increase and/or extend an existing agreement, all as explained by the attached Exhibit "A," which by this reference is incorporated herein, and

WHEREAS in response thereto, bids/proposals (or prices from another governmental agreement) were received, all as evidenced by Exhibit "A," and

WHEREAS the Board of Contracts and Awards and/or the requesting division have heretofore made their recommendations, which may include waiver of the formal competitive bid process because it was not practicable to follow said process, or because the purchase is from a single source, or there is an emergency that requires such waiver, and/or waiver of minor deviations, and in the case of sale of surplus, a declaration of surplus has been made certifying that said items are no longer essential for continued effective utility service, as explained in Exhibit "A," and



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WHEREAS the Director requests authorization, pursuant to
TMC 1.06.269 A, to amend contract amounts up to \$200,000 and to approve
term extensions and renewals for all items contained in Exhibit "A;" Now,
therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Public Utility Board of the City of Tacoma hereby concurs and
approves the recommendations of the Board of Contracts and Awards and/or
the requesting division, and approves, as appropriate: (1) the purchase and/or
furnishing of those materials, supplies, equipment or services recommended for
acceptance; (2) the sale of surplus materials, supplies or equipment
recommended for acceptance; (3) the Interlocal agreement that authorizes
purchase off another governmental entity's contract; (4) the increase and/or
extension of an existing agreement, and said matters may include waiver of the
formal competitive bid process and/or waiver of minor deviations, all as set forth
on Exhibit "A," and authorizes the execution, delivery and implementation of
appropriate notices, contracts and documents by the proper officers of the City
for said transactions, and (5) the administrative authority of the Director, per
TMC 1.06.269 A., to amend contract amounts up to \$200,000 and to approve
term extensions and contract renewals for all items in Exhibit "A."

Approved as to form and legality:



Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____

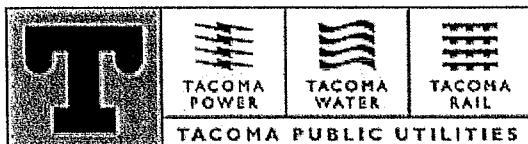


EXHIBIT "A"

RESOLUTION NO.: U-11032

ITEM NO.: #1

MEETING DATE:

TO: Board of Contracts and Awards
FROM: Chris Robinson, TPU Power Superintendent
John Lawrence, UTS Section Manager
Terry Gifford, Power Assistant Section Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, SBE Coordinator, LEAP Coordinator, and Joe Parris, Finance/Purchasing
SUBJECT: TPU Main Campus Data Center Project – Network Infrastructure
Washington State Contract #01114, NASPO ValuePoint AR233 – October 24, 2018
DATE: October 11, 2018

RECOMMENDATION SUMMARY:

The Utilities Technology Services Section recommends a contract be awarded to Presidio Networked Solutions Group, LLC, Bellevue WA for the purchase of hardware, software, software licensing and support to implement data network infrastructure for TPU Main Campus Data Center for a total award in the amount of \$430,483.70, plus any applicable sales tax.

BACKGROUND:

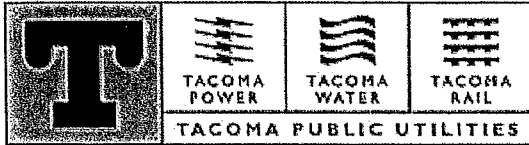
TPU is executing a project to consolidate the critical server and network infrastructure used to support the utility operational and control systems into one modern, secure, reliable, and expandable space. The project will also significantly increase the network and server capacity to meet UTS' needs for several years to come and improve reliability and security of the controlled environment the equipment occupies.

ISSUE: The new data network infrastructure provides the higher performance and increase resiliency data communications required to support critical utility operational systems. As part of this purchase, existing data center network infrastructure will be upgraded and reused at the utility's backup data center to provide increased capacity and additional redundancy.

ALTERNATIVES: While reusing the existing network infrastructure is possible, the resiliency and performance would be significantly reduced. The relocation of the existing equipment would result in an extended outage to the operational networks impacting business and compliance processes. Additionally, TPU would be unable to leverage the additional efficiencies and functionality the new data center project is intended to provide.

COMPETITIVE SOLICITATION:

Washington State Contract #01114, executed as a participating addendum to NASPO ValuePoint AR233 meets the City's competitive solicitation requirements. Presidio Networked Solutions Group is an authorized vendor on this competitively bid state contract. The City of Tacoma is authorized to leverage this contract and benefit from the discounted pricing. All items on this bid are under the term and conditions of the contract. NASPO contracts maximize cost avoidance, reduce individual state administrative costs, and encourage market competition and product availability through standard specifications and consolidated requirements. By utilizing the state contract, the city is saving \$364,038.30 over list price from the equipment manufacturer.



CONTRACT HISTORY: New Contract

SBE/LEAP COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TPU Main Campus Data Center	PWR-00945-14	560900	\$385,840.00
UTS Cyber/Network O&M Admin	80021043	564600	\$ 44,643.70
TOTAL			

REVENUES:


FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TPU Main Campus Data Center	PWR-00945-14	560900	\$385,840.00
UTS Cyber/Network O&M Admin	80021043	564600	\$ 44,643.70
TOTAL			

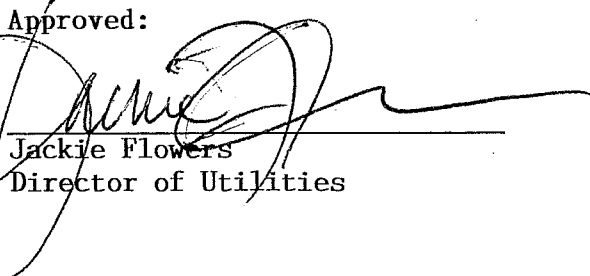
FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$430,483.70

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Funds for this contract are budgeted and available in the 2017-2018 Biennial Budget.


Chris Robinson
Power Superintendent

Approved:

Jackie Flowers
Director of Utilities

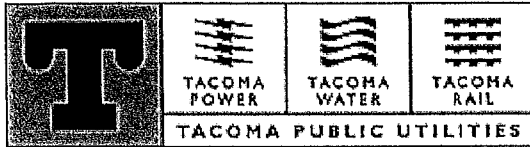


EXHIBIT "A"

RESOLUTION NO.: U-11032

ITEM NO.: #2

MEETING DATE: OCTOBER 24, 2018

TO: Board of Contracts and Awards
FROM: Chris Robinson, Tacoma Power Superintendent,
James Boyd, T&D Safety Manager, Transmission & Distribution
COPY: Public Utility Board, Director of Utilities, Board Clerk, and Alex Clark,
Finance/Purchasing
SUBJECT: Increase Contract and Supplement the Original Scope of Work for
Comprehensive Safety Culture Program, SAP Contract No. 4600013170 –
October 24, 2018
DATE: October 12, 2018

RECOMMENDATION SUMMARY:

Tacoma Power requests approval to increase and supplement the original scope of work to SAP Professional Services Agreement No. 4600013170, with Caterpillar Inc., of Portland, OR by \$394,973.75, plus any applicable taxes, for consulting services in support of the creation of Tacoma Public Utility safety culture program. This increase will bring the contract to a cumulative total of \$495,074.75, plus any applicable taxes.

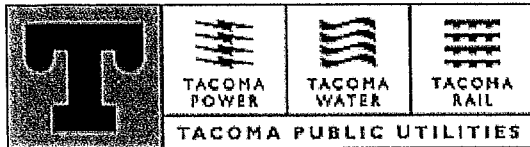
BACKGROUND:

An effort was launched in 2017 to increase safety in the workplace. Part of this effort included incorporating a safety program that would identify risks and suggest areas for improvements. Caterpillar Safety Services was recommended by other peer utilities as an effective tool to meet this need. This request for additional funds is for continued consulting services, whereas CAT will assist in the implementation of a multi-step process that will address all aspects of safety culture development, as well as provide TPU the tools needed to operate the program independently into the future.

ISSUE: Several TPU sections have used "off-the-shelf" safety programs and have had limited success. These programs are generic, not focused on overall TPU culture or specific safety needs, expensive and tend to run their course in a few years. The CAT advantage is the programs focus on the specific safety needs of every section within TPU. CAT also provides tools and processes to allow TPU to consistently update and change the program to meet the evolving needs of the utility.

ALTERNATIVES: Continue to utilize "off-the-shelf" safety programs, which have historically had limited success, and tend to be short lived.

COMPETITIVE ANALYSIS: Caterpillar Safety Services (CAT) is a safety consulting organization with a history of providing outstanding service to the utility industry. CAT has experience in reviewing safety performance, making program recommendations to Power, Water, and Rail organizations, and has an exceptional reputation for converting safety survey results into internally driven processes for the development of sustainable safety culture plans and processes. Tacoma Power staff have surveyed more than four peer utilities to evaluate their success in using CAT and their approach to developing a strong safety culture and determined that it is in TPU's best interest to utilize CAT's unique approach to improving safety at TPU.



CONTRACT HISTORY: This contract was originally awarded to Caterpillar Inc. as a result of direct negotiation in December 2017. In June, 2018, Amendment No. 1 increased the contract by \$35,101 as well as modified the scope to include all sections of Tacoma Public Utilities. Additionally, Amendment No. 1 extended the terms of the agreement to December 31, 2018.

SBE/LEAP COMPLIANCE: Not applicable.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
2019-2020 Capital and O&M Budget			\$394,973.75
TOTAL			

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Not Applicable			
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

Chris Robinson, Power Superintendent/COO

APPROVED:

Jackie Flowers / Director of Utilities



RESOLUTION NO. U-11033

A RESOLUTION relating to amending and revising Chapter 12.06 of the Tacoma Municipal Code ("TMC") regarding electric regulations and rates.

WHEREAS the City of Tacoma, Department of Public Utilities, Power Division (d.b.a. "Tacoma Power"), has completed its revenue requirement analysis and has developed proposed rates and regulations for the 2019-2021 biennium, and

WHEREAS Tacoma Power's revenue requirements analysis for the 24-month budget period (April 1, 2019, through March 31, 2021) indicates a revenue shortfall of approximately \$21.9 million at current rates. Expenses driving this shortfall are related to general inflationary increases in operating and capital expenses such as technology upgrades, regulatory compliance, and cybersecurity enhancements, and

WHEREAS, based on this analysis, Tacoma Power is recommending the following Revenue Requirement adjustments:

Proposed Increase in Revenue Requirement by Class		
Rate Class		Rate Increase (two-step, levelized)
Residential	A	0.9%
Small General	B	0.7%
General	G	4.0%
High Voltage General	HVG	3.1%
Contract Industrial	CP	2.2%
Street Lighting	H-1	4.0%
Traffic Signals	H-1	0.0%
Private Off-Street Lighting	H2	4.0%



WHEREAS this resolution provides for two system average 2.0% electric rate increases, one that will become effective April 1, 2019, and the other that will become effective April 1, 2020, and the rate increases are distributed to different customer classes based on a Cost-of-Service Analysis, and

WHEREAS revisions regarding electric regulations and rates require approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the rates and regulations are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Power, and Tacoma Power requests that the Board approve said revisions and amendments; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed revisions to Tacoma Power's regulations, rates and charges are hereby approved, and the Council of the City of Tacoma is requested to pass an ordinance approving such revisions by amending Chapter 12.06 of the Tacoma Municipal Code, as set forth in the attached Exhibit "A-1" effective April 16, 2019, and Exhibit "A-2" effective April 1, 2020, and as substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Approved as to form and legality:



Chief Deputy City Attorney

Clerk

Chair

Secretary

Adopted _____

Request for Board meeting

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

of October 24, 2018

REQUEST FOR RESOLUTION

Date: October 3, 2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Amend and revise Chapters 12.06 of the Tacoma Municipal Code regarding electric regulations and rates.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Tacoma Power requests approval of the revised Power Regulations and Rates. These rate provisions would become effective on April 1, 2019, and April 1, 2020.

3. Summarized reason for resolution:

Tacoma Power's revenue requirement analysis for the twenty-four month Rate Period (April 1, 2019 through March 31, 2021) projects a revenue shortfall of approximately \$21.9 million at current rates. The main drivers for this shortfall are general inflationary increases in operating and capital expenses such as technology upgrades, regulatory compliance, and cybersecurity enhancements.

This resolution provides two system average 2.0% electric rate increases to become effective April 1, 2019 and April 1, 2020. The rate increases are distributed to different customer classes based on a Cost-of-Service Analysis.

4. Attachments:

- a. Letter to Public Utility Board and City Council from Jackie Flowers dated October 2, 2018
b. Proposed Amendments to Chapters 12.06 TMC

5. ☒ Funds available ☐ Proposed action has no budgetary impact

6. Deviations requiring special waivers: None

Originated by:

Bill Berry

Section Head

Requested by:

Division Head

Approved:

Jackie Flowers
Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance – Amend and revise TMC Chapters 12.06; First Reading 11/13/18
DATE: October 2, 2018

SUMMARY:

Tacoma Power requests approval by the Public Utility Board and the City Council for two rate adjustments that would become effective on April 1, 2019, and April 1, 2020.

BACKGROUND:

Tacoma Power's revenue requirements analysis for the twenty-four month Rate Period (April 1, 2019, through March 31, 2021) indicates a revenue shortfall of approximately \$21.9 million at current rates. The main drivers for this shortfall are general inflationary increases in operating and capital expenses such as technology upgrades, regulatory compliance, and cybersecurity enhancements. The proposed rate increases are designed to generate additional revenue required to pay budgeted expenses and meet financial metrics (debt service coverage and liquidity).

In preparation for this request, Tacoma Power has sought public input through public presentations at Neighborhood Council and City Council meetings in communities served by Tacoma Power. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

ISSUE:

Tacoma Power looks to recover through the proposed rate adjustments approximately \$21.9 million in additional revenues over the April 1, 2019, to March 31, 2021, Rate Period. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Proposed Increase in Revenue Requirement by Class			
Rate Class		Rate Increase (two-step, levelized)	
Residential	A	0.9%	
Small General	B	0.7%	
General	G	4.0%	
High Voltage General	HVG	3.1%	
Contract Industrial	CP	2.2%	
Street Lighting	H-1	4.0%	
Traffic Signals	H-1	0.0%	
Private Off-Street Lighting	H-2	4.0%	

ALTERNATIVES:

These rate adjustments are included in the proposed 2019/2020 Budget for Tacoma Power, as under review by the Public Utility Board and City Council.

RECOMMENDATION:

Tacoma Power requests approval by the Public Utility Board and the City Council for two rate adjustments effective April 1, 2019, and April 1, 2020.

**FISCAL IMPACT:**

At current rates, Tacoma Power's revenue requirements analysis indicates a revenue shortfall of approximately \$16.5 million for the 2019/2020 Budget period (January 1, 2019 to December 31, 2020), and \$21.9 million for the Rate Period (April 1, 2019 through March 31, 2021). If the ordinance is not adopted, Tacoma Power will be unable to achieve its adopted financial policy objectives.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Residential			\$3,658,497
Commercial/Industrial			\$12,742,938
Other			\$140,110
TOTAL			\$16,541,545

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$16.5 million

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

•

**TACOMA PUBLIC UTILITY BOARD**

3628 South 35th Street
Tacoma, Washington 98409-3192

October 2, 2018

To: Mayor Woodards and Tacoma City Council Members
Chair Jones and Public Utility Board Members

Tacoma Power requests approval by the Public Utility Board and the City Council for rate adjustments effective April 1, 2019, and April 1, 2020. The proposed rate increases are designed to generate additional revenue required to pay budgeted expenses and meet financial metrics (debt service coverage and liquidity).

In preparation for this request, Tacoma Power has sought public input through public presentations at Neighborhood Council and City Council meetings in Tacoma and other communities served by Tacoma Power. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Tacoma Power looks to recover through the proposed rate adjustments approximately \$21.9 million in additional revenues over the Rate Period (April 1, 2019 through March 31, 2021). A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Proposed Increase in Revenue Requirement by Class			
Rate Class		Rate Increase (two-step, levelized)	
Residential	A	0.9%	
Small General	B	0.7%	
General	G	4.0%	
High Voltage General	HVG	3.1%	
Contract Industrial	CP	2.2%	
Street Lighting	H-1	4.0%	
Traffic Signals	H-1	0.0%	
Private Off-Street Lighting	H-2	4.0%	

Tacoma Power is also proposing an ordinance to add a new rate schedule: Schedule FC—Electric Vehicle Fast Charging. Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles. This tariff is in alignment with City Council Resolution No. 40016 in support of electrification of transportation.

Finally, Tacoma Power is proposing to update Tacoma Power and Tacoma Water's Electric Rate and Financial Policies to improve alignment between the two operating Divisions.

We request your approval of the proposed rate adjustments in TMC 12.06, the proposed fast-charge pilot rate, and the proposed changes to the Electric Rate and Financial Policy.

Sincerely,



Jackie Flowers
Director of Utilities

Chapter 12.06

ELECTRIC ENERGY – REGULATIONS AND RATES²

Sections:

- 12.06.010 General application.
- 12.06.020 Definitions.
- 12.06.030 Available voltages.
- 12.06.040 Application for service and contract.
- 12.06.050 Inspection.
- 12.06.060 Equipment and wires.
- 12.06.070 Rearranging lines or equipment.
- 12.06.080 Metering.
- 12.06.090 Connected load.
- 12.06.100 Deposits and connection charges.
- 12.06.110 Billing – Payment of bills and delinquency.
- 12.06.115 Disconnection of electric service.
- 12.06.120 Resale of electric energy prohibited.
- 12.06.130 Diversion of current.
- 12.06.140 Tampering and injury to City equipment.
- 12.06.150 City not liable for damages.
- 12.06.160 Residential service – Schedule A-1. Effective April 1, 20198.
- 12.06.165 Low-income/senior and/or low-income/disabled discount residential service – Schedule A-2.
- 12.06.170 Small general service – Schedule B. Effective April 1, 20198.
- 12.06.180 *Repealed.*
- 12.06.190 *Repealed.*
- 12.06.210 *Repealed.*
- 12.06.215 General service – Schedule G. Effective April 1, 20198.
- 12.06.220 *Repealed.*
- 12.06.225 High voltage general service – Schedule HVG. Effective April 1, 20198.
- 12.06.240 *Repealed.*
- 12.06.250 *Repealed.*
- 12.06.260 Contract industrial service – Schedule CP. Effective April 1, 20198.
- 12.06.270 *Repealed.*
- 12.06.280 *Repealed.*
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 1, 20198.
- 12.06.295 Street lighting service – Schedule H-3. Effective April 1, 20198.
- 12.06.300 Private off-street lighting service – Schedule H-2. Effective April 1, 20198.
- 12.06.310 Power factor provisions – Schedule P.
- 12.06.314 Tax credit – Schedule TC.
- 12.06.315 *Repealed.*
- 12.06.317 *Repealed.*
- 12.06.318 *Repealed.*
- 12.06.320 Additional rules may be made by director.
- 12.06.330 Customer service policies – Additional rules and regulations.
- 12.06.340 Violations – Penalties – Enforcement.
- 12.06.350 Severability.
- 12.06.360 *Repealed.*
- 12.06.370 Renewable Energy Program.

12.06.010 General application.

All persons receiving electric service from the Department shall be billed and pay for such service in accordance with the applicable published rate schedules hereinafter set forth in this chapter, or as the same may hereafter be amended by ordinance.

(Ord. 19320 § 2; passed Apr. 6, 1971)

² Prior legislation: Ords. 16486, 16718, 16729, 16979, 17181, 17335, 17652, 17740, 18074, 18121, 18378, 18379, 18577, 18654, 18705 and 19120.

12.06.020 Definitions.

- A. The word "person" wherever used shall be held to mean and include persons of either sex, associations, copartnerships and corporations, whether acting by themselves or by a servant, agent or employee; the singular number shall be held and construed to include the plural and the masculine pronoun to include the feminine.
- B. Where the word "City" is used reference is made to the City of Tacoma.
- C. Where the word "Department" is used reference is made to the Light Division of the Department of Public Utilities of the City of Tacoma (doing business as "Tacoma Power.")
- D. Where the words "Tacoma Power" is used reference is made to the Light Division of the Department of Public Utilities of the City of Tacoma.
- E. Where the word "Director" is used reference is made to the Director of Public Utilities of the City of Tacoma or person with delegated authority.
- F. Where the word "month" is used the period between monthly meter readings is referred to, not a calendar month.
- G. Where the word "customer" is used reference is made to persons obtaining electric service from Tacoma Power.
- H. Where the word "inspector" is used reference is made to the Chief Electrical Inspector for the City or person with delegated authority.
- I. Unless otherwise specified, the term "regular work hours" when applied to service cut-ins, regular and delinquent, shall mean 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays.
- J. "Customer Service Policies" refers to the latest revision of the Customer Service Policies.
- (Ord. 26848 § 1; passed Sept. 18, 2001: Ord. 25681 § 1; passed Mar. 21, 1995: Ord. 20267 § 1; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.030 Available voltages.

- A. Electric service shall be alternating current at 60 hertz; available at such suitable phase, voltage and metering as may be prescribed by the Department. The frequency and all voltages referred to in the Customer Service Policies are nominal. The normal operating tolerances in frequency and service voltage will be in accordance with the latest applicable industry standards.
- B. The Department, at the option of the Director may from time to time establish additional service voltages as may be deemed advisable.
- (Ord. 25681 § 2; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.040 Application for service and contract.

- A. Any person desiring to purchase electric energy from Tacoma Power shall make such request of the Department. Such request shall contain a description of the premises where such electric energy is desired and shall state whether the electric energy is to be used for lighting, cooking, heating, or power and shall constitute a consent to accept this electric supply subject to the general provisions and service policies of Tacoma Power, in force or thereafter adopted. The purchase and connection of electric energy shall be subject to the residential building and/or commercial building (that is proposed to be connected) complying with the energy efficiency standards as referenced in subsection D below. The connection of the applicant's premises by Tacoma Power to its electrical distribution system shall constitute acceptance of the request for service and shall be regarded as establishing the contractual obligations between the applicant and Tacoma Power.
- B. The rate designation for the service applied for shall be made by the Department and such classification shall be governed by the provisions of this chapter. Where optional schedules are available for the service to be rendered, the customer shall designate in writing the desired available option. A change to a different method of billing shall not be made effective until the next regular billing day after notice has been received by the Department. The Department shall have the right to restrict service to the premises to only one single-phase service and one three-phase service.
- C. The requirements for electrical service equipment and the supply of electric power for service to large industrial users and the distributors of wholesale power to the ultimate consumer are such that special consideration must be given when the load is to be increased or a new demand for large use is in prospect. These services are offered at compatible rates under the terms of a written contract.
- D. The furnishing of electric energy for: (1) new residential buildings, proposed to use electrical space heating; (2) new commercial buildings that are proposed to use electric space conditioning and/or electric lighting; and (3) conversions of residential or commercial buildings to electric space heating or electric space conditioning and/or electric lighting,

respectively, is contingent upon and subject to said residential and/or commercial building satisfying the energy efficiency standards established by the Washington State Energy Code WAC 51-11, as adopted and amended in Chapter 2.10 of the Tacoma Municipal Code as the Official Energy Code for the City of Tacoma, except for application to existing buildings undergoing conversion to provide for electric space heating or conditioning, the 1983 Northwest Conservation and Electrical Power Plan, Appendix L. Copies of said Plan and Code are on file with the City Clerk and are incorporated herein by this reference. Existing exterior building and area lighting and existing exterior sign lighting shall be required to meet the lighting control requirements of the Tacoma Energy Code within six months of notification by the City of Tacoma.

(Ord. 26848 § 2; passed Sept. 18, 2001: Ord. 26795 § 5; passed Apr. 3, 2001: Ord. 25523 § 1; passed Jun. 14, 1994: Ord. 23166 § 1; passed May 22, 1984: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.050 Inspection.

A. Before connecting any premises with Tacoma Power's circuits or furnishing electric current therefrom the City shall cause the wiring and devices to be carefully inspected. Until such wiring and devices are installed according to City standards and City Code and all appropriate connection fees paid, Tacoma Power shall decline to connect or reconnect the service wires with Tacoma Power's circuit.

B. The Tacoma Power shall have free and safe access at reasonable times, to any and all premises furnished with electric service by Tacoma Power for the purpose of inspecting any wires or electrical devices on said premises, reading or installing meters, and removing or repairing any property of Tacoma Power or for any other reasonable purpose connected with the operation of the electrical system.

C. The Tacoma Power shall have the right to disconnect or refuse to furnish electric energy to machinery, premises or apparatus that, in the opinion of the Director, is detrimental to the safety of Tacoma Power employees, the general public, or to the rendering of good and satisfactory service to its other customers. The Department, Tacoma Power, or the City is authorized to disconnect the service from any premises at any time where the wiring, devices, appliances, or fixture have become, or are found to be defective or dangerous, and shall not reconnect service until such defects are corrected in accordance with the rules and regulations of the City or Tacoma Power.

D. The City shall not be liable for any damages by fire or other cause resulting from defective wiring or appliances installed by the owner or other persons on the premises supplied with such electric current; and the fact that the agents of the City may have inspected the wiring and appliances shall not be regarded as a basis for recovery in any case of damage to persons or property.

E. It shall be unlawful for any person to add any device of 2,000 watts or larger, or to wire for, or rewire for, any lights or other devices without first filing written notice with the Department and obtaining a permit therefor, and in addition to incurring the penalty hereinafter provided, such person shall be liable to the City for all damages, arising from interrupted service, or from increased load on meters, transformers or appliances, or occurring in any manner as a result of such addition or additions.

(Ord. 26848 § 3; passed Sept. 18, 2001: Ord. 25681 § 3; passed Mar. 21, 1995: Ord. 24549 § 1; passed Jan. 23, 1990: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.060 Equipment and wires.

A. When a person's request for service has been accepted, and the service connection fee has been paid, Tacoma Power shall connect the electrical service to the premises. Tacoma Power shall furnish meters and instrument transformers used for metering electric service taken by the customer. The customer shall furnish and install facilities for termination of the service drop to the customer's premises in accordance with standards and specifications of Tacoma Power. Tacoma Power shall have the right to require the customer to furnish vaults with necessary primary conduit, secondary conduit, conductors, transformer foundation, fence and such other protection as may be necessary.

B. When a request for service necessitates extending existing distribution facilities to serve persons or premises not now served by Tacoma Power, the Director shall determine the reasonableness and feasibility of serving the applicant and the amount of prepaid cost, if any, to be paid by the applicant in advance of construction. The location of the service drop or connection must be approved by the inspector. Tacoma Power will furnish service to the first point of contact on the customer's premises or a designated point. Said point of contact shall be as determined by Tacoma Power. The customer shall furnish and maintain space for transformers, transformer foundations, secondary services boxes, fence, and such other protection as may be necessary when requested to do so by Tacoma Power.

C In areas supplied through overhead service facilities where the customer has made the request for an underground service connection, it may be granted under the terms of existing Customer Service Policies or by special arrangement.

D. All meters, transformers, lines, service entrances, switches, and equipment supplied by Tacoma Power shall be and remain the property of Tacoma Power and may be removed whenever the Director may so elect.

(Ord. 26848 § 4; passed Sept. 18, 2001: Ord. 25681 § 4; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.070 Rearranging lines or equipment.

Whenever it becomes necessary for the benefit of any person to move, remove, change, rearrange and/or disconnect any wires, poles or apparatus belonging to the City, the cost of labor and material plus applicable administrative and general expense shall be charged to the person desiring the work to be done.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.080 Metering.

A. Tacoma Power shall have the right to require the installation of such metering facilities as it may deem necessary or any and all measurements of electric energy on a customer's service. These requirements will be specified by Tacoma Power provided, however, that temporary service, or service to isolated relatively small fixed demands, may be rendered without metering when in the judgment of the Director the installation of metering facilities is deemed to be impractical. The Director shall determine for billing purposes hereunder the service requirements and the charges to be rendered under the rate schedule and/or ordinances applicable to the class of service furnished.

B. For billing purposes the demand shall be figured to the nearest kilowatt.

C. When a demand meter is used, it shall record the highest 30-minute average demand occurring within the billing period.

D. Persons requiring temporary service shall pay for electricity at the regular rates applicable to the class of service furnished and such additional charges as may otherwise by ordinance be provided.

(Ord. 26848 § 5; passed Sept. 18, 2001: Ord. 25681 § 5; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.090 Connected load.

When connected load is used in connection with any rate schedule, the estimated connected load as shown on customer's application shall be used for billing purposes until such time as the Department shall have made a load check. The Department may recheck a customer's connected load at any time it may deem desirable. A check of connected load will be made at the request of the customer providing six months have elapsed since the previous request for check was made. A change in billing demand, when a change is made in connected load will be made only after load check or inspection shall have been made of customer's equipment.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.100 Deposits and connection charges.

A. A service account establishment charge shall be made for each customer service order as set forth in Chapter 12.01 of the Tacoma Municipal Code.

B. The applicant may be required to make a cash deposit with the City Treasurer in an amount specified in customer policies adopted by the Public Utility Board. The City Treasurer may accept satisfactory securities or surety bond in lieu of cash deposit. Such deposit or security may be applied upon delinquent bills owing Tacoma Power and shall be applied to that portion first incurred. A change in the amount of the deposit or security may be required of any customer who changes status of service. The acceptance of a cash deposit or security by Tacoma Power shall not constitute a waiver of, or be a bar to the enforcement of, Tacoma Power's lien rights granted by existing laws of the state of Washington or any amendment thereto or any law hereinafter enacted.

(Ord. 26848 § 6; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 6; passed Mar. 21, 1995: Ord. 24946 § 1; passed Jul. 23, 1991: Ord. 23337 § 3; passed Sept. 10, 1985)

12.06.110 Billing - Payment of bills and delinquency.

A. The Director shall cause a bill to be rendered to each customer for electric energy consumed and/or services rendered during the preceding period. The utility bill shall become due and payable at the office of the City Treasurer or such other places designated by the Director within 15 days from the date an invoice is issued per TMC 12.01.030 and shall become delinquent thereafter. The Power Division shall compute any bill due under TMC 12.06 by carrying the computation to the third decimal place and rounding to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

B. If said bills are not paid when due, they shall become delinquent and the Director shall, if the same is necessary to enforce payment of said bills, cause a discontinuance of the service from the premises affected by such delinquency and service shall remain off until arrangement satisfactory to the Director has been made covering payment of the delinquent bill. In addition, any invoice that becomes delinquent shall be subject to a late payment fee as set forth in TMC 12.01.030.

C. All charges for electric energy or service shall be the personal obligation of the customer applying for or signing for and/or receiving such service, and in addition thereto, the City shall have all the lien rights granted by state laws against the premises where such service is furnished. The Director shall have the absolute authority, except as limited by said state laws, to refuse to furnish service to, to discontinue service to, or to refuse to resume service to any applicant or customer on account of the failure to pay delinquent bills owing Tacoma Power by such person, whether such bills cover service at the premises sought to be served or elsewhere.

D. The owner of the premises or the owner of a delinquent mortgage thereon to which electric energy has been furnished, when giving notice to cut off service to said premises shall give notice upon a form approved, furnished and provided by Tacoma Power and shall specifically state therein the right, title and/or interest of such person in said premises and the name or names of any other person having an interest therein.

E. Any tax now or hereafter imposed upon the sale and/or delivery of electric energy shall be added by the Department to the bills rendered for service, which bills shall be paid by the customers.

F. Meter readings may be made by the Department on a bi-monthly or other periodic basis. The Department may for any reason implement and impose charges based on estimated electrical consumption or an estimated meter reading.

(Ord. 28160 Ex. A; passed July 9, 2013; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 26848 § 7; passed Sept. 18, 2001: Ord. 25460 § 1; passed Mar. 22, 1994: Ord. 23337 § 3; passed Sept. 10, 1985)

12.06.115 Disconnection of electric service.

In addition to the other authority in this chapter (or other laws) to discontinue electric service, the Director is hereby authorized to discontinue electric service to a customer's premises when:

A. A customer defaults on a Tacoma Power energy conservation loan agreement; or

B. A customer defaults on an agreement with Tacoma Power to pay the cost for construction of secondary service conversion to underground, related to local improvement district undergrounding; or

C. A customer fails to provide a Department requested deposit pursuant to Code Section 12.06.100; or

D. A customer fails to satisfy his/her obligations pursuant to an Owner Guarantee for Utility Deposit Agreement or a Cosigner's Guarantee for Utility Deposit Agreement; or

E. A customer constructs or modifies a building or structure in violation of Tacoma Municipal Code Section 12.06.040.D relating to building thermal performance, selection of equipment for heating, ventilating and air conditioning, water heating, electrical distribution, and illuminating systems and equipment as specified in the energy efficiency standards as adopted by the City.

Except as otherwise provided in Sections 12.06.050 and 12.06.130, termination of electric service to a premises, as authorized by this chapter, shall not occur until: (1) Tacoma Power has provided the customer reasonable notice of the intent to terminate electric service, and (2) the customer has been offered the opportunity of a hearing before a hearing officer. Reasonable notice may be accomplished by mailing such notice to the customer using United States Postal Service.

(Ord. 26848 § 8; passed Sept. 18, 2001: Ord. 24946 § 2; passed Jul. 23, 1991)

12.06.120 Resale of electric energy prohibited.

A. No person shall be permitted to resell electric energy received from the City unless the schedule or contract under which service is obtained provides otherwise, and except as permitted by law, no person generating or receiving electric energy from other sources shall be permitted to sell or exchange such electric energy excepting to the City of Tacoma.

(Ord. 25681 § 7; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.130 Diversion of current.

A. "Current diversion" means any obtaining of electrical energy or power to which a person, building or structure is not legally entitled pursuant to state law, this chapter or customer service policies adopted hereunder, including but not limited to tampering as set forth in City Code Section 12.06.140.

B. Where it is found that current is being diverted illegally the service shall be discontinued immediately and shall remain disconnected until the conditions under subsection C following, have been satisfied.

C. The agent, the tenant or the owner of the premises to which current has been diverted has:

1. Caused the service entrance to be rewired to meet satisfactorily the present code requirements.
2. Satisfied any and all payments for service then due including a bill rendered by the City to recover the loss for power and energy diverted and all costs of investigation.

D. The civil remedies set forth herein are in addition to all other civil or criminal remedies available under State law, including but not limited to RCW 80.28.240 and/or RCW Title 9A, this Code, or Customer Services Policies adopted hereunder.

(Ord. 25460 § 2; passed Mar. 22, 1994; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.140 Tampering and injury to City equipment.

A. It shall be unlawful for any person, other than a duly authorized employee of the Department acting under the authority of the Director to connect any house, premises, wires or appliances with the City's electric circuits for the purpose of securing the electric current therefrom, or for any other purpose whatever. If such unlawful action is taken, the Department shall have the right to disconnect the service at the service source and demand a minimum restoration fee as set forth in City Code Section 12.01.010 plus all other unpaid charges owing the Department.

B. If the seal on the City's meter is broken, or the meter from any cause does not properly register, or any other evidence of energy having been used illegally is found, the Director shall charge the customer, or the owner of the premises when there is no current customer of utility services, with an energy consumption estimate along with all costs associated with the investigation and resealing of the meter.

C. The civil remedies set forth herein are in addition to all other civil or criminal remedies available under State law, including but not limited to RCW 80.28.240 and/or RCW Title 9A, this Code, or Customer Service Policies adopted hereunder.

(Ord. 28422 Ex. A; passed Apr. 4, 2017; Ord. 25681 § 8; passed Mar. 21, 1995; Ord. 25460 § 3; passed Mar. 22, 1994; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.150 City not liable for damages.

A. The City shall not be liable for damages nor will allowances be made for loss of production, sales or service; in case of abnormal voltage, frequency or current variations, or in case the operations of the City's source of power or means of distribution fails or is curtailed, suspended, interrupted or interfered with; for any cause reasonably beyond its control. Such failure, curtailment, suspension, interruption or interference shall not be held to constitute a breach of contract on the part of the City, or in any way affect any liability for payment for power made available or for money due on or before the date on which such failure or interference occurred. The customer shall notify the Department as soon as possible in case of such failure of or interference with the City's electric service.

B. If electrical service is left on between customers as a benefit to the customer, the Department, or both, or the service is discontinued for "nonpayment" or "no contract," the Department shall not be liable for damages incurred to the property because of such actions.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.160 Residential service – Schedule A-1. Effective April 1, 2018 to March 31, 2020.

A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.

B. Applicability. To single residences, individually metered apartments and per apartment for collectively metered apartments.

C. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
2. Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

4. Exceptions:

(a) Within the City of Fife:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

(b) Within the City of Fircrest:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

(c) Within the City of Lakewood:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

(d) Within the City of Steilacoom:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

(e) Within the City of University Place:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034891~~ ~~034435~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.~~95~~0 per month, for all but collectively metered apartments; \$13.~~85~~ ~~50~~ per month, for collectively metered apartments.

D. Service Conditions.

- 1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.
- 2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018: Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017: Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27332 § 1; passed Mar. 22, 2005: Ord. 27150 § 1; passed Oct. 7, 2003: Ord. 27058 § 1; passed Mar. 18, 2003: Ord. 26848 § 9; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 9; passed Mar. 21, 1995: Ord. 25460 § 4; passed Mar. 22, 1994: Ord. 25076 § 1; passed Mar. 24, 1992: Ord. 24584 § 1; passed Mar. 20, 1990: Ord. 24050 § 1; passed Mar. 29, 1988: Ord. 23703 § 1; passed Sept. 23, 1986: Ord. 23473 § 1; passed Sept. 24, 1985: Ord. 23372 § 1; passed Apr. 16, 1985: Ord. 23277 § 1; passed Oct. 23, 1984: Ord. 23093 § 1; passed Dec. 27, 1983: Ord. 23061 § 1; passed Nov. 22, 1983: Ord. 22951 § 1; passed Jul. 5, 1983: Ord. 22878 § 1; passed Mar. 1, 1983: Ord. 22460 § 1; passed Jul. 7, 1981: Ord. 21917 § 1; passed Dec. 11, 1979: Ord. 21566 § 1; passed Dec. 19, 1978: Ord. 20267 § 4; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.165 Low-income senior and/or low-income disabled discount residential service – Schedule A-2.

- A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.
- B. Applicability. To single residences and individually metered apartments. To Tacoma Power customers who:

1. (a) Are 62 years of age or older, and have a maximum household annual income of not more than 150 percent of the poverty guidelines established by the U.S. Department of Health and Human Services (or its successor agency) as computed annually and published in the Federal Register; or

(b) Receive Supplemental Security Income pursuant to 42 USC Sections 1381 through 1383; or

(c) Are disabled and receive income from a disability program as a result of a disability that prevents working consistent with the requirements of 42 USC Section 401 et seq. and whose annual household income, together with all household members, does not exceed 150 percent of the poverty guidelines established by the U.S. Department of Health and Human Services (or its successor agency) as computed annually and published in the Federal Register for the number of individuals in the household; and

2. Are a single occupant or the head of a household or the spouse of the head of the household; and

3. Reside in the dwelling unit; and

4. Are billed or are the spouse of a person billed by Tacoma Power; and

5. Customers who have been certified eligible by the authorized administering agency on or before March 31, 2003, and who have an active City of Tacoma Department of Public Utilities (d.b.a. Tacoma Public Utilities) utility account (prior to said date) shall be grandfathered pursuant to the prior income eligibility criteria until such account closes. If a customer closes the active account and does not reestablish a new account within ten business days, or if a customer has never applied for the discount rate, then the customer must apply in accordance with the hereinabove criteria. Eligibility shall be certified by Tacoma Power in conjunction with the appropriate authorized administering organization. Each applicant may be contacted regarding weatherization services.

C. Monthly Rate. 70 percent of the monthly bill as calculated under Section 12.06.160 of the Tacoma Municipal Code, known as Residential Service - Schedule A-1.

D. Service Conditions.

1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 27971 Ex. A; passed Feb. 8, 2011; Ord. 27332 § 2; passed Mar. 22, 2005; Ord. 27058 § 2; passed Mar. 18, 2003; Ord. 26848 § 10; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25460 § 5; passed Mar. 22, 1994; Ord. 25076 § 2; passed Mar. 24, 1992; Ord. 24584 § 2; passed Mar. 20, 1990)

12.06.170 Small general service – Schedule B. Effective April 1, 2018 to March 31, 2020.

A. Availability. For nonresidential lighting, heating, and incidental power uses where a demand meter may be installed. Also for nonresidential incidental power uses where a meter is not installed. The customer's actual demand as determined by Tacoma Power may not exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power may not exceed 65 kilowatts upon initial service energization.

B. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.05~~0 per month, for all but unmetered services; \$17.~~95~~0 per month, for unmetered services.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.05~~0 per month, for all but unmetered services; \$17.~~95~~0 per month, for unmetered services.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.050~~ per month, for all but unmetered services; \$17.~~950~~ per month, for unmetered services.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.050~~ per month, for all but unmetered services; \$17.~~950~~ per month, for unmetered services.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.050~~ per month, for all but unmetered services; \$17.~~950~~ per month, for unmetered services.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~034895~~ ~~034587~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$2~~32.050~~ per month, for all but unmetered services; \$17.~~950~~ per month, for unmetered services.

C. Service Conditions.

1. The maximum allowable total connected motor rating is 7.5 horsepower (5.6 kilowatts) exclusive of motors of 1/4 horsepower and under for standard plug-in applications.

2. At the option of Tacoma Power, a customer may be transferred to a demand metered rate if the customer's actual demand has exceeded 50 kilovolt amperes at least three times in the prior 24-month period.

3. Power factor provision applicable.

4. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27604 § 1; passed Apr. 17, 2007; Ord. 27332 § 3; passed Mar. 22, 2005; Ord. 27150 § 2; passed Oct. 7, 2003; Ord. 27058 § 3; passed Mar. 18, 2003; Ord. 26848 § 11; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 10; passed Mar. 21, 1995; Ord. 25460 § 6; passed Mar. 22, 1994; Ord. 25076 § 3; passed Mar. 24, 1992; Ord. 24584 § 3; passed Mar. 20, 1990; Ord. 24050 § 2; passed Mar. 29, 1988; Ord. 23372 § 2; passed Apr. 16, 1985; Ord. 22951 § 2; passed Jul. 5, 1983; Ord. 22878 § 2; passed Mar. 1, 1983; Ord. 22460 § 2; passed Jul. 7, 1981; Ord. 21917 § 2; passed Dec. 11, 1979; Ord. 21566 § 2; passed Dec. 19, 1978; Ord. 20267 § 5; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.180 Commercial all-electric cooking, baking and water heating rate – Schedule C. *Repealed by Ord. 24584.*

(Ord. 24584 § 4; passed Mar 20, 1990; Ord. 20267 § 6; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.190 General commercial service – Schedule C. *Repealed by Ord. 24584.*

(Ord. 24584 § 5; passed Mar 20, 1990; Ord. 24050 § 3; passed Mar. 29, 1988; Ord. 23372 § 3; passed Apr. 16, 1985; Ord. 22951 § 3; passed Jul. 5, 1983; Ord. 22878 § 3; passed Mar. 1, 1983; Ord. 22460 § 3; passed Jul. 7, 1981; Ord. 21917 § 3; passed Dec. 11, 1979; Ord. 21566 § 3; passed Dec. 19, 1978; Ord. 20267 § 7; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.210 General service – Schedule E-1. *Repealed by Ord. 24584.*

(Ord. 24584 § 6; passed Mar 20, 1990: Ord. 24050 § 4; passed Mar. 29, 1988: Ord. 23372 § 4; passed Apr. 16, 1985: Ord. 22951 § 4; passed Jul. 5, 1983: Ord. 22878 § 4; passed Mar. 1, 1983: Ord. 22460 § 4; passed Jul. 7, 1981: Ord. 21917 § 4; passed Dec. 11, 1979: Ord. 21566 § 4; passed Dec. 19, 1978: Ord. 20267 § 9; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.215 General service – Schedule G. Effective April 1, 2018⁹ to March 31, 2020.

A. Availability. For general power use where a demand meter is installed, for standby capacity to customers generating all or a part of their electric power requirements, and for intermittent use. The customer's actual demand as determined by Tacoma Power must exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power must exceed 65 kilowatts upon initial service energization.

For customers providing all their own transformation from Tacoma Power's distribution system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.
3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~786~~.00 per month.
4. Exceptions:
 - (a) Within the City of Fife:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~786~~.00 per month.
 - (b) Within the City of Fircrest:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~786~~.00 per month.
 - (c) Within the City of Lakewood:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~786~~.00 per month.
 - (d) Within the City of Steilacoom:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~786~~.00 per month.
 - (e) Within the City of University Place:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~047317~~ ~~044813~~-per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~43~~ ~~35~~-per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$786.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor;
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or
3. 100 percent of the standby capacity.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Standby Capacity. That amount of power requested by written application or estimated by the Director to be made continuously available for exclusive use of the customer.

E. Service Conditions.

1. At the option of Tacoma Power, primary metering may be installed where the service transformers aggregate 500 kVA or more.
2. At the option of Tacoma Power, a customer may be transferred to a non-demand metered rate if the customer's actual demand has not exceeded 50 kilovolt amperes in the prior 24-month period.
3. Power factor provision applicable.
4. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 4; passed Mar. 22, 2005; Ord. 27150 § 3; passed Oct. 7, 2003; Ord. 27058 § 4; passed Mar. 18, 2003; Ord. 26848 § 12; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 11; passed Mar. 21, 1995; Ord. 25460 § 7; passed Mar. 22, 1994; Ord. 25076 § 4; passed Mar. 24, 1992; Ord. 24584 § 7; passed Mar. 20, 1990; Ord. 24050 § 5; passed Mar. 29, 1988)

12.06.220 Primary general service – Agencies – Schedule E-2. *Repealed by Ord. 24584.*

(Ord. 24584 § 8; passed Mar 20, 1990; Ord. 24050 § 6; passed Mar. 29, 1988; Ord. 23372 § 5; passed Apr. 16, 1985; Ord. 22951 § 5; passed Jul. 5, 1983; Ord. 22878 § 5; passed Mar. 1, 1983; Ord. 22460 § 5; passed Jul. 7, 1981; Ord. 21917 § 5; passed Dec. 11, 1979; Ord. 21566 § 5; passed Dec. 19, 1978; Ord. 20267 § 10; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.225 High voltage general service – Schedule HVG. Effective April 1, 2018 to March 31, 2020.

A. Availability. For general power use where a demand meter is installed and where a customer served does not require the use of Tacoma Power's distribution facilities other than substation transformation. Customers over 8 Megawatts who do not have a Power Service Agreement (Contract) with Tacoma Power will take service under TMC 12.06.215 General Service. A Power Service Agreement (Contract) with Tacoma Power is required for customers who begin taking service under TMC 12.06.225 High voltage general service after April 16, 2017. For customers who provide all of their own transformation from Tacoma Power's transmission system voltage, a credit of 204.00 percent will be applicable to the delivery charge.

~~High voltage general service customers shall be billed the following rates under Subsection 12.06.225.B (a two-step rate increase effective April 16, 2017 and April 1, 2018) unless the Customer files by April 21, 2017, a written notice in a form approved by Tacoma Power that irrevocably elects to be billed under the alternative rates under Subsection 12.06.225.C (a one-step rate increase effective April 16, 2017 with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date).~~

B. Monthly Rate: The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.042915 041691-per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at \$4.89 75-per kW.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042915~~ ~~041691~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~89~~ ~~75~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042915~~ ~~041691~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~89~~ ~~75~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042915~~ ~~041691~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~89~~ ~~75~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042915~~ ~~041691~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~89~~ ~~75~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042915~~ ~~041691~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~89~~ ~~75~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~54~~90.00 per month.

~~C. Monthly Rate (a one-step rate increase effective April 16, 2017, with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date).~~

	Effective 4/16/2017	Effective 4/1/2019 unless superseded prior to effective date
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Exceptions:		
Within the City of Fife		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Within the City of Fircrest		
Energy	\$0.039987	\$0.041691

Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Within the City of Lakewood		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Within the City of Steilacoom		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Within the City of University Place		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00

DC. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The billing demand shall be the higher of:

1. The highest measured demand for the month adjusted for power factor, or
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

ED. Service Conditions.

1. Power factor provision applicable.
2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 27976 Ex. A; passed Mar. 29, 2011; Ord. 27332 § 5; passed Mar. 22, 2005; Ord. 27150 § 4; passed Oct. 7, 2003; Ord. 27058 § 5; passed Mar. 18, 2003; Ord. 26848 § 13; passed Sept. 18, 2001)

12.06.240 Primary general service – Schools – Schedule E-3. Repealed by Ord. 24584.

(Ord. 24584 § 9; passed Mar 20, 1990; Ord. 24050 § 7; passed Mar. 29, 1988; Ord. 23372 § 6; passed Apr. 16, 1985; Ord. 22951 § 6; passed Jul. 5, 1983; Ord. 22878 § 6; passed Mar. 1, 1983; Ord. 22460 § 6; passed Jul. 7, 1981; Ord. 21917 § 6; passed Dec. 11, 1979; Ord. 21566 § 6; passed Dec. 19, 1978; Ord. 20267 § 12; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.250 Temporary general service – Schedule L. Repealed by Ord. 24584.

(Ord. 24584 § 10; passed Mar 20, 1990; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.260 Contract industrial service – Schedule CP. Effective April 1, 2018 to March 31, 2020.

A. Availability. For major industrial power use upon the execution of a written Power Service Agreement (Contract) with Tacoma Power, which shall require among other conditions:

1. A minimum Contract Demand (as set forth in the Contract) of not less than 8,000 kilowatts;
2. Delivery of power at one primary voltage;
3. Metering at primary voltage but in no case at less than nominal 4,160 volts;
4. Power factor adjustment to 95 percent lagging or better; and

5. Service is subject to curtailment and certain notice provisions are applicable.

B. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at \$0.033038 per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$4.~~68 33~~ per kW.

(c) Minimum Charge: The Demand Charge.

(d) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge = (MWh + Losses) x (THI + Tx) x 120%.

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(e) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge = MW x 300% x DC

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

2. Delivery: All kilowatts of Billing Demand delivered at \$4.~~22 00~~ per kW.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$32~~,980.00 per month.

4. Exceptions:

(a) Within the City of Fife:

(1) Power Service Charges:

(i) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at \$0.033038 per kWh.

(ii) Demand: All kilowatts of Billing Demand delivered at \$4.~~68 33~~ per kW.

(iii) Minimum Charge: The Demand Charge.

(iv) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge = (MWh + Losses) x (THI + Tx) x ~~120~~~~4.1319~~%

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(v) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge = MW x 300% x DC

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~22 00~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$32~~,980.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly.

1. The Billing Demand shall be the highest of:

(a) The highest measured demand for the month, adjusted for power factor;

(b) 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor;

(c) A demand level equal to the Contract Energy, in average megawatt (as set forth in the Contract); or

(d) 60 percent of the highest Contract Demand (as set forth in the Contract) during any of the preceding 11 months.

D. Service Conditions.

1. Power factor provision applicable; and

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy and delivery services shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018: Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017: Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27332 § 6; passed Mar. 22, 2005: Ord. 27150 § 5; passed Oct. 7, 2003: Ord. 27058 § 6; passed Mar. 18, 2003: Ord. 26848 § 14; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 12; passed Mar. 21, 1995: Ord. 25460 § 8; passed Mar. 22, 1994: Ord. 25076 § 5; passed Mar. 24, 1992: Ord. 24584 § 11; passed Mar. 20, 1990: Ord. 24050 § 8; passed Mar. 29, 1988: Ord. 23372 § 7; passed Apr. 16, 1985: Ord. 22951 § 7; passed Jul. 5, 1983: Ord. 22878 § 7; passed Mar. 1, 1983: Ord. 22460 § 7; passed Jul. 7, 1981: Ord. 21917 § 7; passed Dec. 11, 1979: Ord. 21566 § 7; passed Dec. 19, 1978: Ord. 20267 § 13; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.270 General time of day/off-peak service – Schedule TODG. *Repealed by Ord. 25681.*

(Ord. 25681 § 13; passed Mar. 21, 1995: Ord. 25460 § 9; passed Mar. 22, 1994: Ord. 25076 § 6; passed Mar. 24, 1992: Ord. 24584 § 12; passed Mar. 20, 1990: Ord. 24050 § 9; passed Mar. 29, 1988: Ord. 23737 § 1; passed Nov. 25, 1986)

12.06.280 Interruptible power service – Schedule IP. *Repealed by Ord. 26848.*

(Ord. 26848 § 15; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 24050 § 10; passed Mar. 29, 1988: Ord. 22460 § 8; passed Jul. 7, 1981: Ord. 21917 § 8; passed Dec. 19, 1978: Ord. 20267 § 14; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 1, 2018~~9~~ to March 31, 2020.

A. Availability~~+~~. Available for:

1. Public street lighting service where the lighting system is in operation during hours of darkness and where the street light system and equipment is owned by the customer, or there have been other suitable prior written arrangements agreed to by Tacoma Power and the applicant; and
2. Traffic controllers, signal lights, warning lights, danger lights, pedestrian lights and similar uses, where the traffic control system and equipment is owned and maintained by the customer.

B. Monthly Rate~~+~~. Rates stated herein are for (1) unmetered installations [items 1 and 2] where charges are per fixture and shall be applied to the number of installed units on the system as determined by Tacoma Power at the time the billing is rendered, and (2) metered installations [item 3].

1. Street Lighting Units (Unmetered):

(a) Incandescent Lamps:

Nominal Wattage	Energy Charge Per Unit
Up to 150 Watts	\$3.22 \$3.10
151-220 Watts	\$4.73 \$4.55
221-320 Watts	\$6.87 \$6.61
321-520 Watts	\$11.17 \$10.74
521 & Over Watts	\$17.62 \$16.94

(b) High Intensity Discharge Lamps:

Energy Charge Per Unit			
Nominal Wattage	Continuous	Dusk to Dawn	Dusk to 2:20 a.m.
50 Watts	\$2.39 \$2.30	\$1.29 \$1.24	\$0.81 \$0.78
70 Watts	\$3.34 \$3.21	\$1.81 \$1.74	\$1.13 \$1.09
100 Watts	\$4.77 \$4.59	\$2.58 \$2.48	\$1.62 \$1.56
150 Watts	\$7.17 \$6.89	\$3.87 \$3.72	\$2.43 \$2.34
175 Watts	\$8.35 \$8.03	\$4.51 \$4.34	\$2.84 \$2.73
200 Watts	\$9.55 \$9.18	\$5.16 \$4.96	\$3.24 \$3.12
250 Watts	\$11.94 \$11.48	\$6.45 \$6.20	\$4.06 \$3.90
310 Watts	\$14.80 \$14.23	\$8.00 \$7.69	\$5.03 \$4.84
400 Watts	\$19.09 \$18.36	\$10.32 \$9.92	\$6.49 \$6.24
700 Watts	\$33.42 \$32.13	\$18.04 \$17.35	\$11.37 \$10.93
1000 Watts	\$43.76 \$42.08	\$23.64 \$22.73	\$14.88 \$14.31
1500 Watts	\$71.60 \$68.85	\$38.68 \$37.19	\$24.36 \$23.42

(c) At the discretion of Tacoma Power, all lamps may be charged the following equivalent rate: Energy charge for lamp installations at the rate of ~~\$39.78~~ \$38.25, ~~\$21.49~~ \$20.66, and ~~\$13.53~~ \$13.01 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Traffic Control Units (Unmetered):

(a)

Unit Type	Energy Charge Per Unit
(1) Red - Amber - Green	
Controllers	\$2.78
Heads	\$4.21
(2) Flashing	
Controllers	\$1.39
Heads	\$2.10

(1) Incandescent Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait

8 Inch Bulb	\$2.31	\$0.13	\$1.77	\$2.10		
12 Inch Bulb	\$5.65	\$0.31	\$4.31	\$5.13		
Pedestrian Head					\$2.10	\$2.10

(2) Light Emitting Diodes (LED) Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch LED	\$0.27	\$0.02	\$0.18	\$0.25		
12 Inch LED	\$0.43	\$0.02	\$0.36	\$0.39		
Pedestrian Head					\$0.25	\$0.25

(3) Neon Lamps:

Unit Type	Energy Charge Per Unit	
	Walk	Wait
Pedestrian Head	\$0.21	\$0.83

(4) Controllers:

Unit Type	Energy Charge Per Unit
Traffic	\$2.78
Flashing	\$1.39

(5) All lamps or controllers not listed above: Energy charge for lamp or controller installations not listed in the above tabulations shall be calculated by multiplying the unit wattage (in kW) x 730 hours x percent active x \$0.054960 per kWh per month.

3. Street Lighting and Traffic Control Units (Metered): The sum of the following energy, delivery and customer charges:

(a) Energy: All energy measured in kilowatt-hours at \$0.035690 per kWh.

(b) Delivery: All energy delivered in kilowatt-hours at \$0.~~015415~~ ~~014961~~ per kWh.

(c) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$10.00 per month.

C. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Exs. A, B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27604 § 2; passed Apr. 27, 2007; Ord. 27332 § 7; passed Mar. 22, 2005; Ord. 27058 § 7; passed Mar. 18, 2003; Ord. 26848 § 16; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 14; passed Mar. 21, 1995; Ord. 25460 § 10; passed Mar. 22, 1994; Ord. 25076 § 7; passed Mar. 24, 1992; Ord. 24584 § 13; passed Mar. 20, 1990; Ord. 24280 § 1; passed Feb. 28, 1989; Ord. 24050 § 11; passed Mar. 29, 1988; Ord. 23372 § 8; passed Apr. 16, 1985; Ord. 22951 § 8; passed Jul. 5, 1983; Ord. 22878 § 8; passed Mar. 3, 1983; Ord. 22460 § 9; passed Jul. 7, 1981; Ord. 21917 § 9; passed Dec. 11, 1979; Ord. 21566 § 9; passed Dec. 19, 1978; Ord. 20808 § 1; passed Jul. 13, 1976; Ord. 20267 § 15; passed Dec. 17, 1974; Ord. 19714 § 1; passed Dec. 12, 1972)

12.06.295 Street Lighting Service – Schedule H-3. Effective April 1, 2018.

A. For the purpose of this section, the following definitions apply:

1. “Jurisdiction” shall mean a city, town, county, or other political subdivision of the state of Washington within the Tacoma Power service territory.

2. “Service Point” shall have the same meaning as defined in the Tacoma Power Customer Service Policies (as authorized under TMC 12.06.330), which is the point where the customer’s service conductors are connected to Tacoma Power’s service utility conductors.

3. "Street Lighting Service" shall mean lighting service supplied by Tacoma Power, where Tacoma Power owns the streetlight fixtures and provides power to the Service Point during the duration of the service.
4. "Capital Recovery Period" shall mean the time period over which Tacoma Power will levy a charge equal to the amortized value of the investment cost for the streetlight fixtures. Unless an alternative time period is mutually determined in writing between Tacoma Power and the Jurisdiction, this period will be 15 years. Streetlight fixtures remain the property of Tacoma Power after the Capital Recovery Period unless a Transfer of Ownership Charge has been paid.
5. "Transfer of Ownership Charge" shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests ownership of the fixtures. The charge is determined by costs of equipment, installation, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
6. "Termination Charge" shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests termination of Street Lighting Service. The charge is determined by costs of equipment, installation, removal, disposal, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
7. "Utility Financing Cost" shall mean the current cost of capital financing to Tacoma Power, as determined solely by Tacoma Power.

B. Schedule H-3 Availability.

1. To qualify for Street Lighting Service under the Schedule H-3, the Jurisdiction must agree to convert a minimum of 300 Jurisdiction streetlights.
2. For service under Schedule H-3, a Jurisdiction must submit a request in writing to Tacoma Power. Tacoma Power reserves the right to delay provision of service under Schedule H-3 for up to two years after the request date.

C. Service Conditions.

1. Monthly Rate: Rates stated herein are charged per fixture installed.
2. Streetlight Fixtures: Streetlight fixtures provided under the Schedule H-3 are owned by Tacoma Power unless the Transfer of Ownership provisions in this section are completed. Under the Schedule H-3, Tacoma Power will provide replacement streetlight fixtures as fixtures become inoperable.
3. Transfer of Ownership: A Jurisdiction may request in writing to purchase and transfer the ownership of and responsibility for a portion or all of a Jurisdiction's streetlight fixtures under this Schedule H-3 at any time. Transfer of ownership shall occur after the Jurisdiction has paid a Transfer of Ownership Charge. Until the Transfer of Ownership Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3. After transfer of ownership, service will be billed under the Schedule H-1 for non-Tacoma Power owned streetlight fixtures.
4. Termination: A Jurisdiction may request in writing to terminate Schedule H-3 Street Lighting Service for a portion or all of Tacoma Power owned streetlight fixtures at any time. In the event of termination, the Jurisdiction shall pay the Termination Charge. Until the Termination Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3.
5. Fixture Specifications: Tacoma Power will provide fixtures that meet the Jurisdiction Traffic Engineer's specifications. Tacoma Power may solicit input from the Jurisdiction on other fixture features, requirements, and options but retains final authority for fixture selection and purchase. Tacoma Power will purchase only such lighting fixture options as are directly related to Street Lighting Service. Non-streetlight related options that are determined by Tacoma Power to be compatible with the streetlight fixture are allowed. The Jurisdiction will be solely responsible for installation, operation, maintenance, and all costs associated with non-streetlight related options. The Jurisdiction shall notify Tacoma Power of the type, quantity, location, and energy requirements of all non-streetlight related options installed.
6. Liability: The Jurisdiction is wholly responsible for all illumination engineering to meet roadway lighting specifications and the operation of all non-streetlight related options. By accepting Street Lighting Service under Schedule H-3, the Jurisdiction agrees to hold Tacoma Power harmless from any claim for damages associated with the streetlight fixtures provided under this Schedule H-3.
7. Installation: Tacoma Power may authorize the Jurisdiction to install some or all streetlight fixtures covered under this Schedule H-3. If the Jurisdiction elects to perform such installations, the cost shall be at the expense of the Jurisdiction.
8. Service Point: Schedule H-3 will be available to provide Street Lighting Service to customer Service Points with existing streetlight fixtures only.
9. Poles and Circuits: The Jurisdiction that owns the poles and circuits associated with light service under Schedule H-3 shall be responsible for the appropriate maintenance of said poles and circuits. The Jurisdiction is responsible for the safe operation

of the poles, circuits, and light fixtures. Tacoma Power reserves the right to refuse or discontinue service under Schedule H-3 if Tacoma Power determines a pole or circuit is inadequate to provide safe Street Lighting Service. In the event a Schedule H-3 streetlight fixture must be discontinued due to an unsafe condition, the Jurisdiction shall remedy the condition immediately or follow the Termination provision above.

10. Maintenance and Repair: The Jurisdiction is responsible for performing, at its sole expense, all maintenance and repair activities associated with the streetlight fixture provided by Tacoma Power under this Schedule H-3. Maintenance and repair includes, but is not limited to, labor and equipment. In the event a Schedule H-3 streetlight fixture fails, the Jurisdiction shall return the failed streetlight fixture to Tacoma Power for replacement. If the Jurisdiction damages a streetlight fixture while performing maintenance, the Jurisdiction will be responsible for the cost to repair or replace the streetlight fixture.

11. Energy: Tacoma Power will provide energy for the streetlight fixture up to the Jurisdiction provided Service Point.

12. Additional Rules: Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

D. Monthly Rates: The sum of the following energy and capital recovery charges:

1. Energy: Energy charge for lamp installations shall be the monthly rate of the otherwise applicable published rate schedule as set forth in Chapter 12.06.290 Street lighting and traffic signal service at the rate of \$38.25, \$20.66, and \$13.01 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Capital Recovery Charge:

a. For the biennium during which the fixtures shall be installed, the Capital Recovery Charge shall be calculated as follows:

(1) The monthly amount required to achieve full expense recovery from the Jurisdiction over the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and estimated installation cost.

(2) The amount calculated in (1) shall be multiplied by the number of months in the rate period.

(3) The amount in (2) shall be divided by the estimated number of fixture-months to be billed during the rate period.

b. Accounting records shall be kept that record the differences between actual and estimated installation cost, and actual and estimated fixture-months billed. For biennia subsequent to that in which the fixtures are installed, the Capital Recovery Charge shall be calculated as follows:

(1) The amount required to be recovered from the Jurisdiction each month of the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and actual installation cost.

(2) The amount calculated in (1) shall be multiplied by the number of months in the rate period.

(3) The amount in (2) shall be divided by the estimated number of fixture-months to be billed during the rate period.

(4) The amount in (3) shall be adjusted to reflect in difference between actual and estimated expenses and recoveries during the biennium during which the fixtures were installed.

(Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017)

12.06.300 Private off-street lighting service – Schedule H-2. Effective April 1, 2018⁹ to March 31, 2020.

A. Availability. Available for outdoor lighting service along private street and roadways, over parking lots, and for general area lighting of private property, but excluding public streets within the City of Tacoma.

B. Character of Service.

1. Lighting under this schedule shall be limited to the hours of darkness when street and highway lights are normally in use. The hours of use shall be regulated by a photoelectric control.

2. Tacoma Power will install, own, and maintain the equipment.

3. Energy will be provided on an unmetered basis.

C. Monthly Rate.

1. High Pressure Sodium Lamps:

Lamp Rating (Watts/Lamp)	Type	Rental Charge
100-Watt	Sodium Vapor	\$13.47 \$12.95
200-Watt	Sodium Vapor	\$17.33 \$16.66
400-Watt	Sodium Vapor	\$34.65 \$33.32

2. All Other Lamps:

Lamp Rating (Watts-Equivalent/Lamp)	Rental Charge
0-200 Watt Equivalent	\$15.40 \$14.81
201-400 Watt Equivalent	\$34.65 \$33.32
401-800 Watt Equivalent	\$53.91 \$51.84
801-1000 Watt Equivalent	\$73.16 \$70.35
1001-1500 Watt Equivalent	\$92.42 \$88.87

3. Additional Equipment: Fixtures will be installed on existing poles. Additional poles required for a lighting installation may be installed at applicant expense. A maximum of three poles will be allowed at a cost of \$624.23 per pole. Ancillary materials will be an additional expense. The customer shall pay the entire installation cost prior to installation.

4. For customers billed under low-income senior and/or low-income disabled discount residential service, Rate Schedule A-2, a discount will be provided by reducing the monthly bill by 30 percent.

D. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 8; passed Mar. 22, 2005; Ord. 27058 § 8; passed Mar. 18, 2003; Ord. 26848 § 17; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 15; passed Mar. 21, 1995; Ord. 25460 § 11; passed Mar. 22, 1994; Ord. 25076 § 8; passed Mar. 24, 1992; Ord. 24584 § 14, passed Mar. 20, 1990; Ord. 24280 § 2; passed Feb. 28, 1989; Ord. 24050 § 12; passed Mar. 29, 1988; Ord. 23372 § 9; passed Apr. 16, 1985; Ord. 22878 § 9; passed Mar. 1, 1983; Ord. 22460 § 10; passed Jul. 7, 1981; Ord. 21105 § 1; passed Jul. 5, 1977; Ord. 20267 § 16; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.310 Power factor provisions – Schedule P.

A. Application. The provisions of this schedule shall be applicable to all electrical service, unless and until specific arrangements are made in writing with Tacoma Power to the contrary.

B. Equipment. Except for portable equipment of less than three kVA rating and arc furnace loads as set forth in Adjustment Provision C.2 below, all installations of neon, mercury vapor, fluorescent or other gaseous tube lighting, as well as welding transformers, X-ray machines, motors and any other electrical equipment having low power factor characteristics, which are hereafter installed, replaced, relocated, or rearranged, shall include proper equipment to correct the power factor of such installations to not less than 95 percent lagging for each unit or separately controlled group of units, or 90 percent lagging for each separate service whose load primarily consists of an arc furnace(s).

Existing nonconforming electrical installations shall be subject to all provisions of this chapter and the installation of corrective equipment may be required by Tacoma Power.

All power factor corrective equipment installed or operated by the customer shall be so used as to further the objectives of this chapter without causing adverse voltage conditions upon Tacoma Power's system. Tacoma Power shall have the right to require the installation of suitable switching facilities and to disconnect or to refuse to furnish electric energy to any installation that, in the opinion of Tacoma Power, is detrimental to the rendering of satisfactory service to its other customers.

C. Adjustment Provisions. If the average power factor at which electric energy is delivered to the customer during the billing period is 95 percent or more, no adjustment will be made in the customer's billing for that period, unless otherwise provided in written contract.

If such average power factor is less than 95 percent, the customer's billing shall be adjusted as follows:

1. For demand type rate schedules which serve other than arc furnace loads, the measured demand in kilowatts shall be adjusted by multiplying by 0.95 and dividing the result by the average power factor. Such adjusted demands shall then become and thereafter be used as a basis for billing.
 2. For demand type rate schedules which serve arc furnace loads, the measured demand in kilowatts shall be adjusted by multiplying by 0.90 and dividing the result by the average power factor. Such adjusted demands shall then become and thereafter be used as a basis for billing.
 3. Minimum charges shall be determined on the basis of 1 or 2 above, as applicable.
 4. For loads up to 75 kilowatts connected, Tacoma Power may elect not to apply the adjustment provisions herein established.
- D. Minimum and Average Power Factor. Unless otherwise specifically agreed, Tacoma Power shall not be obligated to deliver electric energy to the customer at any time at a power factor below 80 percent lagging.

The average power factor (APF) is determined as follows:

1. As determined with a watt-hour meter and a var-hour meter:

$$\text{APF} = \frac{\text{Kilowatt - hours}}{\sqrt{(\text{Kilowatt-hours})^2 + (\text{Reactive Kilovolt Ampere-hours})^2}}$$

The var-hour meters for measurement of reactive power shall be ratcheted to prevent reverse registration.

E. Service Conditions. Applicable provisions of the City Code, General Provisions and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 26848 § 18; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 24050 § 13; passed Mar. 29, 1988: Ord. 23372 § 10; passed Apr. 16, 1985: Ord. 22460 § 11; passed Jul. 7, 1981: Ord. 21917 § 10; passed Dec. 11, 1979: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.314 Tax credit – Schedule TC.

A. Availability. This schedule is a supplemental schedule to all other Light Division electric rate schedules and is applicable to customers on whom the Department is not legally obligated to pay the State of Washington Public Utility Tax and/or any other taxes.

B. Monthly Rate. The sum of all applicable electric rate schedule charges to such customers shall be reduced by an amount equal to the State of Washington Public Utility Tax and/or any other applicable taxes.

The following formula will be used:

Revised Charge = (1 - ST - OT) x (the sum of all applicable electric rate schedule charges)

where: ST = State of Washington Public Utility Tax rate

OT = Any other taxes

(Ord. 26628 § 1; passed May 16, 2000: Ord. 25076 § 9; passed Mar. 24, 1992)

12.06.315 Supplemental municipal service – Schedule M. *Repealed by Ord. 27150.*

(Ord. 27150 § 6; passed Oct. 7, 2003: Ord. 26628 § 1; passed May 16, 2000: Ord. 25460 § 12; passed Mar. 22, 1994: Ord. 24818 § 1; passed Jan. 15, 1991: Ord. 24050 § 14; passed Mar. 29, 1988: Ord. 23877 § 1; passed Jun. 23, 1987)

12.06.317 Cost adjustment clause. *Repealed by Ord. 26848.*

(Ord. 26848 § 19; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25764 § 2; passed Sept. 26, 1995: Ord. 25681 § 16; passed Mar. 21, 1995: Ord. 25460 § 13; passed Mar. 22, 1994: Ord. 25076 § 10; passed Mar. 24, 1992: Ord. 24584 § 15; passed Mar. 20, 1990: Ord. 24050 § 15; passed Mar. 29, 1988)

12.06.318 Power Purchased From Bonneville Power Administration – Cost Adjustment Clause – Schedule PPCAC. *Repealed by Ord. 27227.*

(Ord. 27227 § 1; passed Apr. 27, 2004: Ord. 27190 § 1; passed Jan. 29, 2004: Ord. 27146 § 1; passed Sep. 30, 2003: Ord. 27058 § 9; passed Mar. 18, 2003)

12.06.320 Additional rules may be made by director.

The Director of Utilities may make such rules and regulations governing the operation of this chapter as are not inconsistent with its provisions including monthly billing on designated accounts as may be necessary to effectively administer monthly or bimonthly billing. The Director may grant reasonable adjustments in cases where the terms of this chapter place an injustice upon a customer if after written evidence has been presented to the Department it is shown that irregular circumstances of the customer's load, service and/or conditions warrant such adjustments.

(Ord. 24584 § 16; passed Mar. 20, 1990: Ord. 24050 § 16; passed Mar. 29, 1988: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.330 Customer service policies – Additional rules and regulations.

The Director of Utilities shall promulgate and enforce such customer service policies and related additional rules and regulations which may be deemed necessary from time to time to implement, encourage, and/or facilitate the use of electric energy, pursuant to a Public Utility Board resolution approving the same, copies of which data will be placed on file with the Clerk of the Public Utility Board and made available for information at the Department.

(Ord. 26848 § 20; passed Sept. 18, 2001: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.340 Violations – Penalties – Enforcement.

A. Any person violating any of the provisions relating to the rate schedules, general provisions and customer service policies governing the sale of electric energy shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine in any sum not exceeding \$1,000.00, or imprisonment for a period not to exceed one year or both such fine and imprisonment; and in addition to the penalty hereinabove provided, the service to the premises of any person found guilty of violating these provisions shall be disconnected. The person violating same shall be liable for all damages resulting and for all energy used by reason of such violation.

B. Whenever the Building Inspector or the Health Officer or the Electrical Inspector shall report in writing to the Director that any building is considered as a structure not fit for human habitation, dangerous to human life or unsanitary, the Director may cause the electric service to be discontinued effective with the date of the evacuation or other order and not to be restored until it has been declared by proper authority that the building is in a satisfactory condition for occupancy.

C. Legal enforcement shall be vested in the Police Department of the City and all prosecutions for violations hereof shall originate in the Police Court of the City of Tacoma. The penalties provided herein are in addition to any civil remedy provided at law.

(Ord. 25460 § 14; passed Mar. 22, 1994: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.350 Severability.

If any clause, sentence, paragraph, subdivision, section or part of the provisions relating to the rate schedules, general provisions and customer service policies governing the sale of electric energy shall for any reason be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the chapter, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.360 Temporary surcharge rates. *Repealed by Ord. 26848.*

(Ord. 26848 § 21; passed Sept. 18, 2001: Ord. 26785 § 1; passed Mar. 13, 2001: Ord. 26762 § 1; passed Dec. 19, 2000)

12.06.370 Renewable Energy Program.

A. Availability. Available to all customers taking permanent retail metered service to purchase qualified alternative energy resources to purchase on a voluntary basis.

B. Applicability. In compliance with RCW 19.29A.090, Tacoma Power is offering its customers the option to purchase Tacoma Power supplied renewable energy credits. Customer participation is strictly on a voluntary basis. Customers may voluntarily begin or terminate their participation at any time by notifying Tacoma Power of their choice.

C. Rate. The Renewable Energy Premium per kWh of renewable energy purchased under this rate schedule is:
Renewable Energy Premium: \$0.012000 per kWh

D. General Provisions. Base rates and other terms of electric service shall be governed by the rate schedule under which the customer takes primary services. This Renewable Energy Premium rate does not include electric service or electric power. Charges specified under this Renewable Energy Premium Rate Schedule are in addition to the charges specified in the rate

schedule under which the customer takes its primary electricity service. The voluntary Renewable Energy program payments, less the costs of program administration, marketing, and renewable energy education, ("Net Renewable Energy Program Revenue"), will be used to purchase qualified alternative energy resources. Subject to the provisions of the ordinances authorizing issuance of Tacoma Power revenue obligations, Tacoma Power shall make available from its budgeted funds, for the purchase or development of new qualified alternative energy resources, an amount equal to the Net Renewable Energy Program Revenue allocated to existing Tacoma Power qualified alternative energy resources.

(Ord. 28422 Ex. A; passed Apr. 4, 2017)

Chapter 12.06

ELECTRIC ENERGY – REGULATIONS AND RATES²

Sections:

- 12.06.010 General application.
- 12.06.020 Definitions.
- 12.06.030 Available voltages.
- 12.06.040 Application for service and contract.
- 12.06.050 Inspection.
- 12.06.060 Equipment and wires.
- 12.06.070 Rearranging lines or equipment.
- 12.06.080 Metering.
- 12.06.090 Connected load.
- 12.06.100 Deposits and connection charges.
- 12.06.110 Billing – Payment of bills and delinquency.
- 12.06.115 Disconnection of electric service.
- 12.06.120 Resale of electric energy prohibited.
- 12.06.130 Diversion of current.
- 12.06.140 Tampering and injury to City equipment.
- 12.06.150 City not liable for damages.
- 12.06.160 Residential service – Schedule A-1. Effective April 1, 20~~2019~~.
- 12.06.165 Low-income/senior and/or low-income/disabled discount residential service – Schedule A-2.
- 12.06.170 Small general service – Schedule B. Effective April 1, 20~~2019~~.
- 12.06.180 *Repealed.*
- 12.06.190 *Repealed.*
- 12.06.210 *Repealed.*
- 12.06.215 General service – Schedule G. Effective April 1, 20~~2019~~.
- 12.06.220 *Repealed.*
- 12.06.225 High voltage general service – Schedule HVG. Effective April 1, 20~~2019~~.
- 12.06.240 *Repealed.*
- 12.06.250 *Repealed.*
- 12.06.260 Contract industrial service – Schedule CP. Effective April 1, 20~~2019~~.
- 12.06.270 *Repealed.*
- 12.06.280 *Repealed.*
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 1, 20~~2019~~.
- 12.06.295 Street lighting service – Schedule H-3. Effective April 1, 2018.
- 12.06.300 Private off-street lighting service – Schedule H-2. Effective April 1, 20~~2019~~.
- 12.06.310 Power factor provisions – Schedule P.
- 12.06.314 Tax credit – Schedule TC.
- 12.06.315 *Repealed.*
- 12.06.317 *Repealed.*
- 12.06.318 *Repealed.*
- 12.06.320 Additional rules may be made by director.
- 12.06.330 Customer service policies – Additional rules and regulations.
- 12.06.340 Violations – Penalties – Enforcement.
- 12.06.350 Severability.
- 12.06.360 *Repealed.*
- 12.06.370 Renewable Energy Program.

12.06.010 General application.

All persons receiving electric service from the Department shall be billed and pay for such service in accordance with the applicable published rate schedules hereinafter set forth in this chapter, or as the same may hereafter be amended by ordinance.

(Ord. 19320 § 2; passed Apr. 6, 1971)

² Prior legislation: Ords. 16486, 16718, 16729, 16979, 17181, 17335, 17652, 17740, 18074, 18121, 18378, 18379, 18577, 18654, 18705 and 19120.

12.06.020 Definitions.

- A. The word "person" wherever used shall be held to mean and include persons of either sex, associations, copartnerships and corporations, whether acting by themselves or by a servant, agent or employee; the singular number shall be held and construed to include the plural and the masculine pronoun to include the feminine.
- B. Where the word "City" is used reference is made to the City of Tacoma.
- C. Where the word "Department" is used reference is made to the Light Division of the Department of Public Utilities of the City of Tacoma (doing business as "Tacoma Power.")
- D. Where the words "Tacoma Power" is used reference is made to the Light Division of the Department of Public Utilities of the City of Tacoma.
- E. Where the word "Director" is used reference is made to the Director of Public Utilities of the City of Tacoma or person with delegated authority.
- F. Where the word "month" is used the period between monthly meter readings is referred to, not a calendar month.
- G. Where the word "customer" is used reference is made to persons obtaining electric service from Tacoma Power.
- H. Where the word "inspector" is used reference is made to the Chief Electrical Inspector for the City or person with delegated authority.
- I. Unless otherwise specified, the term "regular work hours" when applied to service cut-ins, regular and delinquent, shall mean 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays.
- J. "Customer Service Policies" refers to the latest revision of the Customer Service Policies.
- (Ord. 26848 § 1; passed Sept. 18, 2001: Ord. 25681 § 1; passed Mar. 21, 1995: Ord. 20267 § 1; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.030 Available voltages.

- A. Electric service shall be alternating current at 60 hertz; available at such suitable phase, voltage and metering as may be prescribed by the Department. The frequency and all voltages referred to in the Customer Service Policies are nominal. The normal operating tolerances in frequency and service voltage will be in accordance with the latest applicable industry standards.
- B. The Department, at the option of the Director may from time to time establish additional service voltages as may be deemed advisable.
- (Ord. 25681 § 2; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.040 Application for service and contract.

- A. Any person desiring to purchase electric energy from Tacoma Power shall make such request of the Department. Such request shall contain a description of the premises where such electric energy is desired and shall state whether the electric energy is to be used for lighting, cooking, heating, or power and shall constitute a consent to accept this electric supply subject to the general provisions and service policies of Tacoma Power, in force or thereafter adopted. The purchase and connection of electric energy shall be subject to the residential building and/or commercial building (that is proposed to be connected) complying with the energy efficiency standards as referenced in subsection D below. The connection of the applicant's premises by Tacoma Power to its electrical distribution system shall constitute acceptance of the request for service and shall be regarded as establishing the contractual obligations between the applicant and Tacoma Power.
- B. The rate designation for the service applied for shall be made by the Department and such classification shall be governed by the provisions of this chapter. Where optional schedules are available for the service to be rendered, the customer shall designate in writing the desired available option. A change to a different method of billing shall not be made effective until the next regular billing day after notice has been received by the Department. The Department shall have the right to restrict service to the premises to only one single-phase service and one three-phase service.
- C. The requirements for electrical service equipment and the supply of electric power for service to large industrial users and the distributors of wholesale power to the ultimate consumer are such that special consideration must be given when the load is to be increased or a new demand for large use is in prospect. These services are offered at compatible rates under the terms of a written contract.
- D. The furnishing of electric energy for: (1) new residential buildings, proposed to use electrical space heating; (2) new commercial buildings that are proposed to use electric space conditioning and/or electric lighting; and (3) conversions of residential or commercial buildings to electric space heating or electric space conditioning and/or electric lighting,

respectively, is contingent upon and subject to said residential and/or commercial building satisfying the energy efficiency standards established by the Washington State Energy Code WAC 51-11, as adopted and amended in Chapter 2.10 of the Tacoma Municipal Code as the Official Energy Code for the City of Tacoma, except for application to existing buildings undergoing conversion to provide for electric space heating or conditioning, the 1983 Northwest Conservation and Electrical Power Plan, Appendix L. Copies of said Plan and Code are on file with the City Clerk and are incorporated herein by this reference. Existing exterior building and area lighting and existing exterior sign lighting shall be required to meet the lighting control requirements of the Tacoma Energy Code within six months of notification by the City of Tacoma.

(Ord. 26848 § 2; passed Sept. 18, 2001: Ord. 26795 § 5; passed Apr. 3, 2001: Ord. 25523 § 1; passed Jun. 14, 1994: Ord. 23166 § 1; passed May 22, 1984: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.050 Inspection.

A. Before connecting any premises with Tacoma Power's circuits or furnishing electric current therefrom the City shall cause the wiring and devices to be carefully inspected. Until such wiring and devices are installed according to City standards and City Code and all appropriate connection fees paid, Tacoma Power shall decline to connect or reconnect the service wires with Tacoma Power's circuit.

B. The Tacoma Power shall have free and safe access at reasonable times, to any and all premises furnished with electric service by Tacoma Power for the purpose of inspecting any wires or electrical devices on said premises, reading or installing meters, and removing or repairing any property of Tacoma Power or for any other reasonable purpose connected with the operation of the electrical system.

C. The Tacoma Power shall have the right to disconnect or refuse to furnish electric energy to machinery, premises or apparatus that, in the opinion of the Director, is detrimental to the safety of Tacoma Power employees, the general public, or to the rendering of good and satisfactory service to its other customers. The Department, Tacoma Power, or the City is authorized to disconnect the service from any premises at any time where the wiring, devices, appliances, or fixture have become, or are found to be defective or dangerous, and shall not reconnect service until such defects are corrected in accordance with the rules and regulations of the City or Tacoma Power.

D. The City shall not be liable for any damages by fire or other cause resulting from defective wiring or appliances installed by the owner or other persons on the premises supplied with such electric current; and the fact that the agents of the City may have inspected the wiring and appliances shall not be regarded as a basis for recovery in any case of damage to persons or property.

E. It shall be unlawful for any person to add any device of 2,000 watts or larger, or to wire for, or rewire for, any lights or other devices without first filing written notice with the Department and obtaining a permit therefor, and in addition to incurring the penalty hereinafter provided, such person shall be liable to the City for all damages, arising from interrupted service, or from increased load on meters, transformers or appliances, or occurring in any manner as a result of such addition or additions.

(Ord. 26848 § 3; passed Sept. 18, 2001: Ord. 25681 § 3; passed Mar. 21, 1995: Ord. 24549 § 1; passed Jan. 23, 1990: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.060 Equipment and wires.

A. When a person's request for service has been accepted, and the service connection fee has been paid, Tacoma Power shall connect the electrical service to the premises. Tacoma Power shall furnish meters and instrument transformers used for metering electric service taken by the customer. The customer shall furnish and install facilities for termination of the service drop to the customer's premises in accordance with standards and specifications of Tacoma Power. Tacoma Power shall have the right to require the customer to furnish vaults with necessary primary conduit, secondary conduit, conductors, transformer foundation, fence and such other protection as may be necessary.

B. When a request for service necessitates extending existing distribution facilities to serve persons or premises not now served by Tacoma Power, the Director shall determine the reasonableness and feasibility of serving the applicant and the amount of prepaid cost, if any, to be paid by the applicant in advance of construction. The location of the service drop or connection must be approved by the inspector. Tacoma Power will furnish service to the first point of contact on the customer's premises or a designated point. Said point of contact shall be as determined by Tacoma Power. The customer shall furnish and maintain space for transformers, transformer foundations, secondary services boxes, fence, and such other protection as may be necessary when requested to do so by Tacoma Power.

C In areas supplied through overhead service facilities where the customer has made the request for an underground service connection, it may be granted under the terms of existing Customer Service Policies or by special arrangement.

D. All meters, transformers, lines, service entrances, switches, and equipment supplied by Tacoma Power shall be and remain the property of Tacoma Power and may be removed whenever the Director may so elect.

(Ord. 26848 § 4; passed Sept. 18, 2001: Ord. 25681 § 4; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.070 Rearranging lines or equipment.

Whenever it becomes necessary for the benefit of any person to move, remove, change, rearrange and/or disconnect any wires, poles or apparatus belonging to the City, the cost of labor and material plus applicable administrative and general expense shall be charged to the person desiring the work to be done.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.080 Metering.

A. Tacoma Power shall have the right to require the installation of such metering facilities as it may deem necessary or any and all measurements of electric energy on a customer's service. These requirements will be specified by Tacoma Power provided, however, that temporary service, or service to isolated relatively small fixed demands, may be rendered without metering when in the judgment of the Director the installation of metering facilities is deemed to be impractical. The Director shall determine for billing purposes hereunder the service requirements and the charges to be rendered under the rate schedule and/or ordinances applicable to the class of service furnished.

B. For billing purposes the demand shall be figured to the nearest kilowatt.

C. When a demand meter is used, it shall record the highest 30-minute average demand occurring within the billing period.

D. Persons requiring temporary service shall pay for electricity at the regular rates applicable to the class of service furnished and such additional charges as may otherwise by ordinance be provided.

(Ord. 26848 § 5; passed Sept. 18, 2001: Ord. 25681 § 5; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.090 Connected load.

When connected load is used in connection with any rate schedule, the estimated connected load as shown on customer's application shall be used for billing purposes until such time as the Department shall have made a load check. The Department may recheck a customer's connected load at any time it may deem desirable. A check of connected load will be made at the request of the customer providing six months have elapsed since the previous request for check was made. A change in billing demand, when a change is made in connected load will be made only after load check or inspection shall have been made of customer's equipment.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.100 Deposits and connection charges.

A. A service account establishment charge shall be made for each customer service order as set forth in Chapter 12.01 of the Tacoma Municipal Code.

B. The applicant may be required to make a cash deposit with the City Treasurer in an amount specified in customer policies adopted by the Public Utility Board. The City Treasurer may accept satisfactory securities or surety bond in lieu of cash deposit. Such deposit or security may be applied upon delinquent bills owing Tacoma Power and shall be applied to that portion first incurred. A change in the amount of the deposit or security may be required of any customer who changes status of service. The acceptance of a cash deposit or security by Tacoma Power shall not constitute a waiver of, or be a bar to the enforcement of, Tacoma Power's lien rights granted by existing laws of the state of Washington or any amendment thereto or any law hereinafter enacted.

(Ord. 26848 § 6; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 6; passed Mar. 21, 1995: Ord. 24946 § 1; passed Jul. 23, 1991: Ord. 23337 § 3; passed Sept. 10, 1985)

12.06.110 Billing - Payment of bills and delinquency.

A. The Director shall cause a bill to be rendered to each customer for electric energy consumed and/or services rendered during the preceding period. The utility bill shall become due and payable at the office of the City Treasurer or such other places designated by the Director within 15 days from the date an invoice is issued per TMC 12.01.030 and shall become delinquent thereafter. The Power Division shall compute any bill due under TMC 12.06 by carrying the computation to the third decimal place and rounding to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

B. If said bills are not paid when due, they shall become delinquent and the Director shall, if the same is necessary to enforce payment of said bills, cause a discontinuance of the service from the premises affected by such delinquency and service shall remain off until arrangement satisfactory to the Director has been made covering payment of the delinquent bill. In addition, any invoice that becomes delinquent shall be subject to a late payment fee as set forth in TMC 12.01.030.

C. All charges for electric energy or service shall be the personal obligation of the customer applying for or signing for and/or receiving such service, and in addition thereto, the City shall have all the lien rights granted by state laws against the premises where such service is furnished. The Director shall have the absolute authority, except as limited by said state laws, to refuse to furnish service to, to discontinue service to, or to refuse to resume service to any applicant or customer on account of the failure to pay delinquent bills owing Tacoma Power by such person, whether such bills cover service at the premises sought to be served or elsewhere.

D. The owner of the premises or the owner of a delinquent mortgage thereon to which electric energy has been furnished, when giving notice to cut off service to said premises shall give notice upon a form approved, furnished and provided by Tacoma Power and shall specifically state therein the right, title and/or interest of such person in said premises and the name or names of any other person having an interest therein.

E. Any tax now or hereafter imposed upon the sale and/or delivery of electric energy shall be added by the Department to the bills rendered for service, which bills shall be paid by the customers.

F. Meter readings may be made by the Department on a bi-monthly or other periodic basis. The Department may for any reason implement and impose charges based on estimated electrical consumption or an estimated meter reading.

(Ord. 28160 Ex. A; passed July 9, 2013; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 26848 § 7; passed Sept. 18, 2001: Ord. 25460 § 1; passed Mar. 22, 1994: Ord. 23337 § 3; passed Sept. 10, 1985)

12.06.115 Disconnection of electric service.

In addition to the other authority in this chapter (or other laws) to discontinue electric service, the Director is hereby authorized to discontinue electric service to a customer's premises when:

A. A customer defaults on a Tacoma Power energy conservation loan agreement; or

B. A customer defaults on an agreement with Tacoma Power to pay the cost for construction of secondary service conversion to underground, related to local improvement district undergrounding; or

C. A customer fails to provide a Department requested deposit pursuant to Code Section 12.06.100; or

D. A customer fails to satisfy his/her obligations pursuant to an Owner Guarantee for Utility Deposit Agreement or a Cosigner's Guarantee for Utility Deposit Agreement; or

E. A customer constructs or modifies a building or structure in violation of Tacoma Municipal Code Section 12.06.040.D relating to building thermal performance, selection of equipment for heating, ventilating and air conditioning, water heating, electrical distribution, and illuminating systems and equipment as specified in the energy efficiency standards as adopted by the City.

Except as otherwise provided in Sections 12.06.050 and 12.06.130, termination of electric service to a premises, as authorized by this chapter, shall not occur until: (1) Tacoma Power has provided the customer reasonable notice of the intent to terminate electric service, and (2) the customer has been offered the opportunity of a hearing before a hearing officer. Reasonable notice may be accomplished by mailing such notice to the customer using United States Postal Service.

(Ord. 26848 § 8; passed Sept. 18, 2001: Ord. 24946 § 2; passed Jul. 23, 1991)

12.06.120 Resale of electric energy prohibited.

A. No person shall be permitted to resell electric energy received from the City unless the schedule or contract under which service is obtained provides otherwise, and except as permitted by law, no person generating or receiving electric energy from other sources shall be permitted to sell or exchange such electric energy excepting to the City of Tacoma.

(Ord. 25681 § 7; passed Mar. 21, 1995: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.130 Diversion of current.

A. "Current diversion" means any obtaining of electrical energy or power to which a person, building or structure is not legally entitled pursuant to state law, this chapter or customer service policies adopted hereunder, including but not limited to tampering as set forth in City Code Section 12.06.140.

B. Where it is found that current is being diverted illegally the service shall be discontinued immediately and shall remain disconnected until the conditions under subsection C following, have been satisfied.

C. The agent, the tenant or the owner of the premises to which current has been diverted has:

1. Caused the service entrance to be rewired to meet satisfactorily the present code requirements.
2. Satisfied any and all payments for service then due including a bill rendered by the City to recover the loss for power and energy diverted and all costs of investigation.

D. The civil remedies set forth herein are in addition to all other civil or criminal remedies available under State law, including but not limited to RCW 80.28.240 and/or RCW Title 9A, this Code, or Customer Services Policies adopted hereunder.

(Ord. 25460 § 2; passed Mar. 22, 1994; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.140 Tampering and injury to City equipment.

A. It shall be unlawful for any person, other than a duly authorized employee of the Department acting under the authority of the Director to connect any house, premises, wires or appliances with the City's electric circuits for the purpose of securing the electric current therefrom, or for any other purpose whatever. If such unlawful action is taken, the Department shall have the right to disconnect the service at the service source and demand a minimum restoration fee as set forth in City Code Section 12.01.010 plus all other unpaid charges owing the Department.

B. If the seal on the City's meter is broken, or the meter from any cause does not properly register, or any other evidence of energy having been used illegally is found, the Director shall charge the customer, or the owner of the premises when there is no current customer of utility services, with an energy consumption estimate along with all costs associated with the investigation and resealing of the meter.

C. The civil remedies set forth herein are in addition to all other civil or criminal remedies available under State law, including but not limited to RCW 80.28.240 and/or RCW Title 9A, this Code, or Customer Service Policies adopted hereunder.

(Ord. 28422 Ex. A; passed Apr. 4, 2017; Ord. 25681 § 8; passed Mar. 21, 1995; Ord. 25460 § 3; passed Mar. 22, 1994; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.150 City not liable for damages.

A. The City shall not be liable for damages nor will allowances be made for loss of production, sales or service; in case of abnormal voltage, frequency or current variations, or in case the operations of the City's source of power or means of distribution fails or is curtailed, suspended, interrupted or interfered with; for any cause reasonably beyond its control. Such failure, curtailment, suspension, interruption or interference shall not be held to constitute a breach of contract on the part of the City, or in any way affect any liability for payment for power made available or for money due on or before the date on which such failure or interference occurred. The customer shall notify the Department as soon as possible in case of such failure of or interference with the City's electric service.

B. If electrical service is left on between customers as a benefit to the customer, the Department, or both, or the service is discontinued for "nonpayment" or "no contract," the Department shall not be liable for damages incurred to the property because of such actions.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.160 Residential service – Schedule A-1. Effective April 1, 2020 to March 31, 2020.

A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.

B. Applicability. To single residences, individually metered apartments and per apartment for collectively metered apartments.

C. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.035353 per kWh.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$16.90 per month, for all but collectively metered apartments; \$13.85 per month, for collectively metered apartments.

4. Exceptions:

(a) Within the City of Fife:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035353~~ ~~034891~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$16.90~~ 17.30 per month, for all but collectively metered apartments; ~~\$13.85~~ 14.15 per month, for collectively metered apartments.

(b) Within the City of Fircrest:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035353~~ ~~034891~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$16.90~~ 17.30 per month, for all but collectively metered apartments; ~~\$13.85~~ 14.15 per month, for collectively metered apartments.

(c) Within the City of Lakewood:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035353~~ ~~034891~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$16.90~~ 17.30 per month, for all but collectively metered apartments; ~~\$13.85~~ 14.50 per month, for collectively metered apartments.

(d) Within the City of Steilacoom:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035353~~ ~~034891~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$16.90~~ 17.30 per month, for all but collectively metered apartments; ~~\$13.85~~ 14.50 per month, for collectively metered apartments.

(e) Within the City of University Place:

- (1) Energy: All energy measured in kilowatt-hours at \$0.045351 per kWh.
- (2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035353~~ ~~034891~~ per kWh.
- (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$16.90~~ 17.30 per month, for all but collectively metered apartments; ~~\$13.85~~ 14.50 per month, for collectively metered apartments.

D. Service Conditions.

1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.
2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 1; passed Mar. 22, 2005; Ord. 27150 § 1; passed Oct. 7, 2003; Ord. 27058 § 1; passed Mar. 18, 2003; Ord. 26848 § 9; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 9; passed Mar. 21, 1995; Ord. 25460 § 4; passed Mar. 22, 1994; Ord. 25076 § 1; passed Mar. 24, 1992; Ord. 24584 § 1; passed Mar. 20, 1990; Ord. 24050 § 1; passed Mar. 29, 1988; Ord. 23703 § 1; passed Sept. 23, 1986; Ord. 23473 § 1; passed Sept. 24, 1985; Ord. 23372 § 1; passed Apr. 16, 1985; Ord. 23277 § 1; passed Oct. 23, 1984; Ord. 23093 § 1; passed Dec. 27, 1983; Ord. 23061 § 1; passed Nov. 22, 1983; Ord. 22951 § 1; passed Jul. 5, 1983; Ord. 22878 § 1; passed Mar. 1, 1983; Ord. 22460 § 1; passed Jul. 7, 1981; Ord. 21917 § 1; passed Dec. 11, 1979; Ord. 21566 § 1; passed Dec. 19, 1978; Ord. 20267 § 4; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.165 Low-income senior and/or low-income disabled discount residential service – Schedule A-2.

- A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.
- B. Applicability. To single residences and individually metered apartments. To Tacoma Power customers who:

1. (a) Are 62 years of age or older, and have a maximum household annual income of not more than 150 percent of the poverty guidelines established by the U.S. Department of Health and Human Services (or its successor agency) as computed annually and published in the Federal Register; or

(b) Receive Supplemental Security Income pursuant to 42 USC Sections 1381 through 1383; or

(c) Are disabled and receive income from a disability program as a result of a disability that prevents working consistent with the requirements of 42 USC Section 401 et seq. and whose annual household income, together with all household members, does not exceed 150 percent of the poverty guidelines established by the U.S. Department of Health and Human Services (or its successor agency) as computed annually and published in the Federal Register for the number of individuals in the household; and

2. Are a single occupant or the head of a household or the spouse of the head of the household; and

3. Reside in the dwelling unit; and

4. Are billed or are the spouse of a person billed by Tacoma Power; and

5. Customers who have been certified eligible by the authorized administering agency on or before March 31, 2003, and who have an active City of Tacoma Department of Public Utilities (d.b.a. Tacoma Public Utilities) utility account (prior to said date) shall be grandfathered pursuant to the prior income eligibility criteria until such account closes. If a customer closes the active account and does not reestablish a new account within ten business days, or if a customer has never applied for the discount rate, then the customer must apply in accordance with the hereinabove criteria. Eligibility shall be certified by Tacoma Power in conjunction with the appropriate authorized administering organization. Each applicant may be contacted regarding weatherization services.

C. Monthly Rate. 70 percent of the monthly bill as calculated under Section 12.06.160 of the Tacoma Municipal Code, known as Residential Service - Schedule A-1.

D. Service Conditions.

1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 27971 Ex. A; passed Feb. 8, 2011: Ord. 27332 § 2; passed Mar. 22, 2005: Ord. 27058 § 2; passed Mar. 18, 2003: Ord. 26848 § 10; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25460 § 5; passed Mar. 22, 1994: Ord. 25076 § 2; passed Mar. 24, 1992: Ord. 24584 § 2; passed Mar. 20, 1990)

12.06.170 Small general service – Schedule B. Effective April 1, 2020 to March 31, 2020.

A. Availability. For nonresidential lighting, heating, and incidental power uses where a demand meter may be installed. Also for nonresidential incidental power uses where a meter is not installed. The customer's actual demand as determined by Tacoma Power may not exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power may not exceed 65 kilowatts upon initial service energization.

B. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.~~035207~~ ~~034895~~ per kWh.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50.00~~ per month, for all but unmetered services; \$~~18.30~~~~17.90~~ per month, for unmetered services.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035207~~ ~~034895~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50.00~~ per month, for all but unmetered services; \$~~18.30~~~~17.90~~ per month, for unmetered services.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035207 034895~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50 00~~ per month, for all but unmetered services; \$~~18.3017.90~~ per month, for unmetered services.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035207 034895~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50 00~~ per month, for all but unmetered services; \$~~18.3017.90~~ per month, for unmetered services.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035207 034895~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50 00~~ per month, for all but unmetered services; \$~~18.3017.90~~ per month, for unmetered services.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.~~035207 034895~~ per kWh.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$23.~~50 00~~ per month, for all but unmetered services; \$~~18.3017.90~~ per month, for unmetered services.

C. Service Conditions.

1. The maximum allowable total connected motor rating is 7.5 horsepower (5.6 kilowatts) exclusive of motors of 1/4 horsepower and under for standard plug-in applications.

2. At the option of Tacoma Power, a customer may be transferred to a demand metered rate if the customer's actual demand has exceeded 50 kilovolt amperes at least three times in the prior 24-month period.

3. Power factor provision applicable.

4. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27604 § 1; passed Apr. 17, 2007; Ord. 27332 § 3; passed Mar. 22, 2005; Ord. 27150 § 2; passed Oct. 7, 2003; Ord. 27058 § 3; passed Mar. 18, 2003; Ord. 26848 § 11; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 10; passed Mar. 21, 1995; Ord. 25460 § 6; passed Mar. 22, 1994; Ord. 25076 § 3; passed Mar. 24, 1992; Ord. 24584 § 3; passed Mar. 20, 1990; Ord. 24050 § 2; passed Mar. 29, 1988; Ord. 23372 § 2; passed Apr. 16, 1985; Ord. 22951 § 2; passed Jul. 5, 1983; Ord. 22878 § 2; passed Mar. 1, 1983; Ord. 22460 § 2; passed Jul. 7, 1981; Ord. 21917 § 2; passed Dec. 11, 1979; Ord. 21566 § 2; passed Dec. 19, 1978; Ord. 20267 § 5; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.180 Commercial all-electric cooking, baking and water heating rate – Schedule C. *Repealed by Ord. 24584.*

(Ord. 24584 § 4; passed Mar 20, 1990; Ord. 20267 § 6; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.190 General commercial service – Schedule C. *Repealed by Ord. 24584.*

(Ord. 24584 § 5; passed Mar 20, 1990; Ord. 24050 § 3; passed Mar. 29, 1988; Ord. 23372 § 3; passed Apr. 16, 1985; Ord. 22951 § 3; passed Jul. 5, 1983; Ord. 22878 § 3; passed Mar. 1, 1983; Ord. 22460 § 3; passed Jul. 7, 1981; Ord. 21917 § 3; passed Dec. 11, 1979; Ord. 21566 § 3; passed Dec. 19, 1978; Ord. 20267 § 7; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.210 General service – Schedule E-1. *Repealed by Ord. 24584.*

(Ord. 24584 § 6; passed Mar 20, 1990: Ord. 24050 § 4; passed Mar. 29, 1988: Ord. 23372 § 4; passed Apr. 16, 1985: Ord. 22951 § 4; passed Jul. 5, 1983: Ord. 22878 § 4; passed Mar. 1, 1983: Ord. 22460 § 4; passed Jul. 7, 1981: Ord. 21917 § 4; passed Dec. 11, 1979: Ord. 21566 § 4; passed Dec. 19, 1978: Ord. 20267 § 9; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.215 General service – Schedule G. Effective April 1, 2020 to March 31, 2020.

A. Availability. For general power use where a demand meter is installed, for standby capacity to customers generating all or a part of their electric power requirements, and for intermittent use. The customer's actual demand as determined by Tacoma Power must exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power must exceed 65 kilowatts upon initial service energization.

For customers providing all their own transformation from Tacoma Power's distribution system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.
3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$8078~~.00 per month.
4. Exceptions:
 - (a) Within the City of Fife:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$8078~~.00 per month.
 - (b) Within the City of Fircrest:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$8078~~.00 per month.
 - (c) Within the City of Lakewood:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$8078~~.00 per month.
 - (d) Within the City of Steilacoom:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.
 - (3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: ~~\$8078~~.00 per month.
 - (e) Within the City of University Place:
 - (1) Energy: All energy measured in kilowatt-hours at \$0.~~049961~~ ~~047317~~ per kWh.
 - (2) Delivery: All kilowatts of Billing Demand delivered at \$8.~~51~~ ~~43~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~8078~~.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor;
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or
3. 100 percent of the standby capacity.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Standby Capacity. That amount of power requested by written application or estimated by the Director to be made continuously available for exclusive use of the customer.

E. Service Conditions.

1. At the option of Tacoma Power, primary metering may be installed where the service transformers aggregate 500 kVA or more.
2. At the option of Tacoma Power, a customer may be transferred to a non-demand metered rate if the customer's actual demand has not exceeded 50 kilovolt amperes in the prior 24-month period.
3. Power factor provision applicable.
4. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 4; passed Mar. 22, 2005; Ord. 27150 § 3; passed Oct. 7, 2003; Ord. 27058 § 4; passed Mar. 18, 2003; Ord. 26848 § 12; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 11; passed Mar. 21, 1995; Ord. 25460 § 7; passed Mar. 22, 1994; Ord. 25076 § 4; passed Mar. 24, 1992; Ord. 24584 § 7; passed Mar. 20, 1990; Ord. 24050 § 5; passed Mar. 29, 1988)

12.06.220 Primary general service – Agencies – Schedule E-2. *Repealed by Ord. 24584.*

(Ord. 24584 § 8; passed Mar 20, 1990; Ord. 24050 § 6; passed Mar. 29, 1988; Ord. 23372 § 5; passed Apr. 16, 1985; Ord. 22951 § 5; passed Jul. 5, 1983; Ord. 22878 § 5; passed Mar. 1, 1983; Ord. 22460 § 5; passed Jul. 7, 1981; Ord. 21917 § 5; passed Dec. 11, 1979; Ord. 21566 § 5; passed Dec. 19, 1978; Ord. 20267 § 10; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.225 High voltage general service – Schedule HVG. Effective April 1, ~~2019 to March 31, 2020.~~

A. Availability. For general power use where a demand meter is installed and where a customer served does not require the use of Tacoma Power's distribution facilities other than substation transformation. Customers over 8 Megawatts who do not have a Power Service Agreement (Contract) with Tacoma Power will take service under TMC 12.06.215 General service. A Power Service Agreement (Contract) with Tacoma Power is required for customers who begin taking service under TMC 12.06.225 High voltage general service after April 16, 2017. For customers who provide all of their own transformation from Tacoma Power's transmission system voltage, a credit of 20.00 percent will be applicable to the delivery charge.

B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.~~044175~~ ~~042915~~-per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at \$~~5.034~~.~~89~~ per kW.
3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,~~65~~90.00 per month.

4. Exceptions:

(a) Within the City of Fife:

- (1) Energy: All energy measured in kilowatt-hours at \$0.~~044175~~ ~~042915~~-per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$~~5.034.89~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,6~~5~~90.00 per month.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~044175 042915~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$~~5.034.89~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,6~~5~~90.00 per month.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~044175 042915~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$~~5.034.89~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,6~~5~~90.00 per month.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~044175 042915~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$~~5.034.89~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,6~~5~~90.00 per month.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~044175 042915~~ per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$~~5.034.89~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$1,6~~5~~90.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The billing demand shall be the higher of:

1. The highest measured demand for the month adjusted for power factor, or
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Service Conditions.

1. Power factor provision applicable.
2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 27976 Ex. A; passed Mar. 29, 2011; Ord. 27332 § 5; passed Mar. 22, 2005; Ord. 27150 § 4; passed Oct. 7, 2003; Ord. 27058 § 5; passed Mar. 18, 2003; Ord. 26848 § 13; passed Sept. 18, 2001)

12.06.240 Primary general service – Schools – Schedule E-3. *Repealed by Ord. 24584.*

(Ord. 24584 § 9; passed Mar 20, 1990; Ord. 24050 § 7; passed Mar. 29, 1988; Ord. 23372 § 6; passed Apr. 16, 1985; Ord. 22951 § 6; passed Jul. 5, 1983; Ord. 22878 § 6; passed Mar. 1, 1983; Ord. 22460 § 6; passed Jul. 7, 1981; Ord. 21917 § 6; passed Dec. 11, 1979; Ord. 21566 § 6; passed Dec. 19, 1978; Ord. 20267 § 12; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.250 Temporary general service – Schedule L. *Repealed by Ord. 24584.*

(Ord. 24584 § 10; passed Mar 20, 1990; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.260 Contract industrial service – Schedule CP. Effective April 1, 2020 to March 31, 2020.

A. Availability. For major industrial power use upon the execution of a written Power Service Agreement (Contract) with Tacoma Power, which shall require among other conditions:

1. A minimum Contract Demand (as set forth in the Contract) of not less than 8,000 kilowatts;
2. Delivery of power at one primary voltage;
3. Metering at primary voltage but in no case at less than nominal 4,160 volts;
4. Power factor adjustment to 95 percent lagging or better; and
5. Service is subject to curtailment and certain notice provisions are applicable.

B. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at \$0.033038 per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$~~5.07468~~ per kW.

(c) Minimum Charge: The Demand Charge.

(d) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

$$\text{Contract Energy Overrun Charge} = (\text{MWh} + \text{Losses}) \times (\text{THI} + \text{Tx}) \times 120\%.$$

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(e) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

$$\text{Contract Demand Overrun Charge} = \text{MW} \times 300\% \times \text{DC}$$

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

2. Delivery: All kilowatts of Billing Demand delivered at \$~~4.4522~~ per kW.

3. Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~43~~,980.00 per month.

4. Exceptions:

(a) Within the City of Fife:

(1) Power Service Charges:

(i) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at \$0.033038 per kWh.

(ii) Demand: All kilowatts of Billing Demand delivered at \$~~5.07468~~ per kW.

(iii) Minimum Charge: The Demand Charge.

(iv) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

$$\text{Contract Energy Overrun Charge} = (\text{MWh} + \text{Losses}) \times (\text{THI} + \text{Tx}) \times 120\%$$

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(v) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

$$\text{Contract Demand Overrun Charge} = \text{MW} \times 300\% \times \text{DC}$$

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~4522~~ per kW.

(3) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$~~43~~,980.00 per month.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly.

1. The Billing Demand shall be the highest of:

(a) The highest measured demand for the month, adjusted for power factor;

(b) 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor;

(c) A demand level equal to the Contract Energy, in average megawatt (as set forth in the Contract); or

(d) 60 percent of the highest Contract Demand (as set forth in the Contract) during any of the preceding 11 months.

D. Service Conditions.

1. Power factor provision applicable; and

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy and delivery services shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 6; passed Mar. 22, 2005; Ord. 27150 § 5; passed Oct. 7, 2003; Ord. 27058 § 6; passed Mar. 18, 2003; Ord. 26848 § 14; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 12; passed Mar. 21, 1995; Ord. 25460 § 8; passed Mar. 22, 1994; Ord. 25076 § 5; passed Mar. 24, 1992; Ord. 24584 § 11; passed Mar. 20, 1990; Ord. 24050 § 8; passed Mar. 29, 1988; Ord. 23372 § 7; passed Apr. 16, 1985; Ord. 22951 § 7; passed Jul. 5, 1983; Ord. 22878 § 7; passed Mar. 1, 1983; Ord. 22460 § 7; passed Jul. 7, 1981; Ord. 21917 § 7; passed Dec. 11, 1979; Ord. 21566 § 7; passed Dec. 19, 1978; Ord. 20267 § 13; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.270 General time of day/off-peak service – Schedule TODG. *Repealed by Ord. 25681.*

(Ord. 25681 § 13; passed Mar 21, 1995; Ord. 25460 § 9; passed Mar. 22, 1994; Ord. 25076 § 6; passed Mar. 24, 1992; Ord. 24584 § 12; passed Mar. 20, 1990; Ord. 24050 § 9; passed Mar. 29, 1988; Ord. 23737 § 1; passed Nov. 25, 1986)

12.06.280 Interruptible power service – Schedule IP. *Repealed by Ord. 26848.*

(Ord. 26848 § 15; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 24050 § 10; passed Mar. 29, 1988; Ord. 22460 § 8; passed Jul. 7, 1981; Ord. 21917 § 8; passed Dec. 19, 1978; Ord. 20267 § 14; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 1, 20~~2019~~ to March 31, 2020.

A. Availability. Available for:

1. Public street lighting service where the lighting system is in operation during hours of darkness and where the street light system and equipment is owned by the customer, or there have been other suitable prior written arrangements agreed to by Tacoma Power and the applicant; and

2. Traffic controllers, signal lights, warning lights, danger lights, pedestrian lights and similar uses, where the traffic control system and equipment is owned and maintained by the customer.

B. Monthly Rate. Rates stated herein are for (1) unmetered installations [items 1 and 2] where charges are per fixture and shall be applied to the number of installed units on the system as determined by Tacoma Power at the time the billing is rendered, and (2) metered installations [item 3].

1. Street Lighting Units (Unmetered):

(a) Incandescent Lamps:

Nominal Wattage	Energy Charge Per Unit
Up to 150 Watts	\$3.35 \$3.22
151-220 Watts	\$4.92 \$4.73
221-320 Watts	\$7.15 \$6.87
321-520 Watts	\$11.62 \$11.17
521 & Over Watts	\$18.32 \$17.62

(b) High Intensity Discharge Lamps:

Energy Charge Per Unit			
Nominal Wattage	Continuous	Dusk to Dawn	Dusk to 2:20 a.m.
50 Watts	\$2.49 \$2.39	\$1.34 \$1.29	\$0.84 \$0.81
70 Watts	\$3.47 \$3.34	\$1.88 \$1.81	\$1.18 \$1.13
100 Watts	\$4.96 \$4.77	\$2.68 \$2.58	\$1.69 \$1.62
150 Watts	\$7.45 \$7.17	\$4.02 \$3.87	\$2.53 \$2.43
175 Watts	\$8.69 \$8.35	\$4.69 \$4.51	\$2.95 \$2.84
200 Watts	\$9.93 \$9.55	\$5.36 \$5.16	\$3.37 \$3.24
250 Watts	\$12.42 \$11.94	\$6.71 \$6.45	\$4.22 \$4.06
310 Watts	\$15.39 \$14.80	\$8.32 \$8.00	\$5.23 \$5.03
400 Watts	\$19.86 \$19.09	\$10.73 \$10.32	\$6.75 \$6.49
700 Watts	\$34.75 \$33.42	\$18.77 \$18.04	\$11.82 \$11.37
1000 Watts	\$45.51 \$43.76	\$24.58 \$23.64	\$15.48 \$14.88
1500 Watts	\$74.47 \$71.60	\$40.22 \$38.68	\$25.33 \$24.36

(c) At the discretion of Tacoma Power, all lamps may be charged the following equivalent rate: Energy charge for lamp installations at the rate of ~~\$41.37~~ ~~\$39.78~~, ~~\$22.35~~ ~~\$21.49~~, and ~~\$14.07~~ ~~\$13.53~~ per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Traffic Control Units (Unmetered):

(a)

Unit Type	Energy Charge Per Unit
(1) Red - Amber – Green	
Controllers	\$2.78
Heads	\$4.21
(2) Flashing	
Controllers	\$1.39
Heads	\$2.10

(1) Incandescent Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch Bulb	\$2.31	\$0.13	\$1.77	\$2.10		
12 Inch Bulb	\$5.65	\$0.31	\$4.31	\$5.13		
Pedestrian Head					\$2.10	\$2.10

(2) Light Emitting Diodes (LED) Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch LED	\$0.27	\$0.02	\$0.18	\$0.25		
12 Inch LED	\$0.43	\$0.02	\$0.36	\$0.39		
Pedestrian Head					\$0.25	\$0.25

(3) Neon Lamps:

Unit Type	Energy Charge Per Unit	
	Walk	Wait
Pedestrian Head	\$0.21	\$0.83

(4) Controllers:

Unit Type	Energy Charge Per Unit
Traffic	\$2.78
Flashing	\$1.39

(5) All lamps or controllers not listed above: Energy charge for lamp or controller installations not listed in the above tabulations shall be calculated by multiplying the unit wattage (in kW) x 730 hours x percent active x \$0.054960 per kWh per month.

3. Street Lighting and Traffic Control Units (Metered): The sum of the following energy, delivery and customer charges:

(a) Energy: All energy measured in kilowatt-hours at \$0.035690 per kWh.

(b) Delivery: All energy delivered in kilowatt-hours at \$0.015~~883415~~ per kWh.

(c) Customer Charge: Calculated on a monthly basis, invoiced, and collected pursuant to the applicable customer service policies: \$10.00 per month.

C. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28489 Ex. A, passed Feb. 13, 2018; Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017; Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Exs. A, B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27604

§ 2; passed Apr. 27, 2007: Ord. 27332 § 7; passed Mar. 22, 2005: Ord. 27058 § 7; passed Mar. 18, 2003: Ord. 26848 § 16; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 14; passed Mar. 21, 1995: Ord. 25460 § 10; passed Mar. 22, 1994: Ord. 25076 § 7; passed Mar. 24, 1992: Ord. 24584 § 13; passed Mar. 20, 1990: Ord. 24280 § 1; passed Feb. 28, 1989: Ord. 24050 § 11; passed Mar. 29, 1988: Ord. 23372 § 8; passed Apr. 16, 1985: Ord. 22951 § 8; passed Jul. 5, 1983: Ord. 22878 § 8; passed Mar. 3, 1983: Ord. 22460 § 9; passed Jul. 7, 1981: Ord. 21917 § 9; passed Dec. 11, 1979: Ord. 21566 § 9; passed Dec. 19, 1978: Ord. 20808 § 1; passed Jul. 13, 1976: Ord. 20267 § 15; passed Dec. 17, 1974: Ord. 19714 § 1; passed Dec. 12, 1972)

12.06.295 Street Lighting Service – Schedule H-3. Effective April 1, 2018.

A. For the purpose of this section, the following definitions apply:

1. “Jurisdiction” shall mean a city, town, county, or other political subdivision of the state of Washington within the Tacoma Power service territory.
2. “Service Point” shall have the same meaning as defined in the Tacoma Power Customer Service Policies (as authorized under TMC 12.06.330), which is the point where the customer’s service conductors are connected to Tacoma Power’s service utility conductors.
3. “Street Lighting Service” shall mean lighting service supplied by Tacoma Power, where Tacoma Power owns the streetlight fixtures and provides power to the Service Point during the duration of the service.
4. “Capital Recovery Period” shall mean the time period over which Tacoma Power will levy a charge equal to the amortized value of the investment cost for the streetlight fixtures. Unless an alternative time period is mutually determined in writing between Tacoma Power and the Jurisdiction, this period will be 15 years. Streetlight fixtures remain the property of Tacoma Power after the Capital Recovery Period unless a Transfer of Ownership Charge has been paid.
5. “Transfer of Ownership Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests ownership of the fixtures. The charge is determined by costs of equipment, installation, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
6. “Termination Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests termination of Street Lighting Service. The charge is determined by costs of equipment, installation, removal, disposal, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
7. “Utility Financing Cost” shall mean the current cost of capital financing to Tacoma Power, as determined solely by Tacoma Power.

B. Schedule H-3 Availability.

1. To qualify for Street Lighting Service under the Schedule H-3, the Jurisdiction must agree to convert a minimum of 300 Jurisdiction streetlights.
2. For service under Schedule H-3, a Jurisdiction must submit a request in writing to Tacoma Power. Tacoma Power reserves the right to delay provision of service under Schedule H-3 for up to two years after the request date.

C. Service Conditions.

1. Monthly Rate: Rates stated herein are charged per fixture installed.
2. Streetlight Fixtures: Streetlight fixtures provided under the Schedule H-3 are owned by Tacoma Power unless the Transfer of Ownership provisions in this section are completed. Under the Schedule H-3, Tacoma Power will provide replacement streetlight fixtures as fixtures become inoperable.
3. Transfer of Ownership: A Jurisdiction may request in writing to purchase and transfer the ownership of and responsibility for a portion or all of a Jurisdiction’s streetlight fixtures under this Schedule H-3 at any time. Transfer of ownership shall occur after the Jurisdiction has paid a Transfer of Ownership Charge. Until the Transfer of Ownership Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3. After transfer of ownership, service will be billed under the Schedule H-1 for non-Tacoma Power owned streetlight fixtures.
4. Termination: A Jurisdiction may request in writing to terminate Schedule H-3 Street Lighting Service for a portion or all of Tacoma Power owned streetlight fixtures at any time. In the event of termination, the Jurisdiction shall pay the Termination Charge. Until the Termination Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3.
5. Fixture Specifications: Tacoma Power will provide fixtures that meet the Jurisdiction Traffic Engineer’s specifications. Tacoma Power may solicit input from the Jurisdiction on other fixture features, requirements, and options but retains final

authority for fixture selection and purchase. Tacoma Power will purchase only such lighting fixture options as are directly related to Street Lighting Service. Non-streetlight related options that are determined by Tacoma Power to be compatible with the streetlight fixture are allowed. The Jurisdiction will be solely responsible for installation, operation, maintenance, and all costs associated with non-streetlight related options. The Jurisdiction shall notify Tacoma Power of the type, quantity, location, and energy requirements of all non-streetlight related options installed.

6. Liability: The Jurisdiction is wholly responsible for all illumination engineering to meet roadway lighting specifications and the operation of all non-streetlight related options. By accepting Street Lighting Service under Schedule H-3, the Jurisdiction agrees to hold Tacoma Power harmless from any claim for damages associated with the streetlight fixtures provided under this Schedule H-3.

7. Installation: Tacoma Power may authorize the Jurisdiction to install some or all streetlight fixtures covered under this Schedule H-3. If the Jurisdiction elects to perform such installations, the cost shall be at the expense of the Jurisdiction.

8. Service Point: Schedule H-3 will be available to provide Street Lighting Service to customer Service Points with existing streetlight fixtures only.

9. Poles and Circuits: The Jurisdiction that owns the poles and circuits associated with light service under Schedule H-3 shall be responsible for the appropriate maintenance of said poles and circuits. The Jurisdiction is responsible for the safe operation of the poles, circuits, and light fixtures. Tacoma Power reserves the right to refuse or discontinue service under Schedule H-3 if Tacoma Power determines a pole or circuit is inadequate to provide safe Street Lighting Service. In the event a Schedule H-3 streetlight fixture must be discontinued due to an unsafe condition, the Jurisdiction shall remedy the condition immediately or follow the Termination provision above.

10. Maintenance and Repair: The Jurisdiction is responsible for performing, at its sole expense, all maintenance and repair activities associated with the streetlight fixture provided by Tacoma Power under this Schedule H-3. Maintenance and repair includes, but is not limited to, labor and equipment. In the event a Schedule H-3 streetlight fixture fails, the Jurisdiction shall return the failed streetlight fixture to Tacoma Power for replacement. If the Jurisdiction damages a streetlight fixture while performing maintenance, the Jurisdiction will be responsible for the cost to repair or replace the streetlight fixture.

11. Energy: Tacoma Power will provide energy for the streetlight fixture up to the Jurisdiction provided Service Point.

12. Additional Rules: Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

D. Monthly Rates: The sum of the following energy and capital recovery charges:

1. Energy: Energy charge for lamp installations shall be the monthly rate of the otherwise applicable published rate schedule as set forth in Chapter 12.06.290 Street lighting and traffic signal service.

2. Capital Recovery Charge:

a. For the biennium during which the fixtures shall be installed, the Capital Recovery Charge shall be calculated as follows:

(1) The monthly amount required to achieve full expense recovery from the Jurisdiction over the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and estimated installation cost.

(2) The amount calculated in (1) shall be multiplied by the number of months in the rate period.

(3) The amount in (2) shall be divided by the estimated number of fixture-months to be billed during the rate period.

b. Accounting records shall be kept that record the differences between actual and estimated installation cost, and actual and estimated fixture-months billed. For biennia subsequent to that in which the fixtures are installed, the Capital Recovery Charge shall be calculated as follows:

(1) The amount required to be recovered from the Jurisdiction each month of the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and actual installation cost.

(2) The amount calculated in (1) shall be multiplied by the number of months in the rate period.

(3) The amount in (2) shall be divided by the estimated number of fixture-months to be billed during the rate period.

(4) The amount in (3) shall be adjusted to reflect in difference between actual and estimated expenses and recoveries during the biennium during which the fixtures were installed.

(Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017)

12.06.300 Private off-street lighting service – Schedule H-2. Effective April 1, 2019 to March 31, 2020.

A. Availability. Available for outdoor lighting service along private street and roadways, over parking lots, and for general area lighting of private property, but excluding public streets within the City of Tacoma.

B. Character of Service.

1. Lighting under this schedule shall be limited to the hours of darkness when street and highway lights are normally in use. The hours of use shall be regulated by a photoelectric control.

2. Tacoma Power will install, own, and maintain the equipment.

3. Energy will be provided on an unmetered basis.

C. Monthly Rate.

1. High Pressure Sodium Lamps:

Lamp Rating (Watts/Lamp)	Type	Rental Charge
100-Watt	Sodium Vapor	\$14.01 \$13.47
200-Watt	Sodium Vapor	\$18.02 \$17.33
400-Watt	Sodium Vapor	\$36.04 \$34.65

2. All Other Lamps:

Lamp Rating (Watts-Equivalent/Lamp)	Rental Charge
0-200 Watt Equivalent	\$16.02 \$15.40
201-400 Watt Equivalent	\$36.04 \$34.65
401-800 Watt Equivalent	\$56.07 \$53.91
801-1000 Watt Equivalent	\$76.09 \$73.16
1001-1500 Watt Equivalent	\$96.12 \$92.42

3. Additional Equipment: Fixtures will be installed on existing poles. Additional poles required for a lighting installation may be installed at applicant expense. A maximum of three poles will be allowed at a cost of \$624.23 per pole. Ancillary materials will be an additional expense. The customer shall pay the entire installation cost prior to installation.

4. For customers billed under low-income senior and/or low-income disabled discount residential service, Rate Schedule A-2, a discount will be provided by reducing the monthly bill by 30 percent.

D. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28422 Ex. A and Ex. B; passed Apr. 4, 2017: Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27332 § 8; passed Mar. 22, 2005: Ord. 27058 § 8; passed Mar. 18, 2003: Ord. 26848 § 17; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 15; passed Mar. 21, 1995: Ord. 25460 § 11; passed Mar. 22, 1994: Ord. 25076 § 8; passed Mar. 24, 1992: Ord. 24584 § 14, passed Mar. 20, 1990: Ord. 24280 § 2; passed Feb. 28, 1989: Ord. 24050 § 12; passed Mar. 29, 1988: Ord. 23372 § 9; passed Apr. 16, 1985: Ord. 22878 § 9; passed Mar. 1, 1983: Ord. 22460 § 10; passed Jul. 7, 1981: Ord. 21105 § 1; passed Jul. 5, 1977: Ord. 20267 § 16; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.310 Power factor provisions – Schedule P.

A. Application. The provisions of this schedule shall be applicable to all electrical service, unless and until specific arrangements are made in writing with Tacoma Power to the contrary.

B. Equipment. Except for portable equipment of less than three kVA rating and arc furnace loads as set forth in Adjustment Provision C.2 below, all installations of neon, mercury vapor, fluorescent or other gaseous tube lighting, as well as welding transformers, X-ray machines, motors and any other electrical equipment having low power factor characteristics, which are hereafter installed, replaced, relocated, or rearranged, shall include proper equipment to correct the power factor of such installations to not less than 95 percent lagging for each unit or separately controlled group of units, or 90 percent lagging for each separate service whose load primarily consists of an arc furnace(s).

Existing nonconforming electrical installations shall be subject to all provisions of this chapter and the installation of corrective equipment may be required by Tacoma Power.

All power factor corrective equipment installed or operated by the customer shall be so used as to further the objectives of this chapter without causing adverse voltage conditions upon Tacoma Power's system. Tacoma Power shall have the right to require the installation of suitable switching facilities and to disconnect or to refuse to furnish electric energy to any installation that, in the opinion of Tacoma Power, is detrimental to the rendering of satisfactory service to its other customers.

C. Adjustment Provisions. If the average power factor at which electric energy is delivered to the customer during the billing period is 95 percent or more, no adjustment will be made in the customer's billing for that period, unless otherwise provided in written contract.

If such average power factor is less than 95 percent, the customer's billing shall be adjusted as follows:

1. For demand type rate schedules which serve other than arc furnace loads, the measured demand in kilowatts shall be adjusted by multiplying by 0.95 and dividing the result by the average power factor. Such adjusted demands shall then become and thereafter be used as a basis for billing.

2. For demand type rate schedules which serve arc furnace loads, the measured demand in kilowatts shall be adjusted by multiplying by 0.90 and dividing the result by the average power factor. Such adjusted demands shall then become and thereafter be used as a basis for billing.

3. Minimum charges shall be determined on the basis of 1 or 2 above, as applicable.

4. For loads up to 75 kilowatts connected, Tacoma Power may elect not to apply the adjustment provisions herein established.

D. Minimum and Average Power Factor. Unless otherwise specifically agreed, Tacoma Power shall not be obligated to deliver electric energy to the customer at any time at a power factor below 80 percent lagging.

The average power factor (APF) is determined as follows:

1. As determined with a watt-hour meter and a var-hour meter:

$$\text{APF} = \frac{\text{Kilowatt - hours}}{\sqrt{(\text{Kilowatt-hours})^2 + (\text{Reactive Kilovolt Ampere-hours})^2}}$$

The var-hour meters for measurement of reactive power shall be ratcheted to prevent reverse registration.

E. Service Conditions. Applicable provisions of the City Code, General Provisions and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 26848 § 18; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 24050 § 13; passed Mar. 29, 1988: Ord. 23372 § 10; passed Apr. 16, 1985: Ord. 22460 § 11; passed Jul. 7, 1981: Ord. 21917 § 10; passed Dec. 11, 1979: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.314 Tax credit – Schedule TC.

A. Availability. This schedule is a supplemental schedule to all other Light Division electric rate schedules and is applicable to customers on whom the Department is not legally obligated to pay the State of Washington Public Utility Tax and/or any other taxes.

B. Monthly Rate. The sum of all applicable electric rate schedule charges to such customers shall be reduced by an amount equal to the State of Washington Public Utility Tax and/or any other applicable taxes.

The following formula will be used:

Revised Charge = (1 - ST - OT) x (the sum of all applicable electric rate schedule charges)

where: ST = State of Washington Public Utility Tax rate

OT = Any other taxes

(Ord. 26628 § 1; passed May 16, 2000: Ord. 25076 § 9; passed Mar. 24, 1992)

12.06.315 Supplemental municipal service – Schedule M. *Repealed by Ord. 27150.*

(Ord. 27150 § 6; passed Oct. 7, 2003: Ord. 26628 § 1; passed May 16, 2000: Ord. 25460 § 12; passed Mar. 22, 1994: Ord. 24818 § 1; passed Jan. 15, 1991: Ord. 24050 § 14; passed Mar. 29, 1988: Ord. 23877 § 1; passed Jun. 23, 1987)

12.06.317 Cost adjustment clause. *Repealed by Ord. 26848.*

(Ord. 26848 § 19; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25764 § 2; passed Sept. 26, 1995: Ord. 25681 § 16; passed Mar. 21, 1995: Ord. 25460 § 13; passed Mar. 22, 1994: Ord. 25076 § 10; passed Mar. 24, 1992: Ord. 24584 § 15; passed Mar. 20, 1990: Ord. 24050 § 15; passed Mar. 29, 1988)

12.06.318 Power Purchased From Bonneville Power Administration – Cost Adjustment Clause – Schedule PPCAC. *Repealed by Ord. 27227.*

(Ord. 27227 § 1; passed Apr. 27, 2004: Ord. 27190 § 1; passed Jan. 29, 2004: Ord. 27146 § 1; passed Sep. 30, 2003: Ord. 27058 § 9; passed Mar. 18, 2003)

12.06.320 Additional rules may be made by director.

The Director of Utilities may make such rules and regulations governing the operation of this chapter as are not inconsistent with its provisions including monthly billing on designated accounts as may be necessary to effectively administer monthly or bimonthly billing. The Director may grant reasonable adjustments in cases where the terms of this chapter place an injustice upon a customer if after written evidence has been presented to the Department it is shown that irregular circumstances of the customer's load, service and/or conditions warrant such adjustments.

(Ord. 24584 § 16; passed Mar. 20, 1990: Ord. 24050 § 16; passed Mar. 29, 1988: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.330 Customer service policies – Additional rules and regulations.

The Director of Utilities shall promulgate and enforce such customer service policies and related additional rules and regulations which may be deemed necessary from time to time to implement, encourage, and/or facilitate the use of electric energy, pursuant to a Public Utility Board resolution approving the same, copies of which data will be placed on file with the Clerk of the Public Utility Board and made available for information at the Department.

(Ord. 26848 § 20; passed Sept. 18, 2001: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.340 Violations – Penalties – Enforcement.

A. Any person violating any of the provisions relating to the rate schedules, general provisions and customer service policies governing the sale of electric energy shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine in any sum not exceeding \$1,000.00, or imprisonment for a period not to exceed one year or both such fine and imprisonment; and in addition to the penalty hereinabove provided, the service to the premises of any person found guilty of violating these provisions shall be disconnected. The person violating same shall be liable for all damages resulting and for all energy used by reason of such violation.

B. Whenever the Building Inspector or the Health Officer or the Electrical Inspector shall report in writing to the Director that any building is considered as a structure not fit for human habitation, dangerous to human life or unsanitary, the Director may cause the electric service to be discontinued effective with the date of the evacuation or other order and not to be restored until it has been declared by proper authority that the building is in a satisfactory condition for occupancy.

C. Legal enforcement shall be vested in the Police Department of the City and all prosecutions for violations hereof shall originate in the Police Court of the City of Tacoma. The penalties provided herein are in addition to any civil remedy provided at law.

(Ord. 25460 § 14; passed Mar. 22, 1994: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.350 Severability.

If any clause, sentence, paragraph, subdivision, section or part of the provisions relating to the rate schedules, general provisions and customer service policies governing the sale of electric energy shall for any reason be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the chapter, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.360 Temporary surcharge rates. *Repealed by Ord. 26848.*

(Ord. 26848 § 21; passed Sept. 18, 2001: Ord. 26785 § 1; passed Mar. 13, 2001: Ord. 26762 § 1; passed Dec. 19, 2000)

12.06.370 Renewable Energy Program.

A. Availability. Available to all customers taking permanent retail metered service to purchase qualified alternative energy resources to purchase on a voluntary basis.

B. Applicability. In compliance with RCW 19.29A.090, Tacoma Power is offering its customers the option to purchase Tacoma Power supplied renewable energy credits. Customer participation is strictly on a voluntary basis. Customers may voluntarily begin or terminate their participation at any time by notifying Tacoma Power of their choice.

C. Rate. The Renewable Energy Premium per kWh of renewable energy purchased under this rate schedule is:
Renewable Energy Premium: \$0.012000 per kWh

D. General Provisions. Base rates and other terms of electric service shall be governed by the rate schedule under which the customer takes primary services. This Renewable Energy Premium rate does not include electric service or electric power. Charges specified under this Renewable Energy Premium Rate Schedule are in addition to the charges specified in the rate schedule under which the customer takes its primary electricity service. The voluntary Renewable Energy program payments, less the costs of program administration, marketing, and renewable energy education, ("Net Renewable Energy Program Revenue"), will be used to purchase qualified alternative energy resources. Subject to the provisions of the ordinances authorizing issuance of Tacoma Power revenue obligations, Tacoma Power shall make available from its budgeted funds, for the purchase or development of new qualified alternative energy resources, an amount equal to the Net Renewable Energy Program Revenue allocated to existing Tacoma Power qualified alternative energy resources.

(Ord. 28422 Ex. A; passed Apr. 4, 2017)



RESOLUTION NO. U-11034

A RESOLUTION relating to amending and revising the Tacoma Power Electric Rate & Financial Policy.

WHEREAS the City of Tacoma, Department of Public Utilities, Power Division (d.b.a. "Tacoma Power"), has proposed changes to the Electric Rate & Financial Policy to provide better alignment between the respective rate and financial policies of Tacoma Power and Tacoma Water; and

WHEREAS Tacoma Power's Electric Rate & Financial Policy gives direction to future rate and financial planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management, and

WHEREAS Tacoma Power is recommending the following changes to its Power regulations:

- 1) Section I.G. (Low-Income Customers), modify the description of rate setting objectives for low-income customers to include senior and disabled customers and address programs available through utility assistance programs. The same language will be used in the Electric Rate & Financial Policy and the Water Rate & Financial Policy. This will modernize the existing language for customers who may benefit from utility assistance programs and enable better alignment between Tacoma Power and Tacoma Water's policies.
- 2) Section I., add a rate setting objective to maintain rate stability. This reflects the approach for long-term financial planning in Tacoma



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Power's Long-Range Financial Plan and enables better alignment between Tacoma Power and Tacoma Water's policies.

- 3) Section IV.B.3., add a description of phased-in approach for rate adjustments if a disproportionate change in rate levels is expected for certain classes. This enables better alignment between Tacoma Power and Tacoma Water's policies.

WHEREAS revisions to Tacoma Power's Electric Rate & Financial Policy requires approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the rates and regulations are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Power, and Tacoma Power requests that the Board approve said revisions and amendments; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed revisions to Tacoma Power's Electric Rates & Financial Policy are hereby approved, and the Council and the City of Tacoma is requested to approve such revisions as set forth in the attached Exhibit "A" as on file with the Clerk of the Board.

Approved as to form and legality:

Chair



Chief Deputy City Attorney

Secretary

Clerk

Adopted _____

Request for Board meeting

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

of October 24, 2018

REQUEST FOR RESOLUTION

Date: September 28, 2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Amend and revise the Tacoma Power Electric Rate & Financial Policy.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Tacoma Power requests approval of changes to the Tacoma Power Electric Rate & Financial Policy.

3. Summarized reason for resolution:

The Electric Rate & Financial Policy contains guidance for Tacoma Power staff in managing Tacoma Power's financial health. The proposed changes bring Tacoma Power and Tacoma Water into greater policy alignment.

4. Attachments:

- a. Letter to Public Utility Board and City Council from Jackie Flowers dated October 1, 2018
b. Proposed Amendments to Tacoma Power Electric Rate & Financial Policy

5. ☐ Funds available ☒ Proposed action has no budgetary impact

6. Deviations requiring special waivers: None

Originated by:

Bill Berry

Section Head

Requested by:

Division Head

Approved:

Jackie Flowers

Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance – Amend and revise Tacoma Power Rate & Financial Policy;
First Reading November 13, 2018.
DATE: October 2, 2018

SUMMARY:

Tacoma Power requests approval by the Public Utility Board and the City Council of changes to the Tacoma Power Electric Rate & Financial Policy.

BACKGROUND:

Tacoma Power's Electric Rate & Financial Policy gives direction to future rate and financial planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management.

The Public Utility Board conducted reviews of Tacoma Power's Electric Rate & Financial Policy and Tacoma Water's Water Rate & Financial Policy as part of the rates process on May 9, 2018 and August 8, 2018. The proposed policy changes provide better alignment between the respective rate and financial policies of Tacoma Power and Tacoma Water.

ISSUE:

The following are the proposed changes to Tacoma Power's Electric Rate & Financial Policy:

1. In Section I.G. (Low-Income Customers), modify the description of rate setting objectives for low-income customers to include senior and disabled customers and address programs available through utility assistance programs. The same language will be used in the Electric Rate & Financial Policy and the Water Rate & Financial Policy. This will modernize the existing language for customers who may benefit from utility assistance programs and enable better alignment between Tacoma Power and Tacoma Water's policies.
2. In Section I., add a rate setting objective to maintain rate stability. This reflects the approach for long-term financial planning in Tacoma Power's Long-Range Financial Plan and enables better alignment between Tacoma Power and Tacoma Water's policies.
3. In Section IV.B.3, add a description of a phased-in approach for rate adjustments if a disproportionate change in rate levels is expected for certain classes. This enables better alignment between Tacoma Power and Tacoma Water's policies.

ALTERNATIVES:

None.

RECOMMENDATION:

Tacoma Power requests approval by the Public Utility Board and the City Council of recommended changes to the Tacoma Power Electric Rate & Financial Policy.

FISCAL IMPACT:

None.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: none

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? n/a

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

**TACOMA PUBLIC UTILITY BOARD**

3628 South 35th Street

Tacoma, Washington 98409-3192

October 2, 2018

To: Mayor Woodards and Tacoma City Council Members
Chair Jones and Public Utility Board Members

Tacoma Power requests approval by the Public Utility Board and the City Council for rate adjustments effective April 1, 2019, and April 1, 2020. The proposed rate increases are designed to generate additional revenue required to pay budgeted expenses and meet financial metrics (debt service coverage and liquidity).

In preparation for this request, Tacoma Power has sought public input through public presentations at Neighborhood Council and City Council meetings in Tacoma and other communities served by Tacoma Power. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Tacoma Power looks to recover through the proposed rate adjustments approximately \$21.9 million in additional revenues over the Rate Period (April 1, 2019 through March 31, 2021). A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Proposed Increase in Revenue Requirement by Class		
Rate Class		Rate Increase (two-step, levelized)
Residential	A	0.9%
Small General	B	0.7%
General	G	4.0%
High Voltage General	HVG	3.1%
Contract Industrial	CP	2.2%
Street Lighting	H-1	4.0%
Traffic Signals	H-1	0.0%
Private Off-Street Lighting	H-2	4.0%

Tacoma Power is also proposing an ordinance to add a new rate schedule: Schedule FC—Electric Vehicle Fast Charging. Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles. This tariff is in alignment with City Council Resolution No. 40016 in support of electrification of transportation.

Finally, Tacoma Power is proposing to update Tacoma Power and Tacoma Water's Electric Rate and Financial Policies to improve alignment between the two operating Divisions.

We request your approval of the proposed rate adjustments in TMC 12.06, the proposed fast-charge pilot rate, and the proposed changes to the Electric Rate and Financial Policy.

Sincerely,



Jackie Flowers
Director of Utilities

EXHIBIT A

TACOMA POWER

ELECTRIC RATE & FINANCIAL POLICY

~~April 14, 2017~~September 26, 2018

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TACOMA POWER

ELECTRIC RATE & FINANCIAL POLICY

~~April 14, 2017~~ September 26, 2018

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TACOMA POWER

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TACOMA POWER

EXECUTIVE SUMMARY

The Electric Rate & Financial Policy gives direction to future short-term and long-term planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management.

This booklet contains the Electric Rate & Financial Policy which results from review and revision of the Electric Rate Policy adopted in 1984 and revised in 1989, 1991, 1993, 1994, 1996, 2003, 2005, 2007, 2013, 2015, ~~and 2017~~, ~~and 2019~~. The 1996 changes were extensive and incorporated language which provided Tacoma Power flexibility to compete in a rapidly changing economic environment. The 2005 change modifies the projected cash balances from 45 to 63 days. The 2007 changes modify the projected cash balances from 63 to 90 days and modify the language concerning planned debt service coverage. The 2013 changes added a language pertaining to the Rate Stabilization Fund. The 2015 changes added guidance for using long and short-term debt to finance capital projects, additional clarification pertaining to financial metrics, and additional language pertaining to the Rate Stabilization Fund. The 2017 changes modify the New Large Load policy. The 2019 changes modified the description of low-income customers, added a rate setting objective to maintain rate stability, and added a description of phased-in approach for rate adjustments.

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TACOMA POWER

ELECTRIC RATE & FINANCIAL POLICY

MISSION STATEMENT: Tacoma Power is an innovative, citizen-owned electric utility that generates, transmits and distributes electricity and provides energy and telecommunications services in an increasingly competitive marketplace.

We are committed to provide high-value, competitively priced products and services to our customers through the quality of our employees and the responsiveness that results from local ownership.

We will continue to serve our customers in Tacoma and neighboring communities and serve new markets to benefit both existing and new customers.

PURPOSE: The Electric Rate & Financial Policy provides direction and guidance in the development of the rates and prices for Tacoma Power services as well as the structure of financing to support sound financial planning and practices. The policy guides prudent decision-making and planning on matters that affect the quality, cost and competitiveness of Tacoma Power services. It is the intent of this policy to provide an enhanced level of service to our customers and demonstrate to credit rating agencies, investors, and capital markets that Tacoma Power is well-managed and prepared to meet all financial and rate-related obligations.

I. Rate Setting Objectives

A. Serving Customer Needs in a Competitive Electric Industry

Tacoma Power services, including rates and prices for those services, will be designed to meet customer needs and respond to increasing competition in the electric utility industry. Tacoma Power will seek to both unbundle and offer a greater variety of services to its customers who desire to make more of their own choices. Services or rates designed to meet the needs of one group of customers will be accomplished without negative impacts to other Tacoma Power customers.

B. Recovery of Tacoma Power Costs

Costs that Tacoma Power incurs to provide services will be recovered through the rates and prices it charges to its customers.

C. Cost Analysis for Tacoma Power Services

Regular reviews will be performed to determine the adequacy of rates, and a full revenue requirements study will be performed every two years.

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To the extent practicable, short-run and long-run costs will be identified for all Tacoma Power services, including services provided at cost-based rates and services sold at flexible or market-based prices.

D. Review of Major Commitments

Capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma Power services will be evaluated and documented before commitments are made. Such evaluations will address known, as well as potential or uncertain, incremental impacts on costs and revenues. Impacts on Tacoma Power competitiveness will also be assessed.

E. Cost-Based Rates

Rates charged to each class of customer will generally be set to reflect the costs of providing their service. This includes any taxes levied by the various jurisdictions that Tacoma Power serves.

F. Exceptions to Cost-Based Rates

Exceptions to cost-based rates for Tacoma Power services will be made only in circumstances where customers have access to competing providers for the service, or as otherwise authorized by the Public Utility Board.

G. Low-Income Customers

The needs of low-income, senior, and disabled electric customers will be considered when establishing rate levels, providing bill assistance, and offering financial education.

H. Electric Rate & Financial Policy Revisions

Any decision to revise electric rate or financial policies will be done in an orderly fashion and formalized by resolution.

I. Public Involvement

Tacoma Power will provide information and gather citizen input to its rate setting process.

J. Rate Stability

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To the extent possible, rate adjustments should be as-level across years and not exceed general inflationary trends.

II. Rate Review Process

A. Traditional Retail Electric Services

The rate review process shall consist of the following four interrelated, yet distinct, steps for traditional retail electric services.

1. Review of Electric Rate & Financial Policy

The Public Utility Board will review the existing Electric Rate & Financial Policy well in advance of consideration of each general rate adjustment. Any required changes must be formalized by Board and Council resolutions.

2. Revenue Requirements Analysis

A Revenue Requirements Analysis will be accomplished to study the projected revenue, expenses and capital improvements for the period to be covered by the rate change.

3. Cost-Of-Service and Cost Allocation

A cost-of-service study will be accomplished to determine the cost of serving each customer class and will be used to allocate class responsibility for the projected expenses of the system.

4. Rate Design

Rate schedules will be developed for each customer class to recover the revenue requirements determined in the cost-of-service procedure.

B. Non-Traditional Retail Electric Services

The rate review process will include estimates of costs and revenues associated with non-traditional services that may be offered during the general rate period and will reflect the policies incorporated in Section III.C. Rates for new non-traditional energy-related services, including unbundled and non-portfolio services, may be set at times other than the general rate setting process.

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III. Rate Setting Policies

A. Policies Applicable to All Tacoma Power Services

All Tacoma Power services, including rates and prices, will be designed to:

1. Meet a broadening range of customer needs;
2. Enhance competitiveness of Tacoma Power services;
3. Recover all costs of service;
4. Satisfy statutory and regulatory requirements; and
5. Maintain Tacoma Power's financial strength as illustrated in the rating criteria for AA-category utilities.

B. Policies Applicable to Traditional Electric Services

Traditional Tacoma Power retail electric utility services (e.g., transmission, distribution, portfolio power supply), including rates and prices, will be designed to:

1. Unbundle and set rates or prices for services to facilitate increased customer choice;
2. Set rates or prices for each service at actual cost, except where specifically authorized;
3. Minimize cross-subsidies between services or between classes of customers, except where specifically authorized; and
4. Identify and mitigate cost shifts, stranded costs, or other negative impacts that may result from increased customer choice.

C. Policies Applicable to Non-Traditional Energy-Related Services

Non-traditional Tacoma Power services (e.g., retail energy services, non-portfolio and ancillary power supply services) will be offered with pricing flexibility, subject to the following guidelines. Non-traditional services must:

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1. Return positive net benefits to Tacoma Power's traditional retail electric customers;
2. Maximize productive, cost-effective use of Tacoma Power assets and capabilities;
3. Offer lower prices and/or better quality than competing providers;
4. For existing assets or capabilities, seek to recover the fully allocated cost-of-service; and
5. Recover the fully allocated cost of new assets or capabilities added to provide the service.

IV. Financial Targets and Rate Setting Practices

Tacoma Power will endeavor to maintain sound financial metrics that support current and future financing needs, support maintenance or improvement of credit ratings, and minimize the cost of funds and risks associated with borrowing. While this policy includes minimum requirements for liquidity and debt service coverage, it is the goal of Tacoma Power to maintain or improve current debt ratings, and the utility will maintain higher levels of coverage and liquidity as required to achieve this goal.

A. A. — Assumptions and Criteria for Rate Setting

1. Rates will be set at levels to provide projected cash balances equivalent to a minimum of 90 days of current budgeted expenditures. It is recognized, however, that seasonal fluctuations may cause cash balances to be below recommended levels, but rates should be set such that the minimum cash balance in any month does not drop more than 40 percent below the recommended level.
2. Tacoma Power will maintain sufficient liquidity to support Tacoma Power's operational objectives, preserve financial and management flexibility, and plan for maintaining or improving credit ratings. Liquidity measures may include cash, the unused portion of dedicated bank lines, the Rate Stabilization Fund, and other short-term debt agreements.
3. The Utility will maintain a minimum Debt Service Coverage Ratio of approximately 1.5 based on net revenues including surplus power sales consistent with water supply planning noted in subsection 5

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below or at higher levels consistent with sound financial practice in the electric industry. The Utility will plan to a minimum Debt Service Coverage Ratio of 1.8 based on net revenues including surplus sales estimated using median water availability or at higher levels consistent with sound financial practice in the electric industry.

4. In order to maintain an appropriate Debt to Equity Ratio, the Utility, over time, will finance its capital program in a manner which strives for a balance in the use of revenue and debt. Under normal circumstances, major capital projects will be financed primarily with debt and fifty percent of all other capital requirements will be financed through rate revenues. Any debt financing will not be used for longer than the useful life of the capital project.
5. Water supply planning for surplus power available during the rate adjustment period will be based on water conditions that have historically been exceeded 75 percent of the time.

B. Rate Setting for Traditional Retail Electric Services

1. Revenue Requirements

- a. The projected load forecast for the rate review process shall include the consumption effects of price and local economic and demographic conditions. Projected retail revenues will be based on average weather assumptions.
- b. The level of annual funding for low-income assistance will be determined by the Public Utility Board.
- c. Both the short-term and long-term rate impacts of conservation programs and generating resource development will be considered when establishing current funding levels.

2. Cost-of-Service

- a. An embedded cost-of-service study will be the basis for allocating the cost of providing electricity to the rate classes. Below are listed the only exceptions to cost-of-service principles that will be considered in the rate-making process:
 1. A modified electric rate will be considered to help low-income senior or low-income disabled electric customers pay their bills.

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2. A rate surcharge may be considered for new construction and conversions not conforming to existing model conservation standards.
- b. Resource cost classifications between demand and energy will be reflected in the rates in the following ways:
 1. Energy and demand classification factors for Tacoma's existing hydro resources will be determined by operating characteristics of the resources.
 2. Power purchases from the Bonneville Power Administration (BPA) will be classified between demand and energy based on the new resource rate for BPA.
 3. Demand and energy classification will reflect the incremental value to the Utility at the time of purchase of all new resources and existing resources not covered in 1 or 2 above.
- c. Rates for New Large Loads
 1. A New Large Load is a new or expanding existing load greater than 8 MW but less than 20 MW within a twelve-month period. Rates for new or expanding existing loads greater than 20 MW within a twelve-month period require a negotiated contract to be approved by the Public Utility Board.
 2. The execution of a written power service contract with Tacoma Power is required for service under the New Large Load designation.
 3. Rates for a New Large Load will be based on:
 - a. The energy, demand, delivery, customer, and other charges of Tacoma Power's Contract Power (CP) rate, or its successor rate, plus
 - b. a marginal cost adder of 15 percent that will be effective for a period of ten consecutive years from the beginning of service. After ten consecutive

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years of service, the New Large Load will become a standard Contract Power, or successor rate, customer. The marginal cost adder is based on Tacoma Power's next-resource cost levelized over a ten-year period.

- c. Consideration will be given to other factors including but not limited to load factor, energy usage intensity, and customer creditworthiness. These factors may cause Tacoma Power to customize the rate adder and term to address the specific situation of each New Large Load customer.

3. Rate Design

- a. Consideration will be given to simplifying and reducing the number of rate schedules by combining customers of similar usage and cost-of-service characteristics.
- b. Rates should maintain a seasonal differential that reflects any significant differences in cost-of-service between the seasons.
- c. A flat seasonal demand rate will be maintained for all non-residential customer classes.
- d. Each rate schedule will contain a monthly customer charge which will reflect, at a minimum, the administrative and billing costs.
- e. Consideration will be given to rate designs that encourage conservation.
- f. Consideration may be given to rate designs which will reflect existing costs of providing electric service at different times of the day.

- g. The costs and benefits of the current discounted rate for the low-income/senior and low-income/disabled, together with other low-income programs, will be evaluated, along with an analysis of other utility programs that provide assistance to the low-income customer. The low-income rate may be discontinued at the discretion of the Public Utility Board if it is

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TACOMA POWER

determined that the rate discount is not an effective method of providing assistance to the low-income customers.

- g.h. Rate adjustments may be phased-in over a limited time period and may be used if a disproportionate change in rate levels is expected for certain classes. Inter-class revenue requirements adjustments significantly in excess of the system average may be allocated proportionally to the remaining customer classes. A gradual approach may be used for the subsidized class to set subsequent rate increases until cost-of-service rates are reestablished.

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V. Rate Stabilization Fund

- A. Tacoma Power will maintain a Rate Stabilization Fund as a means of managing potential volatility in Rates and augmenting reserve policies. Funds are intended to mitigate the need for large changes in rates from one year to the next.

The Fund also may be used as a rate stabilization account for purposes of the ordinances authorizing Tacoma Power debt and provides that amounts withdrawn from the Fund are deducted from revenues in the year they are deposited into the Fund and counted as revenues in the year withdrawn from the Fund. Amounts withdrawn can only be used for purposes mandated in Ordinance #21862 as amended.

- B. General Guidelines for use of the Fund are as follows:

1. At the conclusion of each fiscal year, Tacoma Power will evaluate the adequacy of the amount in the Fund for meeting the forecast difference between critical and adverse water conditions over the next two fiscal years.
2. To the extent the Fund is determined to be inadequate, Tacoma Power will take steps to return the Fund to adequate levels over a period of up to four years, including establishing budgets designed to generate sufficient net revenue to meet all requirements as described below and provide for deposits to the Fund.
3. Prior to depositing amounts into the Fund in a given fiscal year, all obligations related to Operating and Maintenance Expense, Bond Parity Obligations or other debt, and Gross Earnings Tax must first be met.
4. Deposit must not cause the Current Fund Balance to go below 90 days of expenditures for the fiscal year of deposit.

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5. Deposit must not cause the Debt Service Coverage ratio to go below 1.5x for the fiscal year of deposit.
6. Deposit should allow for achievement of metrics for liquidity and debt service coverage consistent with achieving the policy goal of maintaining or improving debt ratings.

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GLOSSARY

ANCILLARY SERVICES – Those services, other than power itself, necessary for the transmission and delivery of power.

AVERAGE COST – See EMBEDDED COST.

AVERAGE COST PRICING – A method of pricing electrical service to recover total costs that have been identified with such service, thereby making total revenue equal to total cost.

BACKUP RESERVES – Generation resources (or interrupted customer loads) that are capable, for a sustained period, of replacing the loss of generation resources or of serving unexpectedly high loads. The “sustained period” will generally exceed ten minutes, but may last for hours or weeks.

BONNEVILLE POWER ADMINISTRATION (BPA) – The federal agency responsible for marketing the power produced from federally owned hydroelectric projects in the Pacific Northwest; based in Portland, Oregon.

CHARGE

CUSTOMER CHARGE – An amount to be paid periodically by a customer for electric service that reflects specific customer-related costs incurred for metering, meter reading, billings, etc., exclusive of demand or energy consumption, traceable to the type and number of customers, and not varying with the volume of metered sales.

DEMAND CHARGE – That portion of the charge for electric service based upon the customer’s use of the system’s electric capacity consumed at the time of the system peak or at the time of the customer’s maximum demand and billed on the basis of billing demand under an applicable rate schedule or contract.

ENERGY CHARGE – That portion of the charge for electric service based upon the customer’s electric energy (kWh) consumed and billed under an applicable rate schedule or contract.

HOOK-UP CHARGE – An amount to be paid by the customer in a lump sum, or in installments, for connecting the customer’s facilities to the supplier’s facilities.

CLASS OF SERVICE – A group of customers with similar characteristics which are identified for the purpose of setting a rate for electric service.

CLASSIFICATION – The process of classifying functionalized costs to demand, energy and customer-related components for allocation to the various customer classes by examining the nature of the investment or expense with respect to the manner in which it was incurred.

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CONSERVATION – A reduction in energy usage for the purpose of reducing energy consumption.

CONTRACT DEMAND – The amount of power that a supplier of electric service agrees to make continuously available for delivery to a particular consumer and that the consumer agrees to purchase.

CONTRACT POWER CUSTOMER – A customer that purchases power under contract demand and in accordance with the terms of a written contract.

CONTROL AREA – A (usually contiguous) region within the system with metering at all its boundaries, intended to be used as the basis for frequency regulation and balancing of supply and demand in real time.

COST COMPONENTS – The classifications into which operating expenses and capital investment in electric facilities are assigned and known as demand, energy, customer, or direct assignment related costs.

COST-OF-SERVICE STANDARD (COSS) – A rate making standard or pricing concept traditionally used as the primary basis for designing electric rate schedules. This concept attempts to maintain correspondence between utility costs and utility revenues for the various classes of usage and customers served.

COST-OF-SERVICE STUDY (COS) – A study of the costs incurred by the utility in producing, transmitting and distributing electricity to its customers, by customer class, in relation to revenues collected from each class or projected to be collected under existing or proposed rates.

COSTING METHODOLOGY – Use of average cost concepts, marginal cost concepts, or some combination, to allocate costs among customer classes or jurisdictions.

CUSTOMER CLASS – A distinction between users of electrical energy. Customer class is usually defined by usage patterns, usage levels, and conditions of service. Classes are usually categorized generically by customer activity, i.e., residential, commercial, industrial, etc.

DEMAND COSTS – Costs that are related to and vary with power demand (i.e., kW), such as fixed productions costs, transmission costs, and a portion of distribution costs.

EMBEDDED COSTS – Embedded costs represent monies already spent for investment in plant and in operating expenses. The terms embedded and fully allocated embedded are synonymous.

FREQUENCY REGULATION – The automatic changing of supply (and, in some cases, demand) as the frequency of a system changes.

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FULLY ALLOCATED COSTS – Costs assigned to a product or service such that no cross-subsidy exists for that product or service.

FUNDAMENTAL SERVICES – Services traditionally provided by the local electric utility, i.e., metered electricity service (hook-up, billing and upkeep).

HOO-K-UP – Connection of a customer's facilities to the supplier's facilities.

INCREMENTAL VALUE – The avoided cost of acquiring a megawatt-hour of energy and a megawatt of demand.

LONG RUN – A period of time long enough that all inputs to production, including capital, are variable.

MARGINAL COST – The change in total costs associated with a unit change in quantity supplied.

SHORT-RUN MARGINAL COST – The change in total costs when output is increased or decreased by an increment or block of output in a short period of time (e.g., one year), during which system capacity cannot be altered without purchasing power from an outside source.

LONG-RUN MARGINAL COST – The change in total costs when output is increased or decreased by an increment or block of output for an extended period of time (e.g., 10 years), during which system capacity can be altered.

MARGINAL COST CONCEPTS – A rate structure that attempts to reflect costs of incremental resources rather than on an accounted-for basis. Marginal cost concepts can be used in either an average cost pricing or marginal cost pricing methodology.

NON-PORTFOLIO RESOURCES – One or a combination of non-utility owned resources.

NON-TRADITIONAL SERVICE – Goods and services which have normally not been offered by electric utilities. These may include, but are not limited to, ancillary, control area and other power supply services, as well as energy brokering and energy service consulting.

OPERATING RESERVE – Reserve available on short (10-30 minute) notice.

PORTFOLIO RESOURCES – A combination of owned or contractual resources controlled by Tacoma Power.

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POWER QUALITY – The description of a condition where electricity is delivered at a specific voltage and frequency with little or no harmonic (i.e., multiples of the stated frequency) distortion.

RATE STRUCTURE – The design and organization of billing charges by customer class to distribute the Revenue Requirement among customer classes and rating periods.

REGULATION – The process of following moment-to-moment variations in load and, thereby, maintaining power system frequency.

REVENUE REQUIREMENT – The amount of revenue a utility must receive to cover the sum of the estimated operation and maintenance expenses, debt service, taxes and, in the case of a publicly-owned, non-profit utility, sufficient additional revenues to provide for the portion of the projected capital budget not provided by long- or short-term borrowing of funds.

SHORT RUN – A period of time of such duration that some inputs to production can be varied and others cannot. For electric utilities, fuel inputs from the utility's generators can be varied over the short run, but new generators cannot be added.

SPINNING RESERVES – Generation resources that are capable of serving load immediately.

SUPPLEMENTAL RESERVES – Generation resources (or interrupted customer loads) that are capable of serving load within a short period, such as ten minutes.

TIME OF DAY PRICING – Pricing of service during periods of the day based on the cost of supplying the service during the various times of the day; the objective being to shift load from the peak period to the off-peak period by providing an economic incentive, thus reducing the requirements for additional high-cost generating capacity.

TIME OF SEASON PRICING – Pricing of service during seasons of the year based on the cost of supplying the service during the various seasons of the year; the objective being to shift load from the peak period to the off-peak period by providing an economic incentive, thus reducing the requirements for additional high-cost generating capacity.

UNBUNDLED SERVICES – Packaged services that do not include all fundamental services.

VOLTAGE REGULATION – The ability of certain components of the system to adjust some internal parameter(s) to control the voltage at some system location(s).

WORKING CAPITAL – The excess of current assets (primarily cash, marketable securities, and accounts receivable) over current liabilities (primarily wages and salaries and accounts payable).

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RESOLUTION NO. U-11035

A RESOLUTION relating to amending and revising Chapter 12.06 of the Tacoma Municipal Code ("TMC") regarding electric regulations and rates.

WHEREAS the City of Tacoma, Department of Public Utilities, Power Division (d.b.a. "Tacoma Power"), is requesting an additional schedule, Schedule FC – Electric Vehicle Fast Charge ("Schedule FC"), to Chapter 12.06 of the Tacoma Municipal Code, and

WHEREAS, Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles, and

WHEREAS Tacoma Power proposes Schedule FC to test the appropriate rate(s) that would facilitate economic sales of energy to electric vehicle charging sites, effective January 1, 2019, and

WHEREAS selling energy to owners of electric vehicle charging sites is an economic opportunity for Tacoma Power and could realize more revenue per unit of energy than disposing of that energy into the wholesale market, and in addition has a collateral benefit of providing services to the community that remove a barrier to transportation with less pollutants, and

WHEREAS, under the proposed Schedule FC, electric vehicle charging sites transition energy and delivery services from Small general service (Schedule B) rates to General service (Schedule G) rates over a period of 13 years, allowing charging sites to transition into charges that are based on peak monthly demand, and



WHEREAS exact estimates of the cost of service for DC fast charging sites are unknown until further data patterns are available, and

WHEREAS revisions regarding electric regulations and rates require approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the rates and regulations are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Power, and Tacoma Power requests that the Board approve said revisions and amendments; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed amendments and revisions to Tacoma Power's regulations and rates are hereby approved, and the Council of the City of Tacoma is requested to pass an ordinance approving such provisions by amending Chapter 12.06 of the Tacoma Municipal Code, with the addition of Schedule FC, as set forth in the attached Exhibit "A" effective January 1, 2019, and as substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Approved as to form and legality:

Chair


Chief Deputy City Attorney

Secretary

Clerk

Adopted

Request for Board meeting

CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

of October 24, 2018

REQUEST FOR RESOLUTION

Date: September 28, 2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Amend and revise Chapters 12.06 of the Tacoma Municipal Code regarding electric regulations and rates.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

Tacoma Power requests addition of an additional rate schedule, Schedule FC - Electric Vehicle Fast Charge.

3. Summarized reason for resolution:

Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles. This tariff is in alignment with City Council Resolution No. 40016 in support of electrification of transportation.

4. Attachments:

- a. Letter to Public Utility Board and City Council from Jackie Flowers dated October 1, 2018
b. Proposed Amendments to Chapters 12.06 TMC

5. ☒ Funds available ☐ Proposed action has no budgetary impact

6. Deviations requiring special waivers: None

Originated by:

Bill Berry

Section Head

Requested by:

Division Head

Approved:

Jackie Flowers

Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance – Amend and revise TMC Chapters 12.06; First Reading
November 13, 2018
DATE: October 2, 2018

SUMMARY:

Tacoma Power requests approval by the Public Utility Board and the City Council of a new pilot rate: Schedule FC Electric Vehicle Fast Charge that would become effective on January 1, 2019.

BACKGROUND:

Tacoma Power proposes a new temporary rate schedule to test appropriate rate(s) that would facilitate economic sales of energy to electric vehicle charging sites: Schedule FC Electric Vehicle Fast Charge.

Selling additional energy to owners of electric vehicle charging sites is an economically desirable opportunity for Tacoma Power. At any retail rate schedule, Tacoma Power would currently realize more revenue per unit of energy than disposing of that energy into the wholesale market. Additionally, if Tacoma Power is able to serve an anticipated increase in consumer demand for electric vehicle fast charging services, greater use of electric vehicles in the local community may have the collateral benefits of providing more affordable transportation for area residents and reducing local emissions of potentially harmful pollutants. Expanding the availability of electric vehicle charging infrastructure is recognized as one mechanism to improve the convenience of electric vehicle ownership and operation. Because of this, Tacoma Power anticipates the demand for DC fast charging infrastructure will grow over time. Schedule FC will improve Tacoma Power's understanding of fast charging infrastructure and help Tacoma Power prepare to meet the anticipated increase in customer demands for fast charging services.

ISSUE:

The electricity demands of DC fast charging infrastructure are relatively high. Traditional utility rates charge customers according to these high demands. A charging station's profitability, and therefore viability, is impacted by demand charges. Many DC fast charging sites charge their customers according to session and time. In their initial stages, site utilization is low and site revenues are low. In their initial stage, charging stations under-recover the operational costs of traditional utility rates. This prohibits fast charging networks from expanding. Over time, site utilization grows and site revenues grow.

Under the proposed Schedule FC Electric Vehicle Fast Charge, electric vehicle charging sites transition energy and delivery services from Small general service (Schedule B) rates to General service (Schedule G) rates over a period of 13 years. This allows electric vehicle charging sites to transition into charges that are based on peak monthly demand. Through Schedule FC, Tacoma Power might alleviate a barrier to DC fast charging network expansion.

ALTERNATIVES:

Tacoma Power currently maintains two commercial electric rate schedules applicable to electric vehicle charging sites: General service (Schedule G) and Small general service (Schedule B). Schedule G maintains a delivery charge that is calculated based on the customer's peak monthly demand. Because of a DC fast charging site's relatively high demands, Schedule G will likely remain uneconomic for charging site owners and operators until electric vehicles are more widely adopted. Schedule B has no demand-based charge but is limited to 50 kW of demand service, which is approximately the requirement of a



single small DC fast charging unit. This limitation makes Schedule B inapplicable to electric vehicle charging sites with DC fast charging infrastructure.

RECOMMENDATION:

Tacoma Power requests approval by the Public Utility Board and the City Council of a new pilot rate: Schedule FC Electric Vehicle Fast Charge that would become effective on January 1, 2019.

FISCAL IMPACT:

Exact estimates of the cost to serve DC fast charging sites are unknown until further data on their usage patterns are available. By transitioning these customers from the cost-of-service-based Schedule B rate to the otherwise applicable cost-of-service-based published rate schedules set forth in Chapter 12.06 (currently the cost-of-service-based Schedule G), Tacoma Power intends to recover the cost to serve customers under this rate schedule. In addition, no more than 25 installations may concurrently participate in Schedule FC Electric Vehicle Fast Charge. While this cap may be adjusted in future years, it allows Tacoma Power to carefully monitor and minimize the fiscal impact of the pilot rate.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: negligible

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

**TACOMA PUBLIC UTILITY BOARD**

3628 South 35th Street
Tacoma, Washington 98409-3192

October 2, 2018

To: Mayor Woodards and Tacoma City Council Members
Chair Jones and Public Utility Board Members

Tacoma Power requests approval by the Public Utility Board and the City Council for rate adjustments effective April 1, 2019, and April 1, 2020. The proposed rate increases are designed to generate additional revenue required to pay budgeted expenses and meet financial metrics (debt service coverage and liquidity).

In preparation for this request, Tacoma Power has sought public input through public presentations at Neighborhood Council and City Council meetings in Tacoma and other communities served by Tacoma Power. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Tacoma Power looks to recover through the proposed rate adjustments approximately \$21.9 million in additional revenues over the Rate Period (April 1, 2019 through March 31, 2021). A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Proposed Increase in Revenue Requirement by Class		
Rate Class		Rate Increase (two-step, levelized)
Residential	A	0.9%
Small General	B	0.7%
General	G	4.0%
High Voltage General	HVG	3.1%
Contract Industrial	CP	2.2%
Street Lighting	H-1	4.0%
Traffic Signals	H-1	0.0%
Private Off-Street Lighting	H-2	4.0%

Tacoma Power is also proposing an ordinance to add a new rate schedule: Schedule FC—Electric Vehicle Fast Charging. Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles. This tariff is in alignment with City Council Resolution No. 40016 in support of electrification of transportation.

Finally, Tacoma Power is proposing to update Tacoma Power and Tacoma Water's Electric Rate and Financial Policies to improve alignment between the two operating Divisions.

We request your approval of the proposed rate adjustments in TMC 12.06, the proposed fast-charge pilot rate, and the proposed changes to the Electric Rate and Financial Policy.

Sincerely,



Jackie Flowers
Director of Utilities

EXHIBIT A

EXHIBIT "A"

Amending Chapter 12.06 TMC (all additions and amendments effective January 1, 2019)

Chapter 12.06

ELECTRIC ENERGY – REGULATIONS AND RATES²

Amended and Added Sections:

12.06.371 Electric Vehicle Fast Charge

12.06.371 Electric Vehicle Fast Charge—Schedule FC. Effective January 1, 2019 to December 31, 2031.

A. Definitions. The following definitions will apply:

1. Electric Vehicle – A vehicle that uses at least one method of propulsion that is capable of being reenergized by an external source of electricity, is designed to have the capability to drive at a speed of more than 35 miles per hour, and is licensed to drive on state and federal highways.

2. Electric Vehicle Charging Site – A site that hosts the equipment used to deliver electricity to an Electric Vehicle. Hosted equipment must meet all applicable electrical requirements for interconnection and nationally recognized testing laboratory standards.

3. Direct Current (DC) Fast Charger – Electric Vehicle charging equipment with a Direct Current connection that is designed to recharge the battery of an Electric Vehicle.

B. Availability. No more than 25 installations may concurrently participate in this schedule, which will be available for a period of thirteen years. Participation in this schedule will be on a first-come, first-served basis.

C. Applicability. Service under this schedule is applicable to non-residential Electric Vehicle Charging Sites supplied through one point of delivery and measured separately from all other commercial loads through one meter. Electric Vehicle Charging Sites must be broadly available to the general public and must include at least one Direct Current (DC) Fast Charger. Ancillary uses, limited to no more than 5 kilovolt amperes (5 kVA) and specifically related to the provision of Electric Vehicle charging (such as lighting), are permitted under this schedule. Actual demand, as determined by Tacoma Power, must not exceed 1 megavolt-amperes (1 MVA).

For customers providing all their own transformation from Tacoma Power's distribution-system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

Unless extended by City Council resolution or ordinance, this schedule will conclude on December 31, 2031. On this date, customers enrolled in Schedule FC will transition their service in accordance with the applicable published rate schedules set forth in Chapter 12.06. Nothing shall prevent the City from adjusting this schedule as it may determine necessary or appropriate.

D. Monthly Rate: The sum of the following energy, delivery, and customer charges:

1. Energy: All energy, measured in kilowatt-hours, charged per kWh at:
all Energy charges of the otherwise applicable published rate schedule set forth in Chapter 12.06 + Energy Adder Discount x Energy Adder

Where Energy Adder Discount is applied in the year shown:

<u>Effective Year</u>	<u>Energy Adder Discount</u>
<u>2019</u>	<u>1.0</u>
<u>2020</u>	<u>1.0</u>
<u>2021</u>	<u>1.0</u>
<u>2022</u>	<u>0.9</u>
<u>2023</u>	<u>0.8</u>
<u>2024</u>	<u>0.7</u>

² Prior legislation: Ords. 16486, 16718, 16729, 16979, 17181, 17335, 17652, 17740, 18074, 18121, 18378, 18379, 18577, 18654, 18705 and 19120.

<u>2025</u>	<u>0.6</u>
<u>2026</u>	<u>0.5</u>
<u>2027</u>	<u>0.4</u>
<u>2028</u>	<u>0.3</u>
<u>2029</u>	<u>0.2</u>
<u>2030</u>	<u>0.1</u>
<u>2031</u>	<u>0.0</u>

And where Energy Adder is calculated per kWh at:

all applicable Energy charges of Section 12.06.170 + all applicable Delivery charges of Section 12.06.170 - all Energy charges of the otherwise applicable published rate schedule set forth in Chapter 12.06

2. Delivery: All Billing Demand, measured in kilowatts, charged per kW at:

Delivery Charge Discount x all Delivery charges of the otherwise applicable published rate schedule set forth in Chapter 12.06

Where Delivery Charge Discount is applied in the year shown:

<u>Effective Year</u>	<u>Delivery Charge Discount</u>
<u>2019</u>	<u>0.0</u>
<u>2020</u>	<u>0.0</u>
<u>2021</u>	<u>0.0</u>
<u>2022</u>	<u>0.1</u>
<u>2023</u>	<u>0.2</u>
<u>2024</u>	<u>0.3</u>
<u>2025</u>	<u>0.4</u>
<u>2026</u>	<u>0.5</u>
<u>2027</u>	<u>0.6</u>
<u>2028</u>	<u>0.7</u>
<u>2029</u>	<u>0.8</u>
<u>2030</u>	<u>0.9</u>
<u>2031</u>	<u>1.0</u>

3. Customer Charge: Customer Charge of the otherwise applicable published rate schedule set forth in Chapter 12.06.

E. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor; or

2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor.

F. Service Conditions.

1. Upon reasonable notice, customers participating in this schedule shall allow Tacoma Power access to the site in order to inspect, install, maintain, upgrade, replace, or remove Tacoma Power equipment, or to confirm compliance with the applicability conditions set forth hereinabove. If upon inspection Tacoma Power discovers any one of the applicability conditions are not met, service will be immediately transferred in accordance with the applicable published rate schedules set forth in Chapter 12.06.

3. Customers participating in this schedule retain the right to cancel service under this rate schedule and transfer to another applicable published rate schedule set forth in Chapter 12.06. The customer may not subsequently elect service under this rate schedule for at least one year after the effective date of cancellation.

4. An Electric Vehicle Charging Site is considered broadly available to the general public for the purposes of eligibility on this rate schedule if it is accessible by any driver. Eligibility and acceptance of a customer for service under this rate schedule is subject to review and approval by Tacoma Power.

G. Reporting and Limitation on Use of Customer Usage Information: Tacoma Power may publish reports related to this schedule, except when the report would result in publication of information attributable to a single individual customer.



RESOLUTION NO. U-11036

A RESOLUTION relating to Tacoma Power; amending Chapter 12.13 of the Tacoma Municipal Code, to adjust Click! Cable TV rates and approving adjustments to wholesale ISP Advantage rates.

WHEREAS the City of Tacoma, Department of Public Utilities, Power Division, Telecommunications Section (d.b.a. Click! Network ("Click!")), requests authorization to amend Tacoma Municipal Code ("TMC") Chapter 12.13 to adjust Cable TV rates and to adjust wholesale ISP Advantage rates, and

WHEREAS the Click! budget for the 2019/2020 biennium is based on ensuring the viability of Click! through a transition period that allows the City to pursue a Public/Private Collaboration Model for the future of Click!, and

WHEREAS the proposed Click! budget includes two Cable TV rate increases – a rate increase of 9.8%, on average, effective December 1, 2018, and a second rate increase of 18%, on average, effective January 1, 2019, in addition to increases in bulk rates for residential and commercial complexes, and

WHEREAS the proposed Cable TV rate adjustment covered by this Resolution is the first rate increase of 9.8%, on average, effective December 1, 2018 (see Exhibit "A"), and

WHEREAS the proposed Click! budget also includes two ISP Advantage rate increases of \$5 per service tier per year effective January 1 of each year of the 2019/2020 biennium, which would result in rates that are still within the range of \$5-\$150 that is set forth in TMC 12.13.030 for Click! ISP Advantage rates, and



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WHEREAS revisions regarding electric regulations and rates require approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

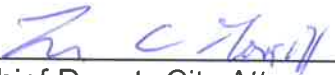
WHEREAS the proposed rate adjustments are just, fair and reasonable and are necessary to meet the budgeted revenue requirements as set forth in the 2019/2020 budget; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed rate adjustments for Click! Cable TV services are approved and the City Council is requested to approve an ordinance amending Chapter 12.13, to authorize said rate adjustments as set forth in attached Exhibit "A" effective January 1, 2019, and substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Sec. 2. That the proposed ISP Advantage rate increases of \$5 per service tier per year effective January 1 of each year of the 2019/2020 biennium are approved and the City Council is requested to concur in the approval of these rate increases.

Approved as to form and legality:



Chief Deputy City Attorney

Clerk

Chair

Secretary

Adopted _____

of October 24, 2018

REQUEST FOR RESOLUTION

Date: October 3, 2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)

Authorization to adjust Click! Network Cable TV and wholesale ISP Advantage rates.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)

This Resolution (and resulting Ordinances) would amend the Tacoma Municipal Code Chapter 12.13 which sets forth rates for Click! Network Cable TV products and services effective January 1, 2019 such that the funding gap to produce a fully self-funded 2019-2020 Click! Network budget is achieved.

A rate increase on Cable TV service on average of 9.8% with commensurate increases in bulk rates for residential and commercial complexes (i.e. apartments, condos, and hotels and motels), and increases in set-top-box and other ancillary fees.

A rate increase on ISP Advantage service of \$5 increase per service tier. No code revision required.

3. Summarized reason for resolution:

Click! Network is expected to post a financial deficit of approximately \$6.5M for the 2017-2018 biennium. A preliminary draft budget for the 2019-2020 biennium projected a deficit of approximately \$9.9M. Click! Network's financial deficits have historically been funded by Tacoma Power. The use of Tacoma Power funds for Click! Network is under legal challenge, and the City's General Fund is also not in a position to support Click! Network deficits. The City made a decision to pursue the Public/Private Collaboration Model for the future of the Click! network. The Click! network must continue to be managed and maintained until such transition occurs and cover business transition costs. These legal and funding constraints have made it necessary for Click! Network to develop a fully self-funded budget for the 2019-2020 biennium.

4. Attachments:

a. Letter to the Public Utility Board and City Council from the Director of Public Utilities dated October 3, 2018.

5. ☐ Funds available ☐ Proposed action has budgetary impact

This is a revenue-generating activity.

6. Deviations requiring special waivers: None

Originated by:



Section Head

Requested by:



Division Head

Approved:



Director of Utilities



TO: Mayor and City Council
FROM: Jackie Flowers, Director of Utilities/CEO
COPY: Elizabeth Pauli, City Manager, and City Clerk
SUBJECT: Ordinance to amend TMC Chapter 12.13 Click! Network Cable TV Rates – January 1, 2019
DATE: October 3, 2018

SUMMARY:

An Ordinance amending Chapter 12.13 of the Tacoma Municipal Code to revise prices for Click! Network Cable TV services effective January 1, 2019.

The proposed 2019-2020 Click! Network budget includes two Cable TV rate increases – a first rate increase on average of 9.8% effective January 1, 2019 and a second rate increase on average of 18% effective January 1, 2020.

The proposed budget also includes two ISP Advantage rate increases of \$5 per service tier per year of the 2019-2020 biennium. The Tacoma Municipal Code Chapter 12.13 on Click! Network service rates already approves a range of \$5 to \$150 for the ISP Advantage service so an ordinance revision is not required to implement this change.

Staff respectfully recommends the City Council approve the proposed rate increases for the first year of the 2019-2020 biennium on average of 9.8% effective January 1, 2019 for the Cable TV service and \$5 per service tier for the wholesale ISP Advantage service, and adopt Ordinance amending Chapter 12.13 of the Tacoma Municipal code to effectuate these changes, as necessary.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
 - Click! must increase Cable TV and ISP Advantage rates to alleviate legal and funding constraints, and ensure a smooth transition to a private partner.
- Foster neighborhood, community, and economic development vitality and sustainability.
 - The presence of Click! Cable TV in the Tacoma market provides the community with choice in cable television providers. That competitive choice drives excellent customer service and has tended in the past to constrain the cable television rates in Tacoma to be below the outside Tacoma market, providing value to the residents.

BACKGROUND:

Click! Network is expected to post a financial deficit of approximately \$6.5M for the 2017-2018 biennium. A preliminary draft budget for the 2019-2020 biennium projected a deficit of approximately \$9.9M. Click! Network's financial deficits have historically been funded by Tacoma Power. The use of Tacoma Power funds for Click! Network is under legal challenge, and the City's General Fund is also not in a position to support Click! Network deficits.

The City made a decision to pursue the Public/Private Collaboration Model for the future of the Click! network. The Click! network must continue to be managed and maintained until such transition occurs and cover business transition costs. These legal and funding constraints have made it necessary for Click! Network to develop a fully self-funded budget for the 2019-2020 biennium.



ISSUE:

In order to achieve a fully self-funded budget for the 2019-2020 biennium, drastic cost cuts and revenue enhancements are necessary.

Click! Network has cut full-time equivalent (FTE) positions through attrition during the past two years. In the 2017-2018 biennium, Click! Network reduced 32 FTEs through a combination of voluntary separations, retirements and job transfers. These FTE reductions are transitional measures and not sustainable long-term, and only achieved as a result of side-letter agreement with the labor union.

Click! Network has also significantly scaled back its capital expenditures. The 2019-2020 proposed budget includes capital to address critical needs and for sustaining operations through a transition to a private partner. Like the FTE cuts, this level of cuts in capital expenditure is not sustainable long-term.

While the FTE and capital cuts have helped reduce the deficit, there is still a large funding gap. It is anticipated that this funding gap could be closed through revenue enhancement measures such as raising retail Cable TV service rates and wholesale ISP Advantage service rates.

Cable TV rates have not been raised in three of the last four years, and Cable TV rates are currently well under market (i.e. Comcast rates) on an A La Carte basis. The wholesale ISP Advantage rates have not changed over the last decade. The Tacoma Municipal Code Chapter 12.13 on Click! Network rates already approves a range of \$5 to \$150 for wholesale ISP Advantage rates, so an increase can be implemented without a code revision.

The proposed Cable TV and ISP Advantage rate increases are necessary to close the funding gap that results in a fully self-funded Click! Network budget for the 2019-2020 biennium.

ALTERNATIVES:

Leave rates unchanged. This alternative is not advisable, as it will not generate the funding necessary to produce a fully self-funded 2019-2020 Click! Network budget.

Pursue other amounts of rate increases. This alternative is also not advisable. Staff ran several rate increase scenarios and combinations, but none of them produced results that satisfactorily met the City's policy objectives nor produced sufficient revenues that would result in a fully self-funded 2019-2020 Click! Network budget.

RECOMMENDATION:

The proposed rate increases are necessary to generate revenues sufficient to produce a fully self-funded 2019-2020 Click! Network budget.

Pertaining to the wholesale ISP Advantage rates, a \$5 increase per service tier per year effective January 1 of each year of the 2019-2020 biennium is proposed. The average retail rate, and current and proposed wholesale ISP Advantage rates and speeds per tier of service is provided in the table below.



Service Tiers*	Average Retail	Wholesale Rates			Wholesale % Split			Proposed Speeds
		Current	2019	2020	Current	2019	2020	
Vacation	\$10.00	\$4.00	\$9.00	\$14.00	40%	90%	140%	
Res_6Mbps	\$32.95	\$19.17	\$24.17	\$29.17	58%	73%	89%	10 Mbps
Res_12Mbps	\$42.95	\$22.17	\$27.17	\$32.17	52%	63%	75%	25 Mbps
Res_20Mbps	\$59.95	\$32.00	\$37.00	\$42.00	53%	62%	70%	50 Mbps
Res_30Mbps	\$69.95	\$40.00	\$45.00	\$50.00	57%	64%	71%	75 Mbps
Res_55Mbps	\$79.95	\$55.97	\$65.00	\$70.00	70%	81%	88%	100 Mbps
Res_100Mbps	\$89.95	\$60.00	\$65.00	\$70.00	67%	72%	78%	100 Mbps
Com_6Mbps	\$42.95	\$22.37	\$27.37	\$32.37	52%	64%	75%	10 Mbps
Com_12Mbps	\$69.95	\$33.59	\$38.59	\$43.59	48%	55%	62%	25 Mbps
Com_20Mbps	\$89.95	\$53.99	\$58.99	\$63.99	60%	66%	71%	50 Mbps
Com_30Mbps	\$99.95	\$60.00	\$65.00	\$70.00	60%	65%	70%	75 Mbps
Com_55MbpsNEW	\$109.95	\$66.00	\$101.00	\$106.00	60%	92%	96%	100 Mbps
Com_100MbpsNEW	\$149.95	\$96.00	\$101.00	\$106.00	64%	67%	71%	100 Mbps

As stated earlier, the ISP Advantage service rates can be raised without a code revision and the ISP Advantage Agreement provides the City the flexibility to raise rates upon providing a 90-day advance notice to the ISPs. Staff has already notified the ISPs of the proposed rate increase in anticipation of your approval.

Pertaining to the Cable TV service, a first rate increase on average of 9.8% effective January 1, 2019 and a second rate increase on average of 18% effective January 1, 2020 is proposed. The budget also includes commensurate increases in bulk rates for residential and commercial complexes (i.e. apartments, condos, and hotels and motels), and set-top-box and other ancillary fees.

The current retail and proposed retail rates for Cable TV service for both inside and outside the City limits are provided in the table below.

Cable TV Rates inside Tacoma

	Customers	PACKAGE	CURRENT RATE	2019 RATE	2020 RATE	2019 IMPACT	2020 IMPACT	BIENNIAL IMPACT
9.8% & 18% Annual Increases	100%	BROADCAST	\$ 19.69	\$ 21.62	\$ 25.51	\$ 1.93	\$ 3.89	\$ 5.82
	82%	STANDARD ¹	\$ 59.99	\$ 65.87	\$ 77.73	\$ 5.88	\$ 11.86	\$ 17.74
	28%	DIGITAL ²	\$ 81.99	\$ 90.03	\$106.23	\$ 8.04	\$ 16.20	\$ 24.24

Cable TV Rates Outside Tacoma

	Customers	PACKAGE	CURRENT RATE	2019 RATE	2020 RATE	2019 IMPACT	2020 IMPACT	BIENNIAL IMPACT
9.8% & 18% Annual Increases	100%	BROADCAST	\$ 21.29	\$ 23.38	\$ 27.58	\$ 2.09	\$ 4.21	\$ 6.29
	82%	STANDARD ¹	\$ 62.39	\$ 68.50	\$ 80.83	\$ 6.11	\$ 12.33	\$ 18.44
	28%	DIGITAL ²	\$ 87.39	\$ 95.95	\$113.23	\$ 8.56	\$ 17.27	\$ 25.84

Set-Top-Box Fees



Equipment	29%	DIGITAL ADAPTER	\$ 1.10	\$ 1.20	\$ 1.30	\$ 0.10	\$ 0.10	\$ 0.20
	17%	STANDARD RECEIVER	\$ 5.50	\$ 6.00	\$ 6.50	\$ 0.50	\$ 0.50	\$ 1.00
	47%	HI DEF RECEIVER	\$ 7.75	\$ 8.50	\$ 9.25	\$ 0.75	\$ 0.75	\$ 1.50
	34%	HD DVR	\$14.25	\$15.25	\$ 16.25	\$ 1.00	\$ 1.00	\$ 2.00

¹Standard is inclusive of Broadcast

²Digital is inclusive of Broadcast and Standard

As of September 2018, Click! Cable TV rates on an A La Carte basis are under market as shown in the table below.

Inside Tacoma	Click!		Comcast*		\$ Difference		% Difference	
	Broadcast	Standard	Broadcast	Standard	Broadcast	Standard	Broadcast	Standard
Sep-2018	\$19.69	\$59.99	\$23.45	\$89.99	(\$3.76)	(\$30.00)	-19%	-50%
Jan-2019	\$21.62	\$65.87	\$23.45	\$89.99	(\$1.83)	(\$24.12)	-8%	-37%
Jan-2020	\$25.51	\$77.73	\$23.45	\$89.99	\$2.06^	(\$12.26)	8%	-16%

[^]Expected to changed when Comcast raises its rates.

The Click Cable TV rates will continue to be under market after the January 2019 rate increase. Although the table shows Click! Cable TV rates going above market in 2020, it is expected to reverse when Comcast adjusts their rates, as they typically do every year.

In summary, the proposed Cable TV and ISP Advantage rate increases coupled with the FTE reductions and capital cuts are sufficient to produce a fully self-funded budget. The O&M cuts generated approximately \$2.9M, the Cable TV rate increase generated approximately \$3.6M, and the ISP Advantage rate increase generated approximately \$4.0M. And the estimated business transition costs were \$1.25M. These adjustments were sufficient to eliminate the preliminary draft budget deficit of \$9.9M resulting in a surplus of \$0.2M. While having met the objective of a fully self-funded budget, this proposed budget is to temporarily alleviate the legal and funding constraints and should not be viewed as sustainable financial model for the Click! network.

Staff respectfully recommends the City Council approve the proposed rate increases for the first year of the 2019-2020 biennium on average of 9.8% effective January 1, 2019 for the Cable TV service and \$5 per service tier for the wholesale ISP Advantage service also effective January 1, 2019, and adopt Ordinance amending Chapter 12.13 of the Tacoma Municipal code to effectuate these changes, as necessary.

**FISCAL IMPACT:****EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
2019 Cable TV Rate Increase		4343800	\$1.15M
2019 ISP Advantage Rate Increase		4343875	\$1.27M
TOTAL			\$2.42M

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A



TO: Board Members

FROM: Jackie Flowers, Director of Utilities

DATE: October 3, 2018

RE: Click! Network Cable TV Rate and Wholesale ISP Advantage Rate Adjustment Recommendation:

BACKGROUND: Click! Network is expected to post a financial deficit of approximately \$6.5M for the 2017-2018 biennium. A preliminary draft budget for the 2019-2020 biennium projected a deficit of approximately \$9.9M. Click! Network's financial deficits have historically been funded by Tacoma Power. The use of Tacoma Power funds for Click! Network is under legal challenge, and the City's General Fund is also not in a position to support Click! Network deficits.

The City made a decision to pursue the Public/Private Collaboration Model for the future of the Click! network. The Click! network must continue to be managed and maintained until such transition occurs and cover business transition costs.

These legal and funding constraints have made it necessary for Click! Network to develop a fully self-funded budget for the 2019-2020 biennium.

DISCUSSION: In order to achieve a fully self-funded budget for the 2019-2020 biennium, drastic cost cuts and revenue enhancements are necessary.

Click! Network has cut full-time equivalent (FTE) positions through attrition during the past two years. In the 2017-2018 biennium, Click! Network reduced 32 FTEs through a combination of voluntary separations, retirements and job transfers. These FTE reductions are transitional measures and not sustainable long-term, and only achieved as a result of side-letter agreement with the labor union.

Click! Network has also significantly scaled back its capital expenditures. The 2019-2020 proposed budget includes capital to address critical needs and for sustaining operations through a transition to a private partner. Like the FTE cuts, this level of cuts in capital expenditure is not sustainable long-term.

While the FTE and capital cuts have helped reduce the deficit, there is still a large funding gap. It is anticipated that this funding gap could be closed through revenue enhancement measures such as raising retail Cable TV service rates and wholesale ISP Advantage service rates.

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12.13 on Click! Network rates already approves a range of \$5 to \$150 for wholesale ISP Advantage rates, so an increase can be implemented without a code revision.

The proposed Cable TV and ISP Advantage rate increases are necessary to close the funding gap that results in a fully self-funded Click! Network budget for the 2019-2020 biennium.

RECOMMENDATION: The proposed rate increases are necessary to generate revenues sufficient to produce a fully self-funded 2019-2020 Click! Network budget.

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Set-Top-Box Fees

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Staff respectfully recommends the Public Utility Board approve the proposed rate increases for the first year of the 2019-2020 biennium on average of 9.8% effective January 1, 2019 for the Cable TV service and \$5 per service tier for the wholesale ISP Advantage service also effective January 1, 2019.

EXHIBIT A

EXHIBIT A (EFFECTIVE ~~MARCH 1, 2017~~ JANUARY 1, 2019)

Chapter 12.13

CLICK! NETWORK CABLE TV PRODUCTS

Sections:

- 12.13.010 Click! Network Cable TV products – inside the City of Tacoma.
- 12.13.015 Click! Network Cable TV products and services – outside the City of Tacoma.
- 12.13.020 Click! Network Cable TV additional sports channels for businesses.
- 12.13.030 Broadband services and internet service providers.
- 12.13.040 Applicable taxes and franchise fees.

12.13.010 Click! Network Cable TV products – inside the City of Tacoma.

Click! Cable TV Products	Recurring Monthly Price
Broadcast--Includes broadcast, local, and PEG channels	\$19.69 \$21.62
Standard--Includes a large variety of satellite, broadcast, local channels, and PEG	\$59.99 \$65.87

Click! Special Products	Recurring Monthly Price
Premium Channels (e.g., HBO, Showtime, Cinemax, Starz, commercial digital music, and others)	\$2.00 – \$29.95
Pay-per-View VOD Movies, Events, and Specials (e.g., NBA and NHL package subscriptions)	\$.99 – \$300.00
Set-top Receivers, Adjunct Equipment	\$0.00 – \$19.99
Low-income/Disabled and Senior Discount (Must meet Tacoma Power customer requirements for eligibility)	20% discount on Broadcast or Standard service
Cable TV Guide (Paper Magazine; subject to annual 5% adjustment for mailing costs)	\$4.99

Bulk Rates for Apartment Complexes	Recurring Monthly Price
1 – 25 Units (full retail rate)	Broadcast \$19.69 \$21.62
	Standard \$59.99 \$65.87
26 – 150 Units (5% discount on broadcast; 10% discount on standard)	Broadcast \$18.71 \$20.54
	Standard \$53.99 \$59.28
151 – 300 Units (5% discount on broadcast; 15% discount on standard)	Broadcast \$18.71 \$20.54
	Standard \$50.99 \$55.99
300 Units and Above (5% discount on broadcast; 20% discount on standard)	Broadcast \$18.71 \$20.54
	Standard \$47.99 \$52.70

EXHIBIT A (EFFECTIVE ~~MARCH 1, 2017~~ JANUARY 1, 2019)

Tacoma Municipal Code

Other Fees	Non- recurring Price
Hourly Service Charge	\$40.00
Connect – Install new wiring	\$50.00
Connect – Using existing wiring	\$40.00
Install Additional Outlet	\$20.00
Unreturned Remote Control	\$10.00
Nonstandard Installation	Hourly service charge plus materials
Unreturned Rented Equipment	\$50.00 – 600.00
Miscellaneous Adjunct Equipment	\$ 5.00 – 150.00
Late Payment Charges	\$ 6.99
Credit Card Misuse Fee	\$20.00
Miscellaneous Customer Premise Visit (VCR connection, late payment pick-up fee, install A/B switch, and nonpayment reconnection fee)	Hourly service charge
Returned Item Fee (NSF check)	\$20.00
Nonpayment Reactivation Fee (Equipment Reauthorization)	\$1.99

(Ord. 28408 Ex A passed Jan. 24, 2017; Ord. 28223 Ex A: passed May 20, 2014; Ord. 28153 Ex A; passed June 11, 2013; Ord. 28098 Ex. A; passed Nov. 13, 2012; Ord. 28049 Ex. A; passed Feb. 14, 2012; Ord. 27843 Ex. A,B; passed Nov. 3, 2009; Ord. 27717 Ex. A; passed Jun. 17, 2008; Ord. 27331 § 1; passed Mar. 22, 2005; Ord. 27059 § 1; passed Mar. 18, 2003; Ord. 27007 § 2; passed Nov. 19, 2002)

12.13.015 Click! Network Cable TV products and services – outside the City of Tacoma.

Click! Cable TV Products	Recurring Monthly Price
Broadcast--Includes broadcast, local, and PEG channels	\$21.29 \$23.38
Standard--Includes a large variety of satellite, broadcast, local channels, and PEG	\$62.39 \$68.50

Click! Special Products	Recurring Monthly Price
Premium Channels (e.g., HBO, Showtime, Cinemax, Starz, commercial digital music, and others)	\$2.00 - 29.95
Pay-per-View VOD Movies, Events, and Specials (e.g., NBA and NHL package subscriptions)	\$.99 - 300.00
Set-top Receivers, Adjunct Equipment	\$0.00 - 19.99
Low-income/Disabled and Senior Discount (Must meet Tacoma Power customer requirements for eligibility)	20% discount on Broadcast or Standard service
Cable TV Guide (Paper Magazine; subject to annual 5% adjustment for mailing costs)	\$4.99

Bulk Rates for Apartment Complexes	Recurring Monthly Price
1 – 25 Units (full retail rate)	Broadcast \$21.29 \$23.38 Standard \$62.39 \$68.50
26 - 150 Units (5% discount on broadcast; 10% discount on standard)	Broadcast \$20.23 \$22.21 Standard \$56.15 \$61.65
151 - 300 Units (5% discount on broadcast; 15% discount on standard)	Broadcast \$20.23 \$23.38 Standard \$53.03 \$58.23
300 Units and Above (5% discount on broadcast; 20% discount on standard)	Broadcast \$20.23 \$23.38 Standard \$49.94 \$54.80

EXHIBIT A (EFFECTIVE ~~MARCH 1, 2017~~ JANUARY 1, 2019)

Tacoma Municipal Code

Other Fees	Nonrecurring Monthly Price
Hourly Service Charge	\$40.00
Connect--Install new wiring	\$50.00
Connect--Using existing wiring	\$40.00
Install Additional Outlet	\$20.00
Unreturned Remote Control	\$10.00
Nonstandard Installation	Hourly service charge plus materials
Unreturned Rented Equipment	\$50.00 - 600.00
Miscellaneous Adjunct Equipment	\$ 5.00 - 50.00
Late Payment Charges	\$ 6.99
Credit Card Misuse Fee	\$20.00
Miscellaneous Customer Premise Visit (VCR connection, late payment pick-up fee, install A/B switch, and nonpayment reconnection fee)	Hourly service charge
Returned Item Fee (NSF check)	\$20.00
Nonpayment Reactivation Fee (Equipment Reauthorization)	\$1.99

(Ord. 28408 Ex A passed Jan. 24, 2017; Ord. 28223 Ex A: passed May 20, 2014; Ord. 28153 Ex A; passed June 11, 2013; Ord. 28098 Ex. A; passed Nov. 13, 2012; Ord. 28049 Ex. A; passed Feb. 14, 2012; Ord. 27843 Ex. A,B; passed Nov. 3, 2009; Ord. 27717 Ex. A; passed Jun. 17, 2008; Ord. 27331 § 2; passed Mar. 22, 2005; Ord. 27059 § 2; passed Mar. 18, 2003)

12.13.020 Click! Network Cable TV additional sports channels for businesses.

ROOT Sports Pricing Scale (for businesses)	
Estimated Viewing Area	Price
0 - 50 Patrons	\$ 46.88
51 - 100 Patrons	\$ 62.50
101 - 150 Patrons	\$ 93.75
151 - 200 Patrons	\$125.00
200+ Patrons	\$156.00
Non-Hospitality Business	\$ 10.00 12.00
Big Ten Sports Channel (for businesses)	
Commercial Big Ten	\$ 8.50

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(Ord. 28049 Ex. A; passed Feb. 14, 2012; Ord. 27331 § 3; passed Mar. 22, 2005; Ord. 27007 § 2; passed Nov. 19, 2002)

12.13.030 Broadband services and internet service providers.

Products	Monthly Rate Range	Monthly Variable Rate ¹	Monthly HUB Fee ²	Engineering NRC ³	HUB NRC ⁴	Labor & Materials ⁵
Click! ISP Advantage	\$5 - \$150	TBD	TBD	N/A	N/A	TBD
Click! Net 1	\$25 - \$1,200	TBD	TBD	TBD	TBD	TBD
Click! Net 3	\$125 - \$4,500	TBD	TBD	TBD	TBD	TBD
Click! Net OC3	\$2,170 - \$4,500	TBD	TBD	TBD	TBD	TBD
Click! Net OC12	\$3,100 - \$12,000	TBD	TBD	TBD	TBD	TBD
Click! Net OC48	\$10,000 - \$30,000	TBD	TBD	TBD	TBD	TBD
Click! Net 1 Includes an Internet DS1 Product - Click! Net 3 Includes an Internet DS3 Product - Click! Net OC3 Includes a 100 Base-T						
¹ Actual pass-through carrier fees with a 10% administration fee.						
² Actual monthly Hub cost for maintaining connection.						
³ Actual costs to engineer the job.						

EXHIBIT A (EFFECTIVE ~~MARCH 1, 2017~~JANUARY 1, 2019)

Tacoma Municipal Code

⁴ Actual cost to terminate the circuit(s) in the Hub.

⁵ Actual costs for current labor rates and materials. A 10% handling fee will apply to the materials.

(Ord. 27007 § 2; passed Nov. 19, 2002)

12.13.040 Applicable taxes and franchise fees.

The cable television prices and charges set forth in this chapter shall be subject to all applicable taxes and franchise fees.

(Ord. 27007 § 2; passed Nov. 19, 2002)



RESOLUTION NO. U-11037

A RESOLUTION relating to amending and revising Chapter 12.10 of the Tacoma Municipal Code ("TMC") regarding water rates and regulations.

WHEREAS the City of Tacoma, Department of Public Utilities, Water Division (d.b.a. "Tacoma Water"), has completed its rate analysis and has recommended various policy changes to the Tacoma Municipal Code ("TMC"), Section 12.10 Water – Regulations and Rates, for the 2019/2020 biennium, and

WHEREAS Tacoma Water's revenue requirement analysis for the 24-month budget period (January 1, 2019, through December 31, 2020) indicates a revenue shortfall of approximately \$6.4 million at current rates. Expenses driving this shortfall are related to general inflationary increases for expenses such as personnel, as well as increases for assessments including additional support for the low-income program, and

WHEREAS Tacoma Water is recommending the following rate adjustments:

Proposed Increase in Revenue Requirement by Class

Rate Class	Rate Increase (January 1, 2019)	Rate Increase (January 1, 2020)
Residential	2.9%	2.9%
Irrigation	1.0%	1.0%
Commercial General Service	2.2%	2.2%
Large Volume Commercial & Industrial	0.1%	0.1%
Wholesale	-3.0%	-3.0%
Private Fire Protection	5.1%	5.1%
Pulp Mill	2.5%	2.5%



1 WHEREAS revisions to Tacoma Water rates and regulations require
2 approval by the Public Utility Board and Tacoma City Council pursuant to
3 Tacoma City Charter section 4.11, and
4

5 WHEREAS the recommended changes to the rates and regulations are
6 just, fair and reasonable, and are in the best interest of the citizens of Tacoma
7 and the customers of Tacoma Water, and Tacoma Water requests the Board
8 approve said revisions and amendments; Now, Therefore,
9

10 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

11 Sec. 1. The proposed revisions to Tacoma Water's regulations and
12 rates and charges are hereby approved, and the Council of the City of Tacoma
13 is requested to pass an ordinance approving such revisions by amending
14 Chapter 12.10 of the Tacoma Municipal Code, as set forth in the attached
15 Exhibit "A," and as substantially in the form as on file with the Clerk of the
16 Board, and in final form to be approved by the City Attorney,
17

18 Approved as to form and legality:

Chair

19 
20 Chief Deputy City Attorney

Secretary

21
22 Clerk

Adopted

of 10/24/2018

REQUEST FOR RESOLUTION

Date: 10/02/2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)
Amend and revise sections of Chapter 12.10 (Water Regulations and Rates) in Title 12 (Utilities) of the Tacoma Municipal Code.
2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)
Approve revised Water Regulation and Rate Ordinance. These rate and policy revisions would be effective January 1, 2019 and January 1, 2020.

In the development of this proposal, Tacoma Water has conducted a cost of service rate analysis and received expert review of that analysis by Raftelis, a professional rate consulting firm, in order to ensure that the proposal is in alignment with industry ratemaking standards and best practices. The proposal has been presented by Tacoma Public Utilities staff at Neighborhood Council meetings, Public Utility Board Study Sessions, and a public hearing during the October 10, 2018 Public Utility Board meeting. In addition, staff conducted outreach with various commercial customers, business districts, the Metropolitan Parks Department, and jurisdictions outside the City of Tacoma that receive retail or wholesale service from Tacoma Water. Public comment will also be taken at the first reading of the rate ordinance before the City Council on November 13, 2018.

3. Summarized reason for resolution:
Tacoma Water's adopted 2019-2020 biennial budget indicates a revenue shortfall of approximately \$6.4 million if rates are left at current levels. This rate increase is necessary to generate revenue to address that shortfall in support of the adopted budget. Expense increases driving this shortfall are related to cost escalation.
4. Attachments:
 - a. **Letter to Public Utility Board and City Council from Jackie Flowers dated 10/02/2018.**
 - b. **Proposed Rate Ordinance.**
5. ☐ Funds available ☐ Proposed action has no budgetary impact
6. Deviations requiring special waivers:

Originated by:

Sean Senescall

Section Head

Requested by:

Scott Dewhurst

Division Head

Approved:



Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance – Amend and revise TMC Chapter 12.10; Council first reading November 13, 2018
DATE: October 2, 2018

SUMMARY:

Tacoma Water requests approval by the Public Utility Board and the City Council for two rate adjustments that would become effective on January 1, 2019, and January 1, 2020.

BACKGROUND:

Tacoma Water's revenue requirement analysis for the twenty-four month budget period (January 1, 2019 through December 31, 2020) indicates a revenue shortfall of approximately \$6.4 million at current rates. The main drivers for this shortfall include general inflationary increases for expenses such as personnel, as well as increases for assessments including additional support for the low-income program. The proposed rate increases are designed to generate additional revenue required to pay forecasted expenses.

In preparation for this request, Tacoma Water has sought public input through public presentations at Neighborhood Council and City Council meetings in communities served by Tacoma Water. A public hearing will be held by the Public Utility Board on October 10, 2018 and the first reading by the City Council is scheduled for November 13, 2018.

ISSUE:

Tacoma Water needs to recover additional rate revenues of approximately \$6.4 million between the January 1, 2019 and December 31, 2020 in order to support the proposed 2019-2020 biennial budget. System-wide average adjustments to water rates are two steps of 2.5% per year. This is broken out by class in the table below:

Proposed Increase in Revenue Requirement by Class		
Rate Class	Rate Increase (January 1, 2019)	Rate Increase (January 1, 2020)
Residential	2.9%	2.9%
Irrigation	1.0%	1.0%
Commercial General Service	2.2%	2.2%
Large Volume Commercial & Industrial	0.1%	0.1%
Wholesale	-3.0%	-3.0%
Private Fire Protection	5.1%	5.1%
Pulp Mill	2.5%	2.5%

ALTERNATIVES:

These rate adjustments are included in the proposed 2019/2020 Budget for Tacoma Water, as under review by the Public Utility Board and City Council.

RECOMMENDATION:

Tacoma Power requests approval by the Public Utility Board and the City Council for two rate adjustments effective January 1, 2019 and January 1, 2020.

**FISCAL IMPACT:**

Tacoma Water's revenue requirement analysis for the twenty-four month budget period (January 1, 2019 through December 31, 2020) indicates a revenue shortfall of approximately \$6.4 million at current rates. The main drivers for this shortfall include general inflationary increases for expenses such as personnel, as well as increases for assessments including additional support for the low-income program.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT (\$ MILLIONS)
Residential			\$4.8
Irrigation			\$0.1
Commercial/Large Volume			\$0.8
Wholesale			- \$0.2
Private Fire Protection			\$0.4
Pulp Mill			\$0.5
TOTAL			\$6.4

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$6.4 million

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.



TACOMA PUBLIC UTILITY BOARD

3628 South 35th Street
Tacoma, Washington 98409-3192

October 2, 2018

To the Chair and Members of the Public Utility Board:

Below is a detailed overview of the various policy change recommendations for the following two documents: (1) Tacoma Municipal Code and (2) Water Rate and Financial Policy. Policy changes (non-rate related) are addressed by section with an explanation of the changes.

(1) TACOMA MUNICIPAL CODE (TMC):

- **12.10.301 Fire hydrant services fee.**
 - Removed references to inside City of Tacoma.
 - Updated rates for Public Fire Protection for inside and outside City of Tacoma.
 - Added language to disclose that the Public Fire Protection is included in the Ready to Serve Charge.
- **12.10.303 Franchise hydrant service fee.**
 - Removed section since it will be included in 12.10.301.
- **12.10.400 Rates – Inside and outside City limits.**
 - Updated rates for Ready to Serve Charge.
 - Added language to disclose that the Ready to Serve Charge includes Public Fire Protection.
 - Added a Wholesale Ready to Serve Charge rate table to exclude Public Fire Protection.
 - Updated rates for Rate per CCF.
 - Updated water system acquisitions to include Andrain and Curran Road.

(2) WATER RATE AND FINANCIAL POLICY:

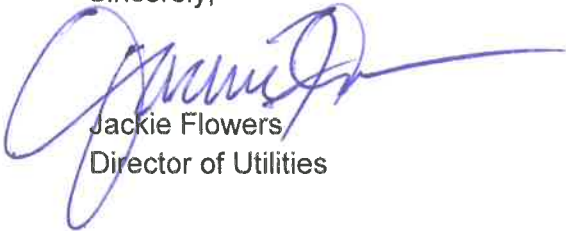
- **III.B.3. Policies. Water Rates Should Be As Low As Is Responsible.**
 - **Current Language:** *“Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water’s bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 125%.”*
 - **Proposed Change:** *“Senior Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water’s bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00.”*
 - **Explanation:** We propose a reduction in All-In Debt Service Coverage from 1.25x to 1.00x during periods of spending down cash reserves to formalize our

commitment to carefully monitor our debt service coverage and to demonstrate that our gross revenues will be sufficient to cover all of our expenses.

- **III.C.16. Policies. Water Rates Shall Be Fair.**

- **Current Language:** *"A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers."*
- **Proposed Change:** *"The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education."*
- **Explanation:** We propose modernizing the existing language to address low-income, senior, and disabled programs available through utility assistance programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jackie Flowers", with a long horizontal flourish extending to the right.

Jackie Flowers
Director of Utilities

EXHIBIT A

Chapter 12.10

WATER - REGULATIONS AND RATES

Sections:

- 12.10.010 Rules established.
- 12.10.020 Definitions.
- 12.10.030 Water service inside/outside City limits.
- 12.10.035 Ability to supply water within City limits.
- 12.10.040 Application for service.
- 12.10.045 Services and meters.
- 12.10.050 Establishment of service account and request for turn-on.
- 12.10.060 Billing.
- 12.10.110 Turn-on and/or - Unauthorized use.
- 12.10.115 Turn-off, turn-on - Responsibility and liability.
- 12.10.120 Turn-off, turn-on - Condemned buildings.
- 12.10.125 Damage of water service installation.
- 12.10.130 Termination of service.
- 12.10.150 Interruption of service.
- 12.10.170 Ownership of water mains and appurtenances.
- 12.10.180 Operation of private water systems.
- 12.10.200 Private contract charges.
- 12.10.220 Cross connections.
- 12.10.250 Water service construction charges.
- 12.10.275 Property-side (private) in public rights-of-way.
- 12.10.300 Fire hydrant installation and relocation.
- 12.10.301 Fire hydrant services fee (inside City of Tacoma).
- 12.10.302 System capacity flow testing.
- 12.10.303 Franchise hydrant service fee (outside City of Tacoma).
- 12.10.305 Fire hydrant use (non-fire fighting).
- 12.10.310 System development charge ("SDC").
- 12.10.315 Water main charge.
- 12.10.350 Premises not abutting a permanent water main.
- 12.10.400 Rates - Inside and outside City limits.
- 12.10.485 City not liable for damages.
- 12.10.490 Protection of public health.
- 12.10.495 South Tacoma Groundwater Protection.
- 12.10.500 Waivers - By Superintendent.
- 12.10.505 Customer service policies - Additional rules and regulations.
- 12.10.515 Violations - Penalties - Enforcement.
- 12.10.520 Severability.
- 12.10.525 Interference with and/or damage to City water system.

12.10.010 Rules established.

This chapter is established for the regulation of water utility service by the municipal water supply system of the City of Tacoma.

(Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.020 Definitions.

For purposes of this chapter, the following words or phrases shall have the meaning set forth herein below:

"Actual cost" or "cost" of any work performed for any person or other agency or City department by the Division includes the direct cost of all labor plus fringe benefits, the direct cost of all materials plus materials overhead, the direct cost of equipment used in connection with the work, all other direct costs incurred in connection with the work, plus administrative and supervisory cost.

"Accessory dwelling unit" refers to a second subordinate dwelling added to a single-family dwelling on a single parcel of property with provisions for independent cooking, living, sanitation, and sleeping.

"Assessable unit of frontage" is defined as set forth in Chapter 35.44 of the Revised Code of Washington (or as amended).

“Authorized deposit waiver” means an approved option for residential and commercial customers to waive paying a deposit, which is normally required for electric, water, and/or commercial solid waste customers who do not meet the established criteria, as defined in the Tacoma Public Utilities Customer Service Policies. Waiver options are available for home or property owners; customers who are purchasing the property and/or home; and customers who are renting, leasing, or leasing with an option to purchase the property.

“Board” means the Public Utility Board of the Department of Public Utilities of the City of Tacoma.

“CCF” means 100 cubic feet of water (one unit or approximately 748 gallons).

“City” means the City of Tacoma.

“Commercial service” means water service to a business or businesses engaged in the manufacture and/or sale of a commodity or commodities, or the rendering of a service, including hotels, motels, hospitals, and schools.

“Contract business partner” refers to the person or persons who have sole financial responsibility with the City.

“Council” means the City Council of the City of Tacoma.

“County” means the county in which service is being provided.

“Cross connection” is any actual or potential physical connection between a public water system or the consumer’s water system and any source of non-potable liquid, solid, or gas that could contaminate the potable water supply by backflow.

“Customer” means all persons obtaining water service from the Division.

“Customer Service Policies” means the Customer Service Policies for the Division, as may be amended.

“Director” means the Director of the Department of Public Utilities of the City of Tacoma.

“Division” means the Water Division of the Department of Public Utilities of the City of Tacoma, and may also include the Department of Public Utilities.

“Fraud” means any act to deceive or defraud the Division including, but not limited to, false identity, failure to provide verifiable identification or obtaining water service and not making appropriate payments for said service.

“Frontage” refers to “frontage of property served” and shall mean the front footage of property to be served, or the short buildable side (50 LF minimum) abutting the water main. For properties not abutting the main, it shall mean the shortest buildable side (50 LF minimum).

“Industrial service” means water service to a business enterprise engaged in the manufacture of products, materials, equipment, machinery, and supplies on a substantial or major scale.

“Multiple dwelling units” means residential duplexes, triplexes, fourplexes, apartment buildings, condominiums, mobile home parks, trailer courts, or similar types of multiple dwelling unit arrangements on one parcel of land.

“Parks and irrigation service” means water service to a public park or irrigation customer with seasonal use for recreational, landscaping, and horticultural purposes or other similar uses. Irrigation shall include outdoor residential and commercial sprinkler services.

“Person” means all persons and all private and public entities, including districts, cities, towns, counties, and political subdivisions of the state, Native American tribes, partnerships, and corporations, whether acting by themselves or by a servant, agent, or employee. The singular number shall be held and construed to include the plural and the masculine pronoun to include the feminine.

“Premises” means public or private property, home, building, apartment house, condominium, trailer court, mobile home park, a group of adjacent buildings utilized under one ownership on one parcel of property and under a single control with respect to use of water and responsibility for payment therefor.

“Regular working hours” means 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding City holidays.

“Residential service” means water service to a single-family or multi-family dwelling using water for domestic use, or a single-family dwelling permitted to operate a business on the same premises.

“Service installation” means all piping and fittings from the main to and including the water meter assembly. All piping beyond the meter assembly is the customer’s responsibility and is not considered a part of the service installation.

“Superintendent” means the Superintendent of the Water Division of the Department of Public Utilities of the City of Tacoma.

“System” means all water source, supply, and quality facilities, transmission pipelines and storage facilities, pumping plants, distribution mains and appurtenances, vehicles, and materials storage facilities.

“Tampering” means to alter, hinder, or obstruct the operation or maintenance of any water facility(ies) and/or their appurtenance(s), or failure to take reasonable care when operating any water facility(ies) and/or their appurtenance(s).

“Temporary water service” means water service obtained from a water main not abutting the parcel served or from a transmission or supply pipeline, or any main 2” or less in diameter.

“Treasurer” means the City Treasurer of the City of Tacoma.

(Ord. 27570 § 1; passed Dec. 19, 2006; Ord. 27522 § 1; passed Aug. 29, 2006; Ord. 27299 § 1; passed Dec. 7, 2004; Ord. 26800 § 1; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.030 Water service inside/outside City limits.

These regulations are applicable to the Division and its customers both inside and outside the City limits, except as provided in Section 12.10.400 (Rates - Inside and outside City limits), or as otherwise specifically delineated.

(Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.035 Ability to supply water within City limits.

All persons wishing to construct any residential premises within the City limits shall be supplied with residential service by the Division subject to the provisions of this chapter and pursuant to RCW 19.27.097.

(Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.040 Application for service.

Applications for water service, hydrant permits, and work to be performed by the Division's staff shall be made at the Division's Permit Counter in the Public Utilities Administration Building or at such other place or places as the Superintendent may designate, by the owner or authorized agent. The application, when approved by the Division, shall constitute a contract whereby the applicant agrees as a condition of water service to comply with this chapter and the rules and regulations of the Division referred to in this chapter or as the same may be revised or amended by the Division from time to time.

(Ord. 27522 § 2; passed Aug. 29, 2006; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.045 Services and meters.

Each premises shall be served water by a Division-installed, separate water service and meter.

The Superintendent shall have the right to refuse or discontinue water service in any situation where it is discovered that applicable codes or City standards have not been satisfied.

Each new water service connection shall require payment of the water service construction charge in accordance with Section 12.10.250 and system development charge in accordance with Section 12.10.310. Premises that have not contributed to the cost of a permanent distribution water main shall also pay the applicable water main charge in accordance with Section 12.10.315 or 12.10.350.

(Ord. 26800 § 2; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.050 Establishment of service account and request for turn-on.

A turn-on charge, as set forth in Chapter 12.01 of this code, will establish a service account.

The customer shall be responsible for all charges on the account. The account shall remain active and accrue charges until the customer notifies the Department's Customer Service Section to close or turn off the meter or account, unless the account is delinquent. Water surcharge accounts and fire service accounts cannot be closed without Water Division authorization.

The person establishing a water service account shall be required to make a cash deposit or meet one of the authorized deposit waiver options with the City Treasurer as set under Utility Board resolution. Such deposit may be applied upon delinquent bills owed the City Division and shall be applied to that portion first incurred. A change in the amount of the deposit or security may be required of any customer who changes his or her status of service. The acceptance of a cash deposit or security by the City shall not constitute a bar to the enforcement of the City's lien or termination rights.

(Ord. 27522 § 3; passed Aug. 29, 2006; Ord. 26800 § 3; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.060 Billing.

The Director shall cause a bill to be rendered to each customer for water services rendered during the preceding period. The utility bill shall become due and payable at the City Treasurer's office or at such other places designated by the Director, within 15 days from the date an invoice is issued per TMC 12.01.030 and shall become delinquent thereafter. The Water Division shall compute any amounts due under TMC 12.10 by carrying the computation to the third decimal place and rounding to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four. Any invoice that becomes delinquent shall be subject to a late payment fee as set forth in TMC 12.01.030.

(Ord. 28160 Ex. A; passed July 9, 2013; Ord. 28133 Ex. A; passed Feb. 26, 2013; Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 4; passed Aug. 29, 2006; Ord. 26800 § 4; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.110 Turn-on and/or Unauthorized use.

A. If water service, with an established service account, is turned off by the Division for cause and later the water service to said premises is turned on without Division approval, upon discovery, a penalty of \$100 shall be assessed and said water service may be disconnected by the Division at the water main in the street.

B. Unauthorized use and/or tampering with any division appurtenance (except for fire hydrants which are covered in Section 12.10.305) may result in, a penalty of \$500 being assessed. If unauthorized use or tampering involves a water service and/or meter then said service may be disconnected by the Division at the water main in the street. Penalty is in addition to any fees for repair of damages as noted in Section 12.10.125.

Water service will not be reconnected in either subsection A or subsection B above until: (1) payment for all water consumed to date and the monthly meter charges as established or estimated by the division are made to the City; (2) the Division costs incurred related to disconnecting and reconnecting the service pipe are paid; and (3) the Division costs incurred related to repairing customer-caused damages are paid per Section 12.10.125.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 2; passed Dec. 19, 2006; Ord. 27522 § 5; passed Aug. 29, 2006; Ord. 26800 § 5; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.115 Turn-off, turn-on – Responsibility and liability.

The City shall not be liable for any damage to any person or property that may result from the turn-off or turn-on of the water service or from the service being left on when the premises may be unoccupied.

By requesting water service from the City, the customer assumes the responsibility for the flow and use of the water on his or her premises. Therefore, if water is desired to be turned off during remodeling, periods of freezing, or for other reasons, the customer agrees to turn off the water at the valve on his or her premises and the Division's turn-off valve shall not be relied upon for said purposes.

A customer's unpaid water service charges, penalties, and any cost to repair customer-caused damages to the water meter and appurtenances shall be paid at the time of application for turn-on, or a satisfactory arrangement for payment made with the City before water service to the premises is turned on.

(Ord. 26800 § 6; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.120 Turn-off, turn-on – condemned buildings.

Whenever a premises supplied with water has been found by the appropriate authorities to be unsafe, dangerous to human life or unfit for human habitation, and notice of such finding has been received by the Division from said authorities, the Superintendent shall cause the domestic water service to such premises to be turned off. Water service to such premises shall not be restored until the owner and/or agent has secured a release or clearance from said authorities.

(Ord. 27570 § 3; passed Dec. 19, 2006; Ord. 26048 § 1; passed Mar. 25, 1997; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.125 Damage of water service installation or Division facilities.

The contract business partner will be liable to the Division for damages to the water service installation and any damages that are caused directly or indirectly as a result of its actions.

The cost to repair damages shall be paid prior to reconnection as set forth below:

	Effective 1/19/09
1" Meter & smaller	\$200
1-1/2" Meter & larger	Actual Cost (Time & Material)
Other than Meters (i.e. hydrant, main, blowoff)	Actual Cost (Time & Material)

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 4; passed Dec. 19, 2006: Ord. 27522 § 6; passed Aug. 29, 2006)

12.10.130 Termination of service.

Delinquency and nonpayment of one or more water service charges or customer-caused damage to the water meter and appurtenances shall be sufficient cause for termination of service by turning off the water service or reducing the flow of water to the premises. Water service shall not be turned on again until all costs incurred by the Division, plus charges and penalties are paid, or satisfactory arrangements for payment of delinquent charges and penalties has been made with the Division.

In accordance with Section 12.10.495, the Superintendent may discontinue water service to a customer determined to be in violation of the applicable provisions of the South Tacoma Groundwater Protection District (TMC 13.09).

Upon discovery of fraud, water service shall be terminated immediately and shall not be restored until the matter is resolved satisfactory to the Superintendent, or his or her designee.

All charges for water or water service shall be the personal obligation of the customer applying for or signing for and/or receiving such service and, in addition thereto, the City shall have all the lien rights granted by state laws against the premises where such service is furnished. The Superintendent shall have the absolute authority, except as limited by said state laws, to refuse to furnish service to, to discontinue service to, or to refuse to resume service to any applicant or customer on account of the failure to pay delinquent bills owing the City by such person, whether such bills cover service at the premises sought to be served or other locations.

In addition to the other authority in this chapter (or other laws) to discontinue water service or reduce flow to a customer, the Superintendent, or his or her designee, is hereby authorized to discontinue or reduce flow to a customer's premises when the customer fails to make a cash deposit or meet one of the authorized deposit waiver options with the City Treasurer as approved by Utility Board resolution.

Except as set forth in TMC 12.10.130 and 12.10.150, termination of water service to a premises shall not occur until:

1. The City has provided or attempted to provide the customer reasonable notice of the intent to terminate water service; and
2. The customer has been offered the opportunity of a hearing before a hearing officer, with the exception of Health Department directed orders which are undisputable.

Reasonable notice may be accomplished by mailing such notice to the customer using the United States Postal Service.

(Ord. 27570 § 5; passed Dec. 19, 2006: Ord. 27522 § 7; passed Aug. 29, 2006: Ord. 27299 § 2; passed Dec. 7, 2004: Ord. 27024 § 1; passed Dec. 10, 2002: Ord. 26800 § 7; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.150 Interruption of service.

A. In case of emergency, risk of damage to property, either public or private, or whenever public health, safety, or equitable distribution or conservation due to water shortage demands, the Director or Superintendent may authorize the Division to change, reduce or limit the time for, or temporarily discontinue the use of water for any or all customers. The water service may also be temporarily interrupted during the time necessary for purposes of making repairs, extensions, or doing other necessary work on the system. Before so requiring the changing, reducing, limiting or temporary discontinuance of the use of water, the Division will attempt to notify, insofar as practicable, all water customers affected. The City shall not be responsible for any damage resulting from any interruption, change, or failure of the water supply.

B. The Public Utility Board is authorized to approve, adopt, and/or amend a Water Shortage Response Plan ("Plan") applicable to all classes of customers, which Plan is consistent with the standards in this section. Any person who violates the adopted Plan or directives issued pursuant to the Plan, including a wholesale customer who fails to adopt similar use limitations, shall be subject to immediate reduction or discontinuance of service by the Division without notice or a hearing opportunity. All Water Shortage Response Plans previously adopted by the Public Utility Board are hereby approved and ratified.

(Ord. 27522 § 8; passed Aug. 29, 2006: Ord. 27299 § 3; passed Dec. 7, 2004: Ord. 26800 § 7; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.170 Ownership of water mains and appurtenances.

The Division shall own, operate, and maintain all Division approved and accepted water mains and related appurtenances in established city, county, and state rights-of-way or other utility rights-of-way, including recorded easements. Any person responsible for the construction of such mains and related appurtenances shall transfer ownership to the Division upon final acceptance. No one may operate, remove, change, or connect to any part thereof without the approval of the Division.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 9; passed Aug. 29, 2006; Ord. 27299 § 4; passed Dec. 7, 2004; Ord. 26800 § 8; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.180 Satellite system management.

The Division may operate and maintain private distribution mains and other water system components outside of its service area in conjunction with its own facilities, provided an approved agreement has been entered into between the Division and the owners of such mains and components.

(Ord. 26800 § 9; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.200 Private contract charges.

Extension of a permanent water main may be constructed by private contract. The developer of the privately financed project will be responsible for all costs and expenses incurred by the Division for preparation of plans and specifications, construction inspection, testing, flushing, sampling of the mains, and other related work necessary to complete the new water main construction to Division standards and specifications. The engineering charge for the preparation of plans and specifications will be estimated by the Division and will include all applicable permit fees. The developer will be required to pay a deposit in the amount of the estimated cost and sign an agreement acknowledging that they are responsible to pay all actual time and materials costs associated with the project. The actual costs for the work will be billed against the developer's deposit. Should the actual costs for engineering the project exceed the deposit amount; the developer will be required to pay the balance prior to receiving the plans and specifications. Prior to construction, a second deposit in the estimated amount for construction inspection, testing, sampling and hydrant painting will be due to the Division. Upon completion of the project, the developer will either be refunded the unused amount of the deposit or billed for the cost overrun. Included in the deposits described above is a \$50 per fire hydrant in the project for painting.

The developer will be responsible for protecting Division facilities, including yokes and boxes, until final acceptance by the Division. After final acceptance of the project, the responsibility for the stub, yoke, box, and meter will belong to each property owner who will be charged accordingly for any damage.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 10; passed Aug. 29, 2006; Ord. 27024 § 2; passed Dec. 10, 2002; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.220 Cross connections.

The installation or maintenance of any uncontrolled cross connection that may endanger the quality of the public water supply of the City is prohibited. Any such cross connection now existing or hereafter installed is hereby declared unlawful and shall be abated immediately. The control and/or elimination of cross connections shall be in accordance with the applicable sections of the Washington Administrative Code ("WAC") the Tacoma Municipal Code, and the Policies and/or procedures approved by the Division. Failure to comply with Division cross connection control requirements may result in a penalty of \$100 per occurrence, installation of an approved backflow prevention assembly at the water meter at the expense of the customer, and/or termination of water service. For purposes of this section, an occurrence is defined as failure to install, test, repair, and/or replace a required backflow prevention assembly upon written notification by the Division. Responsibility for backflow assembly testing and payment of all penalties and/or fees are the responsibility of the customer receiving the water service per the Division's utility account billing information. These penalties are intended for remedial purposes.

1. Application of civil penalties may be repeated until compliance is achieved up to a maximum of five penalties.
2. The Customer shall be given written notification by the Division:
 - a. Prepared and sent by first-class mail to the Person receiving the water service per the Division's utility account billing information; or
 - b. Personally served upon the Person receiving the water service per the Division's utility account billing information; or
 - c. Posting of the written notice on the Parcel in a conspicuous manner which is likely to be discovered..
3. The Customer shall be given a minimum of 14 calendar days to respond or comply with Division requirements prior to each penalty.

The Division will assign a test due date for each backflow prevention assembly and will make every effort to provide notice to the customer of the testing due date. Annual backflow assembly testing will be required by the Division established due date regardless of the actual date previous tests were performed.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 11; passed Aug. 29, 2006; Ord. 26800 § 11; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.250 Water service construction charges.

All water service installations shall be constructed by the Division. For all service installations, the owner or applicant shall pay in advance the fixed charge or a deposit in the amount of the Division's estimated cost for the proposed work. For all estimated work the requestor will be required to sign a time and materials agreement noting their acceptance of the responsibility to pay the actual charges. The amount charged for work performed on an estimated basis will be actual costs to the Division, including overhead cost of installation of Automated Meter Reading ("AMR") equipment when applicable. If the actual cost is less than the estimated cost, the customer will be refunded the difference. Should the cost of the installation exceed the deposit amount, the additional amount will be billed to the customer that signed the time and materials agreement accepting the responsibility for actual charges. Failure to pay charges may result in, but not be limited to, termination of water service.

All required City, county, state, and/or other permits and fees are in addition to the charges listed below.

A. Water service construction charges on existing mains shall be as set forth below. In extraordinary circumstances where the Division determines that the fixed charges are not adequate to cover the actual costs, the water service construction charge will be based upon actual costs to the Division, including overhead and taxes.

	Effective 1/19/09
3/4-inch" Service & 5/8-inch" Meter	\$2,325
3/4-inch" Service & 3/4-inch" Meter	\$2,400
1-inch" Service & 5/8-inch" Meter	\$2,400
1-inch Service & 3/4-inch Meter	\$2,450
1-inch" Service & 1-inch" Meter	\$2,550
Meter exchange from 5/8" to 3/4"	\$625
Meter exchange from 3/4" to 5/8"	\$325

Service construction charges for services larger than 1-inch will be estimated based upon actual costs to the Division, including overhead. Service construction charges for water meters 3-inches and larger, or as required by the Division, will include the cost of installation of AMR equipment in accordance with the most current requirements. AMR is also required on all wholesale meters.

All services and meters applied for shall be installed within two years of the application. Those customers who have not requested their water service and meter be installed within the two-year period will be required to pay the difference in all current charges and the charges paid at time of application, including the system development charge ("SDC").

Where a service stub was previously installed at the option of the Division, activation of that service shall require payment of all current fees and charges including service construction charge in effect at the time of application for service.

B. Installation of Services and Meters on New Mains. Domestic service for residential will require the installation of 3/4-inch services and 5/8-inch meters. The developer requesting services and meters for use other than domestic service for residential will be required to provide additional information on the proposed use. Plan review will be required to determine sizing requirements.

Stub Only	Effective 1/19/09
a. 3/4-inch Service stubs installed after successful samples and pressure tests.	\$750/service
b. 1-inch Service stubs installed after successful samples and pressure tests.	\$800/service
Meter, Yoke and Box	Effective
a. 5/8-inch Meter, yoke and box installed when requested.	\$400/meter plus the SDC
b. 3/4-inch Meter, yoke and box installed when requested.	\$450/meter plus the SDC
Meter Only	Effective 1/19/09
a. 5/8-inch Meter installed when requested	\$175/meter plus the SDC
b. 3/4-inch Meter installed when requested.	\$225/meter plus the SDC

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 6; passed Dec. 19, 2006: Ord. 27522 § 12; passed Aug. 29, 2006: Ord. 27299 § 5; passed Dec. 7, 2004: Ord. 27024 § 5; passed Dec. 10, 2002: Ord. 26800 § 12; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.275 Property-side (private) in public rights-of-way.

A. When a customer requests a service and meter installation for a property not abutting a water main and the public entity having jurisdiction over the right-of-way does not allow privately owned water lines in the right-of-way then the customer must obtain easements from the adjacent property owners for installation of their property side pipe. Recorded copies of said easements must be provided to the Division before installation of the requested service and meter can occur.

Where a public entity requires that a customer's existing property-side (private) pipes be removed from public rights-of-way, the following four options are available to the customer:

1. The customer may arrange for a private contractor to install a new water main in the right-of-way using the private contract process noted in Section 12.10.200. The main would be designed by the Division and installed by the contractor, at the expense of the customer. Following the construction of the water main in the right-of-way, the customer's service and meter will be transferred to the new main at no charge.
2. The customer may organize with adjacent property owners to form a Local Improvement District ("LID") to install a new water main in the right-of-way. The design and construction process is similar to Option 1 above, but the project is financed and repaid over time through the Division, through the LID process.
3. The customer may obtain easements from adjacent property owners to allow relocation of its property-side (private) pipes out of the right-of-way into the easement obtained. In this option, the customer must provide verification to the Division that the easement has been recorded prior to the installation of the service and meter.
4. The Customer may arrange for the Division to design and install the necessary water main and appurtenances using the time and materials process. The Division will estimate all costs associated with design and construction of the proposed water main and appurtenances and the customer will be required to make a deposit in the estimated amount. If the final costs are more than the estimate the customer will be required to pay the balance, if the costs are less the difference will be refunded.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 7; passed Dec. 19, 2006: Ord. 27522 § 13; passed Aug. 29, 2006)

12.10.300 Fire hydrant installation and relocation.

Fire hydrant installation and/or relocation shall be performed by the Division at the customer's expense. A deposit shall be paid to the Division in the amount of the Division's estimate of the cost to install or relocate a fire hydrant. If the actual cost is less than the estimated cost, the customer will be refunded the difference. Should the cost of installation exceed the deposit amount, the customer will be billed the additional amount.

All costs to acquire the necessary City, county, state, and/or other permits to accomplish the installation or relocation are in addition to the above costs.

(Ord. 27522 § 14; passed Aug. 29, 2006: Ord. 27299 § 6; passed Dec. 7, 2004: Ord. 27024 § 4; passed Dec. 10, 2002: Ord. 26800 § 13; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.301 Fire hydrant services fee ~~(inside City of Tacoma).~~

Pursuant to Chapter 70.315 of the Revised Code of Washington, the Water Division will charge and collect all costs associated with providing fire hydrant services ~~inside the City of Tacoma~~ from ~~the City of Tacoma general government and~~ the customers, "Residential Service," "Commercial and Industrial – General Service," and "Commercial and Industrial – Large Volume Service" rate categories, ~~located inside the City~~ following the rate schedules below:

Monthly Hydrant Service Fee		
	Rate Effective Dates Commencing	
	4/1/17 1/1/19	1/1/18 1/1/20
Inside City of Tacoma Customer	\$2.38 \$2.71	\$2.54 \$2.90
Outside City of Tacoma	\$3.48	\$3.75

The ~~inside City of Tacoma~~ customer portion of the fire hydrant service fee shall be calculated on a monthly basis, included in the Ready to Serve charge, invoiced and collected pursuant to the applicable customer service policies.

(Ord. 28286 Ex. A; passed Mar. 17, 2015: Ord. 28133 Ex. A; passed Feb. 26, 2013: Ord. 27970 Ex. A; passed Feb. 1, 2011)

12.10.302 System capacity flow testing.

To determine the capacity of a water system at a particular location for the purpose of a supply for automatic fire sprinkler systems or for other reasons, the Division can conduct a fire flow test using two (2) or more fire hydrants. The fire flow test shall be conducted by the Division upon request and after payment of a fee in the amount of \$350. The fee shall cover the cost of performing the flow test and any necessary system cleanup created by the increased water velocities during the test.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 15; passed Aug. 29, 2006)

12.10.303— Fire hydrant service fee (outside City of Tacoma).

~~Pursuant to the Washington State Supreme Court decision in City of Tacoma v. City of Bonney Lake, 173 Wn.2d 584 (2012) and Chapter 70.315 of the Revised Code of Washington, all costs associated with providing fire hydrant services in areas served through franchise agreements or other contract shall be charged and collected from ratepayers in these areas as a cost of doing business. Only those customers in the “Residential Service,” “Commercial and Industrial – General Service,” and “Commercial and Industrial – Large Volume Service” rate categories will be charged for these services. The total costs owed shall be calculated on a biennial basis as part of the Water Division’s approved budget and distributed to customers via a monthly service fee. The service fee is composed of two components:~~

- ~~1. a “historical service component” that is a temporary amortized recovery of historical service provided but not previously billed to customers outside the City of Tacoma during the time the City of Tacoma v. City of Bonney Lake case was litigated, with said component applying only to customers in the affected areas outside the City of Tacoma; and~~
- ~~2. an “ongoing service component.”~~

Monthly Hydrant Service Fee (Historical Service Component)		
	Commencing	
	4/1/17	1/1/18
Outside City, other contract	\$1.90	\$1.90

Monthly Hydrant Service Fee (Ongoing Service Component)		
	Commencing	
	4/1/17	1/1/18
Outside City, other contract	\$3.06	\$3.23

~~(Ord. 28286 Ex. A; passed Mar. 17, 2015; Ord. 28133 Ex. A; passed Feb. 26, 2013)~~

12.10.305 Fire hydrant use (non-fire fighting).

When water service is supplied through the use of a fire hydrant, other than for fire fighting, the proposed use must be disclosed and a permit must be obtained from the Division authorizing the hydrant use. A charge for all costs associated with hydrant and water usage shall be collected by the Division. A fire hydrant meter or a water service and meter may be required under certain circumstances as determined by the Division.

The use of the Division’s hydrant without a current permit, using a restricted hydrant or failing to conform to the Division's hydrant operating procedures will result in a penalty of \$1,000 in addition to all other hydrant use charges. Refusal to pay the penalties and charges may be cause for the Division to refuse future hydrant use by the violator and/or discontinue service to the benefited premises.

Persons using a fire hydrant will be responsible for all damages to Division facilities and/or other private facilities that may result from the use of said hydrant. If the person refuses to pay the cost for all damages associated with fire hydrant use, the Division may refuse future service to the customer and/or discontinue water service to the benefited premises.

Applications for fire hydrant use for periods greater than six consecutive months for the purpose of supplying water to a business may require the business to purchase a water service connection of adequate size to accommodate the proposed water

usage as determined by the Division. Water service construction charges, SDC, and main charges shall be as specified in TMC 12.10.250, 12.10.310, and 12.10.315.

Fire hydrant use permits in Category 1 and 2 are good for a maximum of one year or until the backflow protection documentation expires, whichever comes first. Upon expiration a new permit application will be required and a new permit fee is due. Hydrant Permit charges will be as follows:

HYDRANT USE CATEGORY AND FEE SCHEDULE

Category	Fee
Category #1 ** Fixed (Single) Site Construction Project	Permit Fee \$100 Meter Deposit for Hydrant \$1,000* Permittee is required to submit meter reads on a monthly basis. Monthly Water Use Charge at the Inside/Outside Commercial Rate plus the Ready to Serve Charge for a 2-Inch Meter Penalty for Unauthorized Use \$1,000
*Deposit to be refunded by the Division after return of the meter and appurtenances. All costs for hydrant and/or meter repairs/replacement caused by improper operation or theft of said equipment shall be deducted from the deposit. Refund of deposit will be initiated after payment of closing/final water bill. Costs exceeding the deposit amount will be billed to customer. ** Subcontractor would be allowed to use same permit as general contractor provided subcontractor meets all cross-connection requirements and name is disclosed at issuance of permit.	
Category #2 *Multiple-Site Hydrant Use (Approved Hydrant Locations)	Permit Fee \$100 Monthly Water Use Charge at the Inside/Outside Commercial Rate (based on estimated consumption**) plus the Ready to Serve Charge for a 2-inch Meter Penalty for Unauthorized Use \$1,000
*Subcontractor would be allowed to use same permit as general contractor provided subcontractor meets all cross-connection requirements and name disclosed at issuance of permit. **Both general and subcontractors are required to submit a monthly log sheet of estimated water consumption per truck	
Category #3	
Short-Term (one day and minimal) Use	\$50 per truck per day* Penalty for Unauthorized Use \$1,000
*Approved hydrant only	

A Division-approved backflow protection assembly shall be installed by the person requesting the use of a fire hydrant. The assembly shall be accompanied by a current backflow assembly test report. The test report shall remain on the site for the duration of the hydrant use. The Division reserves the right to terminate any hydrant permit at any time for security and/or water quality control reasons.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 16; passed Aug. 29, 2006; Ord. 27299 § 7; passed Dec. 7, 2004; Ord. 27024 § 5; passed Dec. 10, 2002)

12.10.310 System development charge ("SDC").

A. A system development charge ("SDC") shall be levied for each new water service connection to the City water system, for a service upgrade requiring a larger meter, or for any existing service with 3-inch and larger meters that exceeds 150 percent of their highest maximum annual daily average water use. The SDC fee is based on an equitable share of the cost of the entire existing water system and future facilities necessary to accommodate projected growth. This fee is established pursuant to RCW 35.92.025, the City Charter, and this chapter. SDCs are considered contributions for or in aid to construction, and shall be accounted for accordingly. Customer water consumption amounts on and after May 9, 1999, the original effective date of Ordinance No. 26408, will be examined to determine whether additional SDC amount is owed to the Department.

B. For retail meters 5/8-inch through 2-inches, the charge will be based on customer class and meter size.

For meters larger than 2-inches, the SDC shall be determined based on the customer's anticipated water use as shown below:

Meter Size	Inside City Residential Charges		Inside City Commercial/Industrial Charges	
	Effective			
	1/1/03	1/1/04	1/1/03	1/1/04
5/8-inch	\$1,443	\$1,485	\$1,928	\$1,984
3/4-inch	2,166	2,229	2,894	2,978
1-inch	3,610	3,715	4,823	4,963
1-1/2-inch	7,218	7,427	9,647	9,927
2-inch	11,548	11,883	15,433	15,881
3-inch & Larger	Individually calculated based on consumption			

Meter Size	Outside City Residential Charges		Outside City Commercial/Industrial Charges	
	Effective			
	1/1/03	1/1/04	1/1/03	1/1/04
5/8-inch	\$1,732	\$1,782	\$2,315	\$2,382
3/4-inch	2,599	2,674	3,473	3,574
1-inch	4,330	4,456	5,786	5,954
1-1/2-inch	8,661	8,912	11,575	11,911
2-inch	13,860	14,262	18,520	19,057
3-inch & Larger	Individually calculated based on consumption			

The SDC for a multiple family dwelling unit arrangement to be served by a single meter shall be calculated by taking the number of units in the premise and multiplying by 60 percent of the SDC for a single-family dwelling (5/8-inch meter). If said premise chooses in the future to separately meter each premise the additional 40 percent of the SDC for a single-family dwelling (5/8-inch meter) shall be due and payable at

For meters 3-inches and larger, estimates of anticipated average day use, peak day, and four-day maximum water use will be determined by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September. Four-day maximum use is defined as the average use per day of the four highest consecutive days of the customer's water use in the summer months. For inside City customers, the average day SDC cost is \$2.64/gallon (effective 1/1/04). The peak day SDC cost is \$0.28/gallon (effective 1/1/04). The four-day maximum SDC cost is \$2.36/gallon (effective 1/1/04). For outside City customers, the average day SDC cost is \$3.17/gallon (effective 1/1/04). The peak day SDC cost is \$0.34/gallon (effective 1/1/04). The four-day maximum SDC is \$2.83/gallon (effective 1/1/04).

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, the peak day use minus average day use multiplied by the peak day cost/gallon, and the four-day maximum use minus average day use multiplied by the four-day maximum cost/gallon.

As of April 23, 2001, the SDC paid for meters 3-inches and larger will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average, peak day or four-day maximum use during a 12-month period of time, an additional SDC will be charged, using the same methodology for calculating average day, peak day, and four-day maximum water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and will return to the originally anticipated level.

C. SDC Exemptions:

1. New water service connections dedicated exclusively for fire protection purposes shall be exempt from payment of the SDC. The conversion of a dedicated fire service to a service for use other than exclusively for fire protection shall require the payment of the SDC as provided for in subsection B above.

2. The Division requires that all new single family dwelling residential combination domestic/fire sprinkler service and meters be served by a 1-inch service and 3/4-inch meter. If a larger size meter is required for fire protection the customer must install separate fire service and domestic services. The customer is required to pay all fees to construct said 1-inch service and 3/4-inch meter and all applicable main charges. When such use is documented through the plan review process, the SDC for a 5/8-inch meter will apply. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.

3. If a residential customer has an existing 3/4-inch x 5/8-inch service and meter an exchange to a 3/4-inch meter will be allowed if the customer's fire protection engineer determines it will provide adequate flow. All applicable fees will apply. If flow tests after the meter exchange show inadequate flow the customer will be required to pay the additional fees to retire the 3/4" service and install a new 1" service. Residential customers requesting an upgrade to an existing meter to a 3/4-inch meter for a combination domestic/fire sprinkler service will be exempt from payment of the additional SDC when such use is approved through the plan review process. The monthly customer charge will be at the standard charge for a 3/4-inch meter as set forth in TMC 12.10.400.

4. Customers who are requesting a separate water service connection and are being provided with water service by way of another Division customer (i.e., multi-premises connection), shall be exempt from payment of the SDC if:

Billing record exists showing multi-premise rate for each premise on meter.

All premises served by meter of record were constructed prior to October 7, 1991.

D. Existing Facilities:

1. Multiple dwelling unit arrangements currently being served by a single meter shall be exempt from payment of the SDC when changing to separate water service connections for each unit if the original meter was installed prior to October 7, 1991. If the existing meter was installed after October 7, 1991, the customer will be required to pay the 40 percent differential for each individual meter installed as noted in B above.

E. Credit policy for retail customers previously or currently metered:

1. When a request or requirement for a larger meter is made, an SDC credit for the existing meter will be made. The credit for meters up to 2-inches will be the current published SDC amount using the rate in place prior to the requested or required up-sizing. For meters 3-inches and larger, the credit would be calculated based on 150 percent of the highest maximum annual daily average water use derived from billing records. If billing records are not available for a specific meter, the SDC credit calculation will be based on a system-wide use data for that size meter.

2. For situations where meters 3-inches or larger exist and water use will increase, but no change in the meter is required, an SDC will not be required unless the projected use is more than 150 percent of historical use. If the projected use exceeds the 150 percent historical use quantity, an SDC will be calculated for the quantity of water in excess of the 150 percent figure. Prior written commitments to deliver a specific quantity of water, if greater than 150 percent of historical use, will be honored.

3. Credit shall be given for inactive or previously removed meters that can be verified by Division records. The credit will be determined as stated in subsection E.1 above.

Multiple dwelling unit arrangements – Credit for existing multiple dwelling unit meters shall be calculated at 60 percent of the applicable 5/8-inch meter rate per unit and applied to the required SDC if previously served by a single meter.

4. Credits as computed will be subtracted from the determined SDC amount. If an available credit exceeds the SDC amount, the balance shall remain with the parcel previously receiving water service. No refunds shall be allowed for the amount of this credit.

5. All SDC credits are non-transferable unless parcels are combined to facilitate redevelopment.

6. This section is not applicable to the Pulp Mill's existing services.

F. For wholesale meters, as sized by the Division, the SDC will be determined based on the customer's anticipated water use.

1. Estimates of anticipated average day use, peak day, and four-day maximum water use will be submitted to and approved by the Division. Peak day is defined as the maximum 24-hour use during summer months of June through, and including, September. Four-day maximum use is defined as the average use per day of the four highest consecutive days of water use in the summer months. The average day SDC cost is \$3.17/gallon (effective 1/1/04). The peak day SDC cost is \$0.34/gallon (effective 1/1/04). The 4-day maximum SDC cost is \$2.83/gallon (effective 1/1/04).

The SDC will be the sum of the average day use multiplied by the average day cost/gallon, the peak day use minus average day multiplied by the peak day cost/gallon, and the four-day maximum use minus average day multiplied by the four-day maximum cost/gallon.

The SDC, as of the effective date of this ordinance, will be adjusted annually based on actual usage. If usage is greater than 110 percent of the anticipated average, peak day or four-day maximum use during a 12-month period of time, an additional SDC may be charged using the same methodology for calculating average day, peak day, and four-day maximum water use and multiplying by the respective SDC cost per gallon in effect at the time of adjustment. This requirement for an additional SDC may be waived upon satisfactory demonstration by the customer that the increased water use was temporary in nature and that water use will return to the originally anticipated level.

2. For situations where an existing wholesale customer is increasing its purchase of water, SDC credit for existing service will be based on either maximum historic use or prior written commitments to deliver a specific quantity of water, whichever is greater.

G. SDCs for meters 2-inches and smaller are payable in full at the time the meter installation is requested. Time payments will be allowed for SDCs for meters 3-inches and larger, for up to ten years, at the discretion of the customer, as follows:

1. When a down payment of 20 percent or more is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest less 2 percent.

2. When a down payment of at least 10 percent, but less than 20 percent, is initially paid, the Division will accept annual payments, with interest, on the unpaid balance calculated using the then current prime rate of interest.

3. The time payment agreements shall provide that this obligation constitutes a lien on the benefited premises and that the City has the right to terminate water service for any nonpayment of the amounts due on the outstanding balance. In addition, unless the customer is a financially stable public entity, the customer shall be required to provide security such as a financial guarantee bond to guarantee payment of the SDC or make incremental prepayments of the SDC plus interest on the balance of the outstanding total amount of the SDC.

H. Rate Adder to Recover Capital Costs Not Covered by the SDC. In addition to paying the SDC set forth in this section, a customer who proposes to use water for a new or enlarged power plant, and who does not use best available water conservation technology (BAWCT), shall be required to pay, in addition to the applicable water rate, an adder to such rate in accordance with the Division's Customer Service Policy for New Power Plants. The adder shall be calculated to recover over a period of 20 years a portion of the capital costs that are not covered by the SDC for such customer. This present value of the adder (spread over 20 years) will be equivalent to an SDC on that portion of the customer's water consumption that is in excess of the amount of water the customer would have consumed had BAWCT been used. Said customers shall also be required to enter into a water service agreement with the Division, and such agreement shall be submitted to the Public Utility Board for approval.

(Ord. 28286 Ex. A; passed Mar. 17, 2015: Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27570 § 8; passed Dec. 19, 2006: Ord. 27522 § 17; passed Aug. 29, 2006: Ord. 27299 § 8; passed Dec. 7, 2004: Ord. 27024 § 6; passed Dec. 10, 2002: Ord. 26872 § 1; passed Nov. 6, 2001: Ord. 26800 § 14; passed Apr. 10, 2001: Ord. 26408 § 1; passed Apr. 27, 1999: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.315 Water main charge.

Where all or a portion of the premises to be served has not been previously assessed or contributed its share towards the cost of installing a permanent distribution main to serve such premises, or the property does not abut a distribution water main, water service shall be provided upon payment of a water main charge as provided for in this section, in addition to a water service construction charge, in accordance with TMC 12.10.250 and the SDC in accordance with TMC 12.10.310.

If the main is a temporary main and is not acceptable for meeting the water requirements of the customer, the service will be installed and connected to the nearest water main that is acceptable in accordance with TMC 12.10.350, Water main charge - Premises not abutting a water main. If the temporary main is a supply or transmission pipeline, the water service will be installed in accordance with the Customer Service Policies (Direct Service From Supply and Transmission Pipelines).

Credit shall be given for the portion of the property which has been previously assessed or has contributed its share toward the cost of installing a permanent water main. Water main charge shall be based on the frontage of the property served, as determined by the Division, in accordance with the following schedule and subject to the following terms and conditions:

A. Residential Service.

The water main charge shall be based on the frontage of the property served. The minimum charge shall be based on 50 front feet and the maximum charge on 100 front feet.

Commencing 1/1/07
\$50/per front foot

B. Commercial Service.

Where the property is zoned for the same, the water main charge shall be based on the entire frontage of the property served. The minimum charge shall be based on 50 front feet.

Commencing 1/1/07
\$50/per front foot

C. Industrial Service.

Where the property is zoned for the same, the water main charge shall be based on the entire frontage of the property served. The minimum charge shall be based on 50 front feet.

Commencing 1/1/07
\$55/per front foot

D. Water main charges for services abutting a permanent main shall be considered revenue of the Division.

The water main charge herein above provided for shall be credited to and considered as a benefit to the specific property served by said connection. Said property so benefited shall be described and recorded as a part of the Division's permanent records pertaining thereto.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 27522 § 18; passed Aug. 29, 2006: Ord. 27299 § 9; passed Dec. 7, 2004: Ord. 26800 § 14; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.350 Premises not abutting a permanent water main.

Where the premises to be served is not abutting a permanent water main (as described in the Customer Services Policies) and said premises owner has not previously paid a water main charge, the water service connection will be constructed by the Division to the nearest available temporary or permanent water main that is acceptable for meeting the water requirements of the customer upon application and payment of a temporary water main charge as provided for in TMC 12.10.315 in addition to a service construction charge, in accordance with TMC 12.10.250 and the SDC in accordance with TMC 12.10.310. The water main charge shall be paid to the Division in accordance with and subject to the same terms and conditions as detailed in TMC 12.10.315 above.

All water main charges received where no main abuts subject parcel shall be deposited by the City in the Water Main Deposit Fund and shall be credited to and considered as a benefit to the specific property served by said connection. The property so benefited shall be legally described and recorded as part of the Division's permanent records pertaining thereto.

When a public road is improved or resurfaced by a person where there is currently no water main or said public road has a temporary water main as defined in the Customer Service Policies, it shall be the person's responsibility to extend the water main/system to the extent of the road improvements or to a point that meets the approval of the Division. Said water main/system may be extended using the private contract process, TMC 12.10.200, or by the LID process as set forth in RCW 35.44, and Division standards.

If a permanent water main exists or is being constructed between the existing service and the specific benefited property, said service may be relocated to the permanent main at a point closer to the benefited property at no charge, provided the owner reroutes its property-side water pipe between the new meter location and the property.

Upon the installation of permanent mains, the main charge collected by the City shall be applied toward the payment for said mains for the benefit of the properties in accordance with Division records. The temporary water service will be relocated by the Division to the permanent main abutting the benefited property at no charge. The owner must reroute its property-side water pipe between the new meter location and the property and make the connection. If the property owner does not agree to relocate its property-side water pipe at the time of main installation and requests a service relocation at a later date, the work will be done at the expense of the property owner.

(Ord. 27522 § 19; passed Aug. 29, 2006: Ord. 27299 § 10; passed Dec. 7, 2004: Ord. 26800 § 15; passed Apr. 10, 2001: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.400 Rates – Inside and outside City limits.

The standard charge for water supplied inside and outside the City for residential, commercial/industrial, parks and irrigation, and public facilities use shall consist of a customer charge, also termed a "monthly ready to serve charge," based on the meter size together with the rate for the quantity of water used, and public fire protection fees where applicable.

For water supplied to a single premises which contains multiple dwelling units, i.e., two or more houses under the same ownership, duplexes, apartment buildings, condominiums, mobile home parks, trailer courts, industrial buildings, etc., the monthly charges will be the same as indicated above.

When water is being supplied to an existing multiple premises, i.e., two or more separate premises being served by one service and meter, the “monthly ready to serve charge” will be based on either the existing meter size or on a 5/8-inch meter size for each premises served, whichever is the greater charge.

When more than one service supplies a premises, the consumption of water for each meter shall be computed separately.

A. Standard charges:

1. The monthly ready to serve charge shall be in accordance with the following schedule for residential, commercial/industrial, and commercial/industrial large volume.

Residential, Commercial & Large Volume - Ready to Serve ChargeReady to Serve Charge					
Meter Size (Inches)	Inside City of TacomaInside- Commencing		Outside City of TacomaOutside Commencing		
	Rate Effective Dates				
	4/1/171/1/19	1/1/181/1/20	4/1/171/1/19	1/1/181/1/20	
5/8	\$21.20\$24.76	\$22.05\$24.95	\$25.44\$29.94	\$26.46\$30.21	
3/4	\$31.80\$35.79	\$33.08\$35.98	\$38.16\$43.18	\$39.70\$43.45	
1	\$53.00\$57.84	\$55.13\$58.03	\$63.60\$69.64	\$66.16\$69.91	
1.5	\$106.00\$112.96	\$110.25\$113.15	\$127.20\$135.78	\$132.30\$136.05	
2	\$169.60\$179.11	\$176.40\$179.30	\$203.52\$215.16	\$211.68\$215.43	
3	\$318.00\$333.46	\$330.75\$333.65	\$381.60\$400.38	\$396.90\$400.65	
4	\$530.00\$553.96	\$551.25\$554.15	\$636.00\$664.98	\$661.50\$665.25	
6	\$1,060.00\$1,105.21	\$1,102.50\$1,105.40	\$1,272.00\$1,326.48	\$1,323.00\$1,326.75	
8	\$1,696.00\$1,766.71	\$1,764.00\$1,766.90	\$2,035.20\$2,120.28	\$2,116.80\$2,120.55	
10	\$2,438.00\$2,538.46	\$2,535.75\$2,538.65	\$2,925.60\$3,046.38	\$3,042.90\$3,046.65	
12	\$3,577.50\$3,723.65	\$3,720.94\$3,723.84	\$4,293.00\$4,468.61	\$4,465.13\$4,468.88	

The monthly ready to serve charge shall be in accordance with the following schedule for parks and irrigation.

Parks and Irrigation - Ready to Serve Charge				
Meter Size (Inches)	Inside City of TacomaInside Commencing		Outside City of TacomaOutside-	
	Rate Effective Dates			
	4/1/171/1/19	1/1/181/1/20	4/1/171/1/19	1/1/181/1/20
5/8	\$17.67\$11.03	\$14.70\$7.35	\$21.20\$13.23	\$17.64\$8.82
3/4	\$26.50\$16.54	\$22.05\$11.03	\$31.80\$19.85	\$26.47\$13.23
1	\$44.17\$27.57	\$36.75\$18.38	\$53.00\$33.08	\$44.11\$22.05
1.5	\$88.33\$55.13	\$73.50\$36.75	\$106.00\$66.15	\$88.20\$44.10
2	\$141.33\$88.20	\$117.60\$58.80	\$169.60\$105.84	\$141.12\$70.56
3	\$265.00\$165.38	\$220.50\$110.25	\$318.00\$198.45	\$264.60\$132.30
4	\$441.67\$275.63	\$367.50\$183.75	\$530.00\$330.75	\$441.00\$220.50
6	\$883.33\$551.25	\$735.00\$367.50	\$1,060.00\$661.50	\$882.00\$441.00
8	\$1,413.33\$882.00	\$1,176.00\$588.00	\$1,696.00\$1,058.40	\$1,411.20\$705.60
10	\$2,031.67\$1,267.88	\$1,690.50\$845.25	\$2,438.00\$1,521.45	\$2,028.60\$1,014.30
12	\$2,981.25\$1,860.47	\$2,480.63\$1,240.31	\$3,577.50\$2,232.57	\$2,976.75\$1,488.38

The monthly ready to serve charge shall be in accordance with the following schedule for wholesale.

Wholesale - Ready to Serve Charge		
Meter Size (Inches)	Rate Effective Dates	
	<u>1/1/19</u>	<u>1/1/20</u>
<u>5/8</u>	<u>\$26.46</u>	<u>\$26.46</u>
<u>3/4</u>	<u>\$39.70</u>	<u>\$39.70</u>
<u>1</u>	<u>\$66.16</u>	<u>\$66.16</u>
<u>1.5</u>	<u>\$132.30</u>	<u>\$132.30</u>
<u>2</u>	<u>\$211.68</u>	<u>\$211.68</u>
<u>3</u>	<u>\$396.90</u>	<u>\$396.90</u>
<u>4</u>	<u>\$661.50</u>	<u>\$661.50</u>
<u>6</u>	<u>\$1,323.00</u>	<u>\$1,323.00</u>
<u>8</u>	<u>\$2,116.80</u>	<u>\$2,116.80</u>
<u>10</u>	<u>\$3,042.90</u>	<u>\$3,042.90</u>
<u>12</u>	<u>\$4,465.13</u>	<u>\$4,465.13</u>

2. The schedule of rates for water used shall be as follows and billed to the nearest CCF (100 cubic feet or approximately 748 gallons):

Residential Service - <u>Rate per CCF</u>				
	<u>Inside City of Tacoma</u> <u>Rate per CCF</u>		<u>Outside City of Tacoma</u>	
Range in CCF (100 cubic feet)	<u>Rate Effective Dates</u> <u>Inside Commencing</u>			
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
Winter Tier: For each CCF of water consumption during the winter months of October through and including May	<u>\$1.825</u> <u>\$2.011</u>	<u>\$1.895</u> <u>\$2.132</u>	<u>\$2.190</u> <u>\$2.413</u>	<u>\$2.274</u> <u>\$2.558</u>
Summer Tier 1: For the first five CCF of water consumption per month during the summer months of June through and including September	<u>\$1.825</u> <u>\$2.011</u>	<u>\$1.895</u> <u>\$2.132</u>	<u>\$2.190</u> <u>\$2.413</u>	<u>\$2.274</u> <u>\$2.558</u>
Summer Tier 2: For each CCF of water consumption over five CCF during the summer months of June through and including September	<u>\$2.281</u> <u>\$2.514</u>	<u>\$2.369</u> <u>\$2.665</u>	<u>\$2.738</u> <u>\$3.016</u>	<u>\$2.843</u> <u>\$3.198</u>

Commercial and Industrial - General Service - <u>Rate per CCF</u>				
	<u>Inside City of Tacoma</u> <u>Rate per CCF</u>		<u>Outside City of Tacoma</u>	
Range in CCF (100 cubic feet)	<u>Rate Effective Dates</u>			
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>
For each CCF of water consumption	\$2.032 <u>\$2.209</u>	\$2.123 <u>\$2.298</u>	\$2.438 <u>\$2.651</u>	\$2.548 <u>\$2.758</u>

Commercial and Industrial - Large Volume Service - <u>Rate per CCF</u> . Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.				
Range in CCF (100 cubic feet)	<u>Inside City of Tacoma</u> Inside-Commencing		<u>Outside City of Tacoma</u> Outside-Commencing	
	<u>Rate Effective Dates</u>			
	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20
For each CCF of water consumption	\$1.666 <u>\$1.784</u>	\$1.782 <u>\$1.787</u>	\$1.999 <u>\$2.141</u>	\$2.138 <u>\$2.144</u>

Parks and Irrigation Service - <u>Rate per CCF</u>				
Range in CCF (100 cubic feet)	<u>Inside City of Tacoma</u> Inside-Commeneing		<u>Outside City of Tacoma</u> Outside-Commeneing	
	<u>Rate Effective Dates</u>			
	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20
For each CCF of water consumption	\$3.115 <u>\$3.739</u>	\$3.485 <u>\$3.998</u>	\$3.738 <u>\$4.487</u>	\$4.182 <u>\$4.798</u>

B. Wholesale Service. Wholesale water service may be provided to community water systems that are in compliance with state Department of Health regulations. All wholesale water agreements are subject to Tacoma Public Utility Board approval. Any customer purchasing wholesale water must adopt or commit, in writing, to a water conservation and water shortage response program substantially equivalent to the Division's program as a condition of service.

1. Water Rates. A wholesale water service customer with contractual agreement from Tacoma Water may choose either a rate schedule below with a corresponding ready to serve charge as described in section A1. For an outside city customer or a market-based price set by Tacoma Water staff based on an analysis of the wholesale system and their supply alternatives.

a. Constant Use Customer:

Wholesale Constant Use Customer - Rate per CCF		
	<u>Rate per CCF</u>	
Range in CCF (100 cubic feet)	<u>Rate Effective Dates</u>	
	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20
Per CCF for winter months (October - May)	\$2.112 <u>\$2.042</u>	\$2.112 <u>\$1.973</u>
Per CCF for summer months (June - September)	\$2.640 <u>\$2.553</u>	\$2.640 <u>\$2.466</u>

This option may be considered by those customers using water on a year-round basis where their average summer day use divided by their average winter day use results in a summer/winter use ratio of 2.5 or less.

b. Summer Season, Peaking:

Wholesale Summer Season, Peaking - Rate per CCF		
	<u>Rate per CCF</u>	
Range in CCF (100 cubic feet)	<u>Rate Effective Dates</u>	
	<u>4/1/17</u> 1/1/19	<u>1/1/18</u> 1/1/20
For each CCF of water consumption	\$3.960 <u>\$3.829</u>	\$3.960 <u>\$3.699</u>

This option will be used for those customers using relatively large amounts of water in the summer months and little or no water in winter months. The ratio of average summer day use divided by average winter day use shall be greater than 2.5.

For purposes of these rates, summer-use months are defined as June through September and winter-use months are October through May.

Existing customers will be classified into one of the two rate schedules upon annual review of their usage patterns. New customers will select a rate based upon anticipated use. This selection will be subject to revision if usage is not consistent with the above options after a six-month period.

2. Additional Water. Additional or new water may be provided by the City to a wholesale customer conditioned upon satisfying the following:

- a. For every new customer of the wholesale customer that is provided with water from City's surplus supply, the wholesale customer shall remit to the City (on a monthly basis or by other arrangement as agreed to by the Superintendent) the appropriate SDC for said customer based on meter size in accordance with TMC 12.10.310.
- b. That, in lieu of satisfying subsection A above, in the event the wholesale customer is in a water deficient status or later becomes water deficient as determined by the Superintendent in consultation with wholesale customer, then the Superintendent shall establish a SDC equivalent for said wholesale customer. This SDC equivalent shall not be less than what the total "retail customer equivalent" would have been for the total deficiency.
- c. That the City and wholesale customer shall enter into a letter agreement setting forth the above requirements and committing the wholesale customer to remit the SDC payment to City. The wholesale customer may be required to provide City with periodic reports, certified to be accurate, detailing pertinent data.

C. Emergency Intertie Service. Requests for one-way and two-way emergency intertie service between the City and another purveyor will be considered.

The Superintendent may enter into specific agreements, specifying the terms under which water will be furnished or accepted by the Division. Water furnished to a purveyor through an emergency intertie service will be billed as a wholesale service with a ready to serve charge and rate for water used. Billing will be at the constant use rate for up to 30 days. If use exceeds 30 days the Superintendent will have the discretion to change the constant use rate to the summer season peaking rate. Said agreement shall provide that neither party shall be liable for failure to deliver water to the other at any time.

D. Fire Protection Service. When a customer does not receive domestic water from the Division and requests a fire service from the Division the appropriate regular domestic service rates shall apply as detailed above. In addition all regular construction fees, main charges and SDC shall apply. Where City water is used for domestic purposes, such customers are entitled to a separate fire service at the regular fire service rate, payable monthly as follows:

Fire Protection Service – Ready to Serve Charge						
Meter Size (Inches)	<u>Inside City of Tacoma</u> <u>Inside-Commencing</u>		<u>Outside City of Tacoma</u> <u>Outside-Commencing</u>		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF	
	<u>Rate Effective Dates</u>					
	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>	<u>4/1/17</u> <u>1/1/19</u>	<u>1/1/18</u> <u>1/1/20</u>		
2	\$25.89 <u>\$27.37</u>	\$26.07 <u>\$28.78</u>	\$31.07 <u>\$32.84</u>	\$31.07 <u>\$34.54</u>	2.99	
3	\$37.70 <u>\$39.85</u>	\$37.96 <u>\$41.91</u>	\$45.24 <u>\$47.82</u>	\$45.24 <u>\$50.29</u>	2.99	
4	\$62.98 <u>\$66.58</u>	\$63.42 <u>\$70.01</u>	\$75.58 <u>\$79.90</u>	\$75.58 <u>\$84.01</u>	2.99	
6	\$141.27 <u>\$149.35</u>	\$142.25 <u>\$157.04</u>	\$169.52 <u>\$179.22</u>	\$169.52 <u>\$188.45</u>	2.99	
8	\$251.49 <u>\$265.87</u>	\$253.24 <u>\$279.57</u>	\$301.79 <u>\$319.04</u>	\$301.79 <u>\$335.48</u>	2.99	
10	\$393.37 <u>\$415.86</u>	\$396.11 <u>\$437.28</u>	\$472.04 <u>\$499.03</u>	\$472.04 <u>\$524.74</u>	2.99	
12	\$629.19 <u>\$665.16</u>	\$633.57 <u>\$699.43</u>	\$755.03 <u>\$798.19</u>	\$755.03 <u>\$839.32</u>	2.99	

Where such fire service is provided, the monthly rate shall include usage of up to a maximum of 2.99 units of water per month. The 2.99 units of allowable water use is for incidental water use for monthly leakage and system testing and is the maximum amount allowed in a single month. In any month where the total consumption is in excess of the amount shown above, the rate for water consumed shall be as noted below.

Fire Protection Service - Rate per CCF					
Range in CCF (100 cubic feet)	Rate per CCF		Inside City of Tacoma		
	Rate Effective Dates Commencing				
	4/1/17	1/1/19	1/1/18	1/1/20	
For each CCF of water consumption	All CCF – Inside City	\$3.960	\$3.960	\$4.752	\$4.752
All CCF – Outside City		\$4.752	\$4.752		

If the Water use in excess of the maximum monthly allowable amount was used in extinguishing fires of incendiary or accidental origin and the customer at the location where the use occurs gives written notice to the Division within ten days

from the time of such fire the customer shall pay only for actual water used at the rate noted above. If the Division is not notified the Division will conclude that water is being used for purposes other than extinguishing fires and charge the additional fee noted below of 12 times the monthly rate.

Whenever water from the Division is available on a premise through a service being charged the rate for fire protection only and is used for purposes other than extinguishing fires of incendiary or accidental origin including ongoing leakage of the fire service line and the amount of water used is in excess of the amount shown in the table above, 12 times the ready to serve charge for the specific service in question shall be the monthly minimum charge and the charge for water consumed shall be as noted in the "Fire Protection Service – Rate per CCF" table above. Waivers may be granted from the assessment of the 12 times the ready to serve charge for leaks or other accidental use upon written request with all supporting documentation but the charge for water consumed shall not be waived.

Nonpayment of invoices related to the construction of or monthly use of a fire service will result in the service being turned off and notification of the appropriate fire official who may then disallow occupancy of the premise.

Unauthorized use of water through a detector check meter more than once per calendar year may be cause for installation of a turbine meter assembly, UL/FM approval for fire service assemblies at the expense of the customer. Within the City of Tacoma, whenever water is used for purposes other than extinguishing fires, the amount of water used may be subject to the appropriate sanitary sewer charge as defined in TMC 12.08, in addition to the rates noted above and assessment of the 12 times the ready to serve charge.

Should the unauthorized use continue, including leakage in excess of the maximum amount of water allowed, the service will be considered as other than standby fire protection and be billed in accordance with the type of use pursuant to this section, and shall be subject to payment of the applicable SDC pursuant to TMC 12.10.310. Refusal to pay for the installation of the fire line meter and/or the SDC shall result in termination of service pursuant to TMC 12.10.130.

When a customer desires a fire service for the protection of a premises and the domestic water for said premises is provided from another source, the applicable single-family residential, multi-family residential, or commercial/industrial rates shall apply for the requested fire protection service inside and outside the City, respectively. When any outlet for fire protection purposes is installed on a residential, commercial or industrial service, no rebate will be allowed for water used for extinguishing a fire.

E. Special Contracts. The Superintendent, with the approval of the Board, shall have the right to enter into contracts for periods up to 20 years where service conditions are extraordinary; provided, that such contracts shall contain applicable rates as adopted by the Board and the City Council.

F. The Pulp Mill Contract. The rates, terms, and conditions in the contract originally entered between the City and RockTenn CP, LLC ("Pulp Mill") and all future assignee to the contract are applicable, except as modified by this section. For a nominated contract demand, the water rate will be based on a monthly distribution charge and the daily supply charge. If the monthly water use exceeds 103% of the contract demand or the daily water use exceeds 109% of the contract demand, an excess water usage charge will be applied. The excess water usage charge will be either the daily excess water use charge or the monthly excess water use charge, whichever is greater.

1. Water use within the range of contract demand plus 3 percent: The charge will consist of a monthly distribution charge and daily supply charge per ccf metered as stated below.

2. Daily water use greater than one hundred and nine percent (109%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Daily Excess Water Usage Charge (based upon the commercial and industrial-large volume rate) for water metered daily in excess of the contract demand plus 9 percent as stated below.

3. Monthly water use greater than one hundred and three percent (103%) of the contract demand: The charge will consist of a monthly distribution charge, daily supply charge, plus a Monthly Excess Water Usage Charge (based on the commercial and industrial-large volume rate) for water metered during a month in excess of the contract demand plus 3 percent, as stated in the following table.

Billing Components	Commencing	
	4/1/17 1/1/19	4/1/18 1/1/20
Distribution Charge per Month	\$77,201.64 \$82,296.95	\$80,289.71 \$84,354.37
Supply Charge/CCF	\$0.7620256 \$0.7148458	\$0.7810762 \$0.7434396
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.666 \$1.784	\$1.782 \$1.787

4. The Superintendent is hereby authorized to execute a contract with the Pulp Mill to provide additional terms and conditions of service and other provisions consistent with this ordinance.

G. Meter Tests. If a customer has informed the Division that its water consumption has been above its normal billing consumption and verification discovers no leaks on the customer facilities, the customer may request that the Division test the meter. If the test discloses the meter is accurate within the American Water Works Association ("AWWA") specifications, the customer will be billed for the test and their water bill will not be adjusted. If the test discloses the meter is not accurate within the AWWA specifications and the inaccuracy is the cause of the recorded high consumption, the customer's water bill will be adjusted and credit given for the excessive consumption and the customer will not be billed for the test. The charge for testing meters shall be added to the customer's bill as follows:

Meter Size	Cost
1-inch and smaller	\$75.00
>1-inch	*Estimated Cost

*The customer shall pay a deposit in the amount of the Division's estimated cost.

If the actual cost differs from the estimated cost, the customer will be refunded or billed the difference.

The Division will not test meters owned by others.

H. Low Pressure or Low Flow Concerns. The customer may request the Division to conduct a flow and pressure test on the service to its premises. If the cause of the problem is found to be located on the property side of the meter yoke outlet, the customer will be invoiced for a fee of \$25.

If the test discloses that the low flow and/or pressure is caused by Division facilities, the Division will attempt to correct the problem and the customer will not be charged.

I. Low-income Senior and/or Low-income Disabled Residential Rate Discount. Residential customers who qualify as low-income senior or low-income disabled shall be eligible for a 30 percent reduction from the regular residential water rates. The determination of low-income senior and low-income disabled shall be made as set forth in TMC 12.06.165 for City Light Division (d.b.a. "Tacoma Power") customers. Customers must submit an application for review and acceptance by the authorized administering agency to qualify for this reduction. For the water rate discount, there is no requirement that a customer be a Tacoma Power customer or submit to an energy audit.

J. Water System Acquisition. A water system may be acquired by the City under an agreement between the water system owner(s) and the City with Board and City Council approval. When all or a portion of the acquired system requires upgrading equal to Division standards, the agreement shall provide for funds to achieve compliance with said standards. Under the agreement, a surcharge may be levied by the City for a period of time or an LID may be formed in accordance with RCW Title 35. The surcharge shall be an additional charge equivalent to the Ready to Serve charge per month times a multiplier, or an actual dollar amount as stated in the acquisition agreement and set forth below. The current surcharge areas include:

Former Water System	
Hyada Mutual Service Company	Total Monthly Charge \$30.00 per month through July 2022
<u>Andrain</u>	<u>Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.</u>
<u>Curran Road</u>	<u>Total Monthly Charge equal to the Ready to Serve charge per month until paid in full.</u>

If allowed by the acquisition agreement, a customer in a surcharge area may opt to pay off the outstanding surcharge amount.

(Ord. 28305 Ex. A; passed Jul. 14, 2015: Ord. 28286 Ex. A; passed Mar. 17, 2015: Ord. 28133 Ex. A; passed Feb. 26, 2013: Ord. 27971 Ex. A; passed Feb. 8, 2011: Ord. 27970 Ex. A; passed Feb. 1, 2011: Ord. 27778 Ex. A; passed Jan. 6, 2009: Ord. 27570 § 9; passed Dec. 19, 2006: Ord. 27522 § 20; passed Aug. 29, 2006: Ord. 27299 § 11; passed Dec. 7, 2004: Ord. 27137 § 2; passed Sep. 9, 2003: Ord. 27076 § 1; passed Apr. 8, 2003: Ord. 27024 § 7; passed Dec. 10, 2002: Ord. 26872 § 2; passed Nov. 6, 2001: Ord. 26800 § 16; passed Apr. 10, 2001: Ord. 26409 § 1; passed Apr. 27, 1999: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.485 City not liable for damages.

The Division reserves the right to require any customer to install as a condition of water service a pressure reducing valve, backflow prevention assembly, pressure relief valve or similar devices at any location where the Superintendent determines a need to protect the Division's facilities, water quality or customer's service.

The City shall not be liable for damages and allowances will not be made for loss of production, sales or service in case of: (1) water pressure variations, (2) revisions to pressure within the system, (3) operation of the City's source of water supply or means of distribution fails or is curtailed, suspended, interrupted or interfered with, or (4) for any cause reasonably beyond the Division's control. Pressure variations, equipment failure, failure to supply, curtailment, suspension, interruption or interference shall not constitute a breach of contract on the part of the City, or in any way affect any liability for payment for water made available or for money due on or before the date of such occurrence. The customer shall notify the Division as soon as possible in the event of unusual occurrences. The Division reserves the right to make system modifications as deemed necessary for the operation and maintenance of the system.

When water service is turned on or left on at the request of the customer, or the Division discontinues service for "nonpayment" or "no contract," the Division shall not be liable for damages incurred to the premises because of such actions.

If a water meter or other Division pipes and equipment is located on the customer's premises, as a condition of water service the customer agrees not to make claim against nor sue the City for any damages due to water leakage and shall hold the City harmless from any and all claims and litigation which allege damages resulting from water leakage occurring at such meter, pipes, and equipment.

The responsibility for customer facilities installed by the Division for the benefit of the customer shall be that of the owner of the premises served and the City shall not be liable for any part of the cost nor for any damage resulting from its use.

(Ord. 27778 Ex. A; passed Jan. 6, 2009; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.490 Protection of public health.

The Superintendent may arrange for a periodic inspection of the water system in coordination with the appropriate State Director of Health. The Superintendent shall from time to time promulgate, publish and enforce such rules and standards deemed necessary by the Division to protect the municipal potable water supply from pollution. Copies of such rules and standards, and amendments thereto, shall be placed on file with the Clerk of the Public Utility Board.

(Ord. 27299 § 12; passed Dec. 7, 2004: Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.495 South Tacoma Groundwater Protection.

Upon receipt of written request and documentation from the Director of the Tacoma-Pierce County Health Department, or his or her designee, that a customer is in violation of the requirements of TMC 13.09, the Superintendent may order water service to be discontinued.

(Ord. 27522 § 21; passed Aug. 29, 2006)

12.10.500 Waivers – By Superintendent.

The Superintendent is authorized to grant minor waivers to specific requirements contained in this chapter. The Superintendent may grant a minor waiver upon Division initiation or upon a clear demonstration by the applicant that such waiver will not be in conflict with the intent and spirit of this chapter.

(Ord. 26048 § 1; passed Mar. 25, 1997.)

12.10.505 Customer service policies – Additional rules and regulations.

The Superintendent, with the approval of the Director, may promulgate and enforce Customer Service Policies and related additional rules and standards as may be deemed appropriate to implement this chapter, to encourage conservation and the efficient use of water, and for further clarification of service.

Legal criminal enforcement shall be vested in the Police Department of the City, and all prosecutions for violations hereof shall originate in the Municipal Court of the City of Tacoma. The penalties provided herein are in addition to any civil remedy provided at law.

(Ord. 27522 § 22; passed Aug. 29, 2006; Ord. 27299 § 13; passed Dec. 7, 2004; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.515 Violations – Penalties – Enforcement.

Any person violating any of the provisions relating to the rate schedules, general provisions, and customer service policies governing the sale of water shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine in any sum not exceeding \$1,000.00, or imprisonment for a period not to exceed one year, or both; and, in addition to the penalty herein above provided, the service to the premises of any person found guilty of violating these provisions shall be discontinued. The person violating same shall be liable for all damages resulting and for all water used by reason of such violation.

Legal criminal enforcement shall be vested in the Police Department of the City and all prosecutions for violations hereof—shall originate in the Municipal Court of the City of Tacoma. The penalties provided herein are in addition to any civil remedy provided by law.

(Ord. 26800 § 17; passed Apr. 10, 2001; Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.520 Severability.

If any clause, sentence, paragraph, subdivision, section or part of the provisions relating to the rate schedules, general provisions and customer service policies governing the sale of water shall for any reason be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this chapter.

(Ord. 26048 § 1; passed Mar. 25, 1997)

12.10.525 Interference with and/or damage to City water system.

Any person causing damage to any property belonging to the Division shall be liable to the Division for any and all damages resulting either directly or indirectly therefrom.

It shall be unlawful for any person to willfully disturb, break, deface, damage or trespass upon any property belonging to or connected with the water system of the Division in any manner whatsoever.

It shall be unlawful for any person to build, store, maintain or keep any goods, merchandise, materials or rubbish that will interfere with the access to or operation and maintenance of any water facilities, or any of their appurtenances.

(Ord. 27299 § 14; passed Dec. 7, 2004; Ord. 26048 § 1; passed Mar. 25, 1997)



RESOLUTION NO. U-11038

A RESOLUTION relating to amending and revising the Tacoma Water Rate & Financial Policy.

WHEREAS the City of Tacoma, Department of Public Utilities, Water Division (d.b.a. "Tacoma Water"), has proposed changes to the Water Rate & Financial Policy to provide better alignment between the respective rate and financial policies of Tacoma Power and Tacoma Water; and

WHEREAS Tacoma Water's Water Rate & Financial Policy gives direction to future rate and financial planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management, and

WHEREAS Tacoma Water is recommending changes to its Water Rate & Financial Policy such that the following sections will now state:

III.B.3. Policies. Water Rates Should Be As Low As Is Possible.

Senior Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water's bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In-Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00.

III.C.16. Policies. Water Rates Shall Be Fair.

The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education.



WHEREAS revisions to Tacoma Water's Water Rate & Financial Policy requires approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the Water Rate & Financial Policy are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Water, and Tacoma Water requests that the Board approve said revisions and amendments; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed revisions to Tacoma Water's Water Rate & Financial Policy are hereby approved, and the Council and the City of Tacoma is requested to approve such revisions as set forth in the attached Exhibit "A" and as substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Approved as to form and legality:

Chair


Chief Deputy City Attorney

Secretary

Clerk

Adopted

of 10/24/2018

REQUEST FOR RESOLUTION

Date: 10/02/2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)
Amend and revise sections of Tacoma Water's Water Rate and Financial Policy.
2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)
Approve revised Water Rate and Financial Policy. This policy would be effective upon approval.

Tacoma Water's Water Rate and Financial Policy gives direction to future short-term and long-term planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management.

The Public Utility Board conducted reviews of Tacoma Power's Electric Rate and Financial Policy and Tacoma Water's Water Rate and Financial Policy as part of the rates process on May 9, 2018 and August 8, 2018. The proposed policy changes provide better alignment between the respective rate and financial policies of Tacoma Power and Tacoma Water.

3. Summarized reason for resolution:
The following are the proposed changes to Tacoma Water's Water Rate & Financial Policy:

III.B.3. Policies. Water Rates Should Be As Low As Is Responsible.

Current Language: "Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water's bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 125%."

Proposed Change: "Senior Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water's bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00."

Explanation: We propose a reduction in All-In Debt Service Coverage from 1.25x to 1.00x during periods of spending down cash reserves to formalize our commitment to carefully monitor our debt service coverage and to demonstrate that our gross revenues will be sufficient to cover all of our expenses.

III.C.16. Policies. Water Rates Shall Be Fair.

Current Language: "A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers."

Proposed Change: "The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education."

Explanation: We propose modernizing the existing language to address low-income, senior, and disabled programs available through utility assistance programs. The same language will be used in Tacoma Power's Electric Rate and Financial Policy and Tacoma Water's Water Rate and Financial Policy. This will modernize the existing language for customers who may benefit from utility assistance programs and enable better alignment between Tacoma Power and Tacoma Water's policies.

4. Attachments:
 - a. Letter to Public Utility Board and City Council from Jackie Flowers dated 10/02/2018.
 - b. Proposed Water Rate and Financial Policy.

5. ☐ Funds available ☐ Proposed action has no budgetary impact

Originated by:

Sean Senescall

Section Head

Requested by:

Scott Dewhirst

Division Head

Approved:



Director of Utilities



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance – Amend and revise Tacoma Water Rate & Financial Policy;
Council first reading November 13, 2018.
DATE: October 2, 2018

SUMMARY:

Tacoma Water requests approval by the Public Utility Board and the City Council of changes to Tacoma Water's Water Rate & Financial Policy.

BACKGROUND:

Tacoma Water's Water Rate and Financial Policy gives direction to future short-term and long-term planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management.

The Public Utility Board conducted reviews of Tacoma Power's Electric Rate and Financial Policy and Tacoma Water's Water Rate and Financial Policy as part of the rates process on May 9, 2018 and August 8, 2018. The proposed policy changes provide better alignment between the respective rate and financial policies of Tacoma Power and Tacoma Water.

ISSUE:

The following are the proposed changes to Tacoma Water's Water Rate & Financial Policy:

- **III.B.3. Policies. Water Rates Should Be As Low As Is Responsible.**
Current Language: *"Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water's bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 125%."*
Proposed Change: *"Senior Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water's bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00."*
Explanation: We propose a reduction in All-In Debt Service Coverage from 1.25x to 1.00x during periods of spending down cash reserves to formalize our commitment to carefully monitor our debt service coverage and to demonstrate that our gross revenues will be sufficient to cover all of our expenses.
- **III.C.16. Policies. Water Rates Shall Be Fair.**
Current Language: *"A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers."*
Proposed Change: *"The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education."*
Explanation: We propose modernizing the existing language to address low-income, senior, and disabled programs available through utility assistance programs. The same language will be used in Tacoma Power's Electric Rate and Financial Policy and Tacoma Water's Water Rate and Financial Policy. This will modernize the existing language for customers who may benefit from



utility assistance programs and enable better alignment between Tacoma Power and Tacoma Water's policies.

ALTERNATIVES:

None.

RECOMMENDATION:

Tacoma Water requests approval by the Public Utility Board and the City Council of recommended changes to Tacoma Water's Water Rate & Financial Policy.

FISCAL IMPACT:

None.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: None

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.



TACOMA PUBLIC UTILITY BOARD

3628 South 35th Street
Tacoma, Washington 98409-3192

October 2, 2018

To the Chair and Members of the Public Utility Board:

Below is a detailed overview of the various policy change recommendations for the following two documents: (1) Tacoma Municipal Code and (2) Water Rate and Financial Policy. Policy changes (non-rate related) are addressed by section with an explanation of the changes.

(1) TACOMA MUNICIPAL CODE (TMC):

- **12.10.301 Fire hydrant services fee.**
 - Removed references to inside City of Tacoma.
 - Updated rates for Public Fire Protection for inside and outside City of Tacoma.
 - Added language to disclose that the Public Fire Protection is included in the Ready to Serve Charge.
- **12.10.303 Franchise hydrant service fee.**
 - Removed section since it will be included in 12.10.301.
- **12.10.400 Rates – Inside and outside City limits.**
 - Updated rates for Ready to Serve Charge.
 - Added language to disclose that the Ready to Serve Charge includes Public Fire Protection.
 - Added a Wholesale Ready to Serve Charge rate table to exclude Public Fire Protection.
 - Updated rates for Rate per CCF.
 - Updated water system acquisitions to include Andrain and Curran Road.

(2) WATER RATE AND FINANCIAL POLICY:

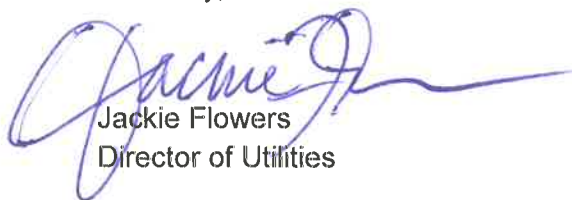
- **III.B.3. Policies. Water Rates Should Be As Low As Is Responsible.**
 - **Current Language:** *“Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water’s bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 125%.”*
 - **Proposed Change:** *“Senior Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water’s bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00.”*
 - **Explanation:** We propose a reduction in All-In Debt Service Coverage from 1.25x to 1.00x during periods of spending down cash reserves to formalize our

commitment to carefully monitor our debt service coverage and to demonstrate that our gross revenues will be sufficient to cover all of our expenses.

- **III.C.16. Policies. Water Rates Shall Be Fair.**

- **Current Language:** *"A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers."*
- **Proposed Change:** *"The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education."*
- **Explanation:** We propose modernizing the existing language to address low-income, senior, and disabled programs available through utility assistance programs.

Sincerely,



Jackie Flowers
Director of Utilities

EXHIBIT A

WATER RATE AND FINANCIAL POLICY TACOMA PUBLIC UTILITIES WATER DIVISION

March 2017

Adopted by Public Utility Board Resolution U-10910 on February 22, 2017
Adopted by City Council Ordinance No. 28413 on March 21, 2017

TACOMA PUBLIC UTILITIES
TACOMA WATER

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TACOMA PUBLIC UTILITIES
TACOMA WATER

WATER RATE AND FINANCIAL POLICY

I. PURPOSE

The Water Rate and Financial Policy gives direction to planning decisions and helps ensure that the Department of Public Utilities provides for an adequate supply of safe, clean water to all customers efficiently, reliably and at the lowest possible cost consistent with prudent utility management.

II. GUIDING OBJECTIVES FOR WATER RATE DECISIONS

- A. Water Rates Should Ensure Adequate Supply.
- B. Water Rates Should Be As Low As Is Responsible.
- C. Water Rates Shall Be Fair.
- D. Water Rates Should Be Stable and Understandable.
- E. Water Rates Should Be the Product of Customer Involvement.

III. POLICIES

A. Water Rates Should Ensure Adequate Supply

- 1. Water rates must be designed to adequately fund the acquisition of new resources and conservation consistent with local, state and federal laws and regulations and consistent with the responsibility of Tacoma Water as a regional purveyor for identified portions of Pierce and South King Counties as described in the Tacoma Second Diversion Water Right, Pierce County Coordinated Water System Plan, Tacoma Water System Plan, Second Supply Agreement, and any other official planning document as appropriate.
- 2. Rate adjustments will be proposed in amounts sufficient to meet reasonable Tacoma Water budgets, while minimizing the long-run costs to the rate-payer. Since some actions such as supply development can influence the level of revenue needed over a period of years, staff will estimate both the short-run and long-run rate impacts of proposals presented to the Public Utility Board for consideration.

TACOMA PUBLIC UTILITIES
TACOMA WATER

3. The revenue requirements analysis will study the projected revenue, expenses and capital improvements for the period to be covered by the rate change.
4. Modeling assumptions used in the estimation of water consumption and revenue for the rate review shall use industry standards, generally accepted econometric models, relevant forecasted local data, or a combination thereof.
5. Water rates will be designed to promote conservation as a long-term resource that will extend the use of the existing source of supply.
6. Water rates will be adequate to maintain the quality of the environment and balance the needs of customers (including the personal, aesthetic, recreational, and business objectives of customers) with the preservation of sensitive ecosystems at the source of supply.
7. Water rates will support a reasonable plan for replacement of aging water supply, distribution and storage infrastructure.

B. Water Rates Should Be As Low As Is Responsible

1. Rate revenue together with other revenue sources, will cover current costs and meet or exceed all bond and other requirements necessary to maintain financial sufficiency.
2. Tacoma Water will secure the least costly means of financing for capital improvement projects based on evaluation of the Utility's financial position and capital needs. Financing mechanisms may include the use of revenue funding, unallocated operating or capital reserves, low interest loans, revenue bond funding and other means as deemed prudent.
3. Senior Debt Service Coverage will be maintained above 150%, exceeding Tacoma Water's bond covenant requirement of 125%. All In Debt Service Coverage will be maintained above 1.50, exceeding Tacoma Water's bond covenant requirement of net revenue at least 1.25 times annual senior debt service. All-In Debt Service Coverage will be maintained above 1.25 except when cash reserves are budgeted to meet the annual revenue requirement, when it will be maintained above 1.00.

TACOMA PUBLIC UTILITIES
TACOMA WATER

Major capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma Water services will be evaluated against costs and benefits and documented before commitments are made. Such evaluations will address both short- and long-term, as well as potential or uncertain, impacts on costs and revenues.

4. Rates shall be set at levels such that projected current fund (fund 4600) cash balances will be equal to 60 days of current budgeted expenditures. It is recognized, however, that seasonal fluctuations may cause balances to be below recommended levels, but rates should be set such that the minimum cash balance in any month does not drop more than 40 percent below the recommended level. Operating surpluses may be applied to the Operating Reserve, capital construction or the Capital Reserve Fund.
5. Tacoma Water will exercise responsible cost control of department administration and overhead expenses consistent with industry standards.
6. Tacoma Water maintains two types of special funds that provide flexibility in ensuring timely acquisition, replacement and upgrade of the Utility's water system infrastructure and capital assets. Expenditures from these funds, subject to the limitations discussed below, may be used to offset the impact of rate increases.

The Water Capital Reserve Fund can be budgeted on a biennial basis as revenues become available for appropriate capital projects. A minimum balance of 1% of original cost plant-in-service will be maintained in the Fund.

The System Development Charge Fund is intended to provide capital funding for source development, transmission, storage, and related facilities. A minimum balance of \$2,000,000 will be maintained in the Fund to deal with unforeseen emergencies and contingencies, which would be authorized by separate Public Utilities Board approval.

7. A special contract water rate may be developed in lieu of a system development charge for short-term temporary facilities provided sufficient surplus water is available for the term of proposed use. For purposes of this policy, short-term will generally be considered to be twenty years or less.

C. Water Rates Shall Be Fair

TACOMA PUBLIC UTILITIES
TACOMA WATER

1. Rates charged for each class of customer will be set to reflect the cost of supplying service to that class. Any exceptions to cost-of-service principles will be explicitly noted in this policy document.
2. An embedded cost-of-service study will determine the cost of serving each customer class, allocation of class responsibility for the projected expenses, and proposed rates sufficient to recover projected expenses.
3. A short-term market based rate may be considered for marketing surplus water to industrial or wholesale customers if such a rate would increase net revenue to the Utility and no other customer class would be adversely impacted.
4. Conformance with responsible water use standards will be encouraged by the use of rate design and/or special charges.
5. A rate may be designed that would include an amount of water in the ready to serve charge.
6. Incentives will be considered for construction and conversions incorporating water conservation measures.
7. A rate surcharge may be proposed under unusual conditions, such as a drought, to ensure adequate revenues.
8. A rate surcharge may be proposed to improve acquired water systems which do not meet current Tacoma Water standards. This surcharge will apply to the service area of the sub-standard system and be used solely for the purpose of bringing that system up to standard.
9. Rates for retail customers located outside the corporate boundaries of the City of Tacoma will be 20 percent higher than rates for inside City customers.
10. The assignment of costs of existing water supply resources to customers will be based on how those resources are used to meet system demands at the time of the current rate study.
11. The assignment of costs for new resources will reflect the anticipated use characteristics of those resources in either supplying normal water flows or providing extra water during times of peak usage.

TACOMA PUBLIC UTILITIES
TACOMA WATER

12. Rates for new or additional water demand in excess of 1 million gallons a day (MGD) within any 12-month period may be designed to recover up to the full additional source of supply costs, less credit for any system development charge paid. *The use of water efficient technology will be a key consideration in the application of this provision.*
13. New customer hook-ups and enlarged services will be charged at current cost of main extension, including the cost of mains, inspection fees, services, meters, and any necessary fire protection service. A system development charge will be imposed on new or expanded services and may include charges for additional source of supply, transmission, storage, and pumping facilities. Adequate provisions shall be made to permit those who develop new services to recover main extension costs from those who subsequently use those water mains.
14. Periodic checks of actual revenues collected should be compared to projected revenue requirements by class. If the collections are not within an appropriate range, demand projections will be reviewed.
15. Inter-class revenue requirements adjustments significantly in excess of the system average may be allocated proportionately to the remaining customer classes. Subsequent increases for the subsidized class will be set appropriately until cost-of-service rates are reestablished.
16. ~~A discounted water rate will be considered to help low-income/elderly and low-income/handicapped water customers. The needs of low-income, senior, and disabled water customers will be considered when establishing rate levels, providing bill assistance, and offering financial education.~~

D. Water Rates Should Be Stable and Understandable

1. To the extent possible, rate adjustments will not exceed general inflationary trends. Phased-in adjustments over a limited time period may be used for projects requiring a considerable change in rate levels.
2. The number of rate schedules will be minimized by combining customers of reasonably similar use and cost-of-service characteristics.

TACOMA PUBLIC UTILITIES
TACOMA WATER

3. Each rate schedule, except irrigation, will contain a monthly customer charge that will reflect, at a minimum, administrative and billing cost.
4. For revenue stability purposes, customer charges may be designed to recover up to 65 percent of revenue requirements for customer classes with strong seasonal consumption patterns.
5. Regular reviews will be performed to determine the adequacy of rates, and a full revenue requirements study will be performed every two years.
6. Seasonal rate design may be used to promote conservation during periods of greatest consumption. The second tier of a seasonal rate may be set to reflect the marginal cost of supply for the Utility.

E. Water Rates Should Be the Product of Customer Involvement

1. Any decision to revise rate-making policies will be done in an orderly fashion and formalized by resolution.
2. The Public Utility Board must review the existing rate policy well in advance of consideration of each rate adjustment. Any proposed changes require formal Board and City Council resolutions.
3. Tacoma Water will gather citizen input and provide information about its rate-making process. Any proposal to be discussed will be made available as far in advance of its public hearing as is practical.
4. If an emergency rate adjustment becomes necessary due to drought or other unforeseen conditions, the emergency nature of the rate surcharge (or rollback) may necessitate a recommendation to the City Council using a reduced public involvement schedule. Such an emergency adjustment shall be followed by a reevaluation of the change in accordance with the formal procedures outlined in this policy.
5. A professional rate expert may be hired to represent the interests of the residential class during the rate process.
6. The Utility staff will respond to requests from the Neighborhood Councils and other local organizations to the Community and Media Services section of the Utility and provide speakers to disseminate information on water rates, rate policy or rate assistance programs.

TACOMA PUBLIC UTILITIES
TACOMA WATER

7. To the extent practicable, services and associated rates and fees will be designed to offer maximum choice and flexibility to meet customer needs and desires.



RESOLUTION NO. U-11039

1 A RESOLUTION related to Tacoma Rail; authorizing the reissuance of
2 TMBL 8807 series freight switching tariff.

3 WHEREAS the Department of Public Utilities, Beltline Division (d.b.a.
4 "Tacoma Rail"), recommends the Public Utility Board approval and authorization
5 to reissue its freight switching tariff TMBL 8807, incorporating such
6 adjustments, as on file with the Clerk of the Board, and
7

8 WHEREAS switching tariffs define the line haul and miscellaneous
9 switching charges allocated to the movement of railcars and the following
10 adjustments are proposed:

- 11 • Intermodal increases from \$50 to \$51 per platform;
- 12 • Unit train single spot increases from \$220 to \$224;
- 13 • Unit train multiple spot increases from \$295 to \$300; and
- 14 • Commercial increases from \$300 and \$350 to \$306 and \$356.

15 WHEREAS Section 4.11 of the Tacoma City Charter requires that all
16 matters related to the fixing of rates and charges for utility services shall be
17 initiated by the Board and approved by the City Council, and
18

19 WHEREAS Tacoma Rail believes it is in the best interests of its
20 customers and the citizens of Tacoma that the recommended freight switching
21 tariff be approved; Now, Therefore,
22

23 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

24 The proposed adjustments to the Tacoma Rail Freight Switching Tariff
25 TMBL 8807 series is hereby approved, and the City Council is requested to
26 pass an ordinance approving such revisions effective January 1, 2019, and



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authorize the publication thereof substantially in the form as that on file with the
Clerk of the Board and in final form to be approved by the City Attorney.

Approved as to form and legality:

Chair

[Signature]

Chief Deputy City Attorney

Secretary

Clerk

Adopted _____

of November 13, 2018

REQUEST FOR RESOLUTION

Date: October 11, 2018

INSTRUCTIONS: File request in the Office of the Director of Utilities as soon as possible but not later than nine working days prior to the Board meeting at which it is to be introduced. Completion instructions are contained in Administrative Policy POL-104.

1. Summary title for Utility Board agenda: (not to exceed twenty-five words)
Tacoma Rail requests authorization to reissue the TMBL 8807 series freight switching tariff.

2. A resolution is requested to: (brief description of action to be taken, by whom, where, cost, etc.)
Tacoma Rail's customers consist of local industries and other railroads. The switching tariffs define the line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail's TMBL tariff rates associated with unit train and other Tacoma interchanged line haul traffic were last updated in 2018 and 2017.

Line haul rates are charged to the BNSF or Union Pacific railroads unless the industry served or shipper elects to pay the fees themselves. The switching tariff rate adjustments include the following:
 - Intermodal increases from \$50 to \$51 per platform
 - Unit train single spot increases from \$220 to \$224
 - Unit train multiple spot increases from \$295 to \$300
 - Commercial increases from \$300 and \$350 to \$306 and \$356

3. Summarized reason for resolution:
Tacoma Rail requests approval of this resolution as required by Tacoma City Charter Section 4.11, which stipulates Public Utility Board and City Council approvals are necessary for the fixing of rates and charges for utility services.

4. Attachments:
 - a. Letter from Jackie Flowers, Director of Utilities
 - b. Tacoma Rail Freight Tariff TMBL 8807-I

5. ☐ Funds available ☒ Proposed action has no budgetary impact

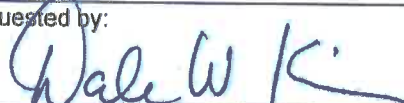
6. Deviations requiring special waivers:
N/A

Originated by:



Daniel McCabe

Requested by:



Dale W. King

Approved:



Jackie Flowers



TACOMA PUBLIC UTILITIES
3628 South 35th Street
Tacoma, Washington 98409-3192

October 11, 2018

Chair Jones and Members of the Public Utility Board; and
Mayor Woodards and Members of City Council:

SUBJECT: Reissue Tacoma Rail's Switching Tariff

Request:

Tacoma Rail requests authorization to reissue the TMBL 8807 series freight switching tariff.

Background:

Tacoma Rail's customers consist of local industries and other railroads. The switching tariffs define the line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail's TMBL tariff rates associated with unit train and Tacoma interchanged line haul traffic were last updated in 2018 and 2017.

Line haul rates are charged to the BNSF or Union Pacific railroads unless the industry served or shipper elects to pay the fees themselves. The switching tariff rate adjustments include the following:

- Intermodal increases from \$50 to \$51 per platform
- Unit train single spot increases from \$220 to \$224
- Unit train multiple spot increases from \$295 to \$300
- Commercial increases from \$300 and \$350 to \$306 and \$356

APPROVED:



Jackie Flowers
Director of Utilities





TO: Mayor Woodards and Members of the City Council
FROM: Jackie Flowers, Director/CEO, Tacoma Public Utilities
Dale W. King, Superintendent/COO, Tacoma Rail
COPY: Elizabeth Pauli, City Manager and City Clerk
SUBJECT: Reissue Tacoma Rail Freight and Demurrage Tariffs – November 13, 2018
DATE: October 11, 2018

SUMMARY:

Tacoma Rail requests authorization to reissue the TMBL 8807 series freight switching tariff for an effective date of January 1, 2019.

STRATEGIC POLICY PRIORITY:

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Tacoma Rail's tariffs support the rail served customers.

BACKGROUND:

Tacoma Rail's customers consist of local industries and other railroads. The switching tariffs define the line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail's TMBL tariff rates associated with unit train and other Tacoma interchanged line haul traffic were last updated in 2018 and 2017.

Line haul rates are charged to the BNSF or Union Pacific railroads unless the industry served or shipper elects to pay the fees themselves. The switching tariff rate adjustments include the following:

- Intermodal increases from \$50 to \$51 per platform
- Unit train single spot increases from \$220 to \$224
- Unit train multiple spot increases from \$295 to \$300
- Commercial increases from \$300 and \$350 to \$306 and \$356

ISSUE:

The current tariffs don't encapsulate cost of service rates and services associated with the anticipated expense for 2019.

ALTERNATIVES:

One alternative is no change, which is not viewed as the most fiscally responsible approach for Tacoma Rail or its customers.

RECOMMENDATION:

Tacoma Rail recommends approval of the proposed Rate Tacoma Rail Tariff TMBL 8807-I with an effective date of January 1, 2019 to ensure reliable rail services at cost of service rates.

FISCAL IMPACT:

Rates herein are anticipated to increase the revenues of Tacoma Rail over the next biennium by approximately \$1,200,000.

TACOMA MUNICIPAL BELT LINE RAILWAY

FREIGHT TARIFF TMBL 8807-~~IH~~
(Cancels Tariff TMBL 8807-~~GH~~)

**NAMING
SWITCHING AND OTHER TERMINAL CHARGES
AS PROVIDED IN SECTION 1 HEREIN**

**APPLYING AT ALL LOCATIONS ON THE
TACOMA MUNICIPAL BELT LINE RAILWAY
(TACOMA RAIL)**

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

ISSUED: December 10, 201~~8~~7

EFFECTIVE: January 1, 201~~9~~8

Dale W. King, Superintendent
2601 SR 509 North Frontage Road
Tacoma, WA 98421

1.01	<p>CANCELLATION NOTICE:</p> <p>Freight Tariff TMBL 8807-HI hereby cancels provisions formerly shown in Freight Tariff TMBL 8807-HI series for account the TMBL. Provisions formerly shown in Freight Tariff TMBL 8807-HI for account TMBL and not brought forward in Freight Tariff TMBL 8807-HI are hereby cancelled.</p>
ITEM	<p>RULES AND OTHER GOVERNING PROVISIONS. SPECIAL RULES AND REGULATIONS</p>
10	<p>REFERENCES TO TARIFFS, ITEMS, NOTES, RULES, ETC.:</p> <p>Where reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, rules, etc.</p>
20	<p>STATION LISTS AND CONDITIONS:</p> <p>This tariff is governed by the Official List of Open and Prepay Railroad Stations, OPSL 6000 series, to the extent shown below:</p> <p style="text-align: center;">PREPAY REQUIREMENTS AND STATION CONDITIONS</p> <p>For additions and abandonment of stations, and except as otherwise shown herein, for prepay requirements, changes in the names of stations, restrictions as to the acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to that station published in this tariff are inapplicable on or after that date.</p>
30	<p>METHOD OF ADDING, CHANGING OR DELETING ITEMS IN THIS TARIFF:</p> <ol style="list-style-type: none"> As this tariff is supplemented; numbered items with letter suffixes cancel corresponding numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence, starting with A. EXAMPLE: Item 5-A cancels Item 5 and Item 10-B cancels Item 10-A in a prior supplement, which; in turn, cancelled Item 10. Unless otherwise indicated, latest publication of Item likewise cancels any prior publication of that Item. EXAMPLE: Item 2.20 in supplement 1 cancels Item 2.20 in the original publication. Changes to this tariff will be made by issuing supplements. These supplements will show the action taken on each item by the following reference marks: [A] – Addition [I] – Increase [R] – Reduction [NC] – Brought forward without change [C] – Changes resulting in neither an increase nor a decrease There will be only one supplement to this tariff in effect at any time. Any item contained in a prior supplement will be brought forward to subsequent supplements, showing the original effective date of the item.

ITEM	RULES AND OTHER GOVERNING PROVISIONS. SPECIAL RULES AND REGULATIONS - UNLIMITED
100	BILLS OF LADING: Order Bill of Lading will not be issued to cover Intra-Terminal or Inter-Terminal switching movements.
110	CHARGE FOR HAUL OF EMPTY RAILCARS NOT USED FOR LOADING: When an empty railcar is ordered to be loaded and is returned empty, the charge is the same as if the railcar was interchanged as a load to the BNSF or UP.
130	CHARGES ON OVERLOADED RAILCARS: When an overloaded railcar is discovered in Intra-terminal, Inter-terminal, or Intra-plant switching service, the shipper will be given the opportunity to unload the excess at a charge of \$232.00 per railcar. The charge of \$232.00 per railcar will be in addition to all other applicable charges.
140	DETENTION CHARGES ON HEAVY DUTY FLAT RAILCARS: For detention and use charges on heavy duty flat railcars, see Item 270 of Tariff RIC 6740-series.
150	RETURN MOVEMENT OF RAILCARS PLACED FOR LOADING OR UNLOADING: Charges provided in this tariff include the return of empty railcars after unloading or placing of empty railcars for loading, except as provided herein.
160	TERMINAL AND OTHER CHARGES: <ol style="list-style-type: none">1. Railcar Rental Charges and Demurrage will be governed by tariffs or other instruments of individual carriers.2. The switching rates shown in this tariff cover the charge for movement of railcar and lading contained therein only and do not include charge for any additional service such as, but not limited to, heating, icing, protection of property from frost or freezing, refrigeration nor any factors entering into the refrigeration service, such additional service shall be furnished by and at the expense of the shipper.

170	<p>TURNING OF RAILCARS TO PERMIT LOADING OR UNLOADING:</p> <p>1. In instances where it is desired that freight in a railcar load be placed on delivery tracks for loading at stop-off points or unloading at stop-off points or destinations from one particular side or end of a railcar, railcars must be properly placarded on both sides and notation made on bill of lading and waybills substantially as follows:</p> <p style="text-align: center;">NOTICE TO CARRIER</p> <p>Deliver railcar for loading at stop-off points or unloading at stop-off points or destinations from the door or railcar specified by placard.</p> <p>2. On freight in carloads, not properly placarded on both sides of railcar to load or unload from one particular side or end of railcar, which shipper or consignee, after initial placement of railcar, directs carrier to turn and return to the same track for loading or unloading from opposite side or end of railcar, the following shall apply:</p> <p style="text-align: center;">CHARGES (Notes 1 and 2)</p> <p>A. If the railcar is turned at a Y or a turn-table within the confines of an industry, the Intra-Plant switching charge will apply.</p> <p>B. If the railcar is turned at a Y or turn-table within the same switching district but outside the confines of the industry, the Intra-Terminal switching charge will apply.</p> <p>C. If the railcar must be moved to a Y or a turn-table located outside the switching district and the round-trip distance to and from the Y or turn-table is:</p> <p style="padding-left: 40px;">a. 100 miles or less - \$412.00 per railcar.</p> <p style="padding-left: 40px;">b. Over 100 miles – \$824.00 per railcar,</p> <p>NOTE 1- If bill of lading carries notation that a railcar has been placarded and placard has disappeared before placement, the charge named herein will not apply.</p> <p>NOTE 2- If the line haul rate is lower than the charge for turning of the railcar, the line haul rate will be assessed.</p>
180	<p>DEFINITION OF INTRA-PLANT, INTRA-TERMINAL AND INTER-TERMINAL SWITCHING:</p> <p>1. For the purpose of the application of rates in this Tariff the terms Intra-Plant, Intra-Terminal, and Inter-Terminal switching are defined as follows:</p> <p>A. INTRA-PLANT SWITCHING - A switching movement from one track to another, or from one location to another location on the same track within the same plant or industry, and only when the physical movement is performed entirely within the confines of the plant or industry. (Same Industry)</p> <p>B. INTRA-TERMINAL SWITCHING - A switching movement (other than Intra-Plant switching) from one track to another of the same road, or from one location to another location on the same track within the switching limits of one station or industrial switching district. (Same Road)</p> <p>C. INTER-TERMINAL SWITCHING - A switching movement from a track of one road to a track of another road when both tracks are within the switching limits of the same station or industrial switching districts. (Road to Road)</p>

ITEM	SECTION 1 SWITCHING
1000	<p>APPLICATION:</p> <p>Switching rates and charges named in this section will apply for account TMBL as follows:</p> <ul style="list-style-type: none">A. Applicable at all points on the TMBL unless specified by written agreement.B. Intra-Terminal, Inter-Terminal and Intra-Plant service as described in Item 180, Intra-Terminal, Inter-Terminal and Intra-Plant services are applicable in connection with line haul traffic. Rates do not include wharfage, loading, unloading or other terminal expenses and apply only to freight loaded or unloaded by consignor or consignee within the switching limit of this section, except as otherwise authorized.C. Reciprocal Switching – A switch movement from an industry or firm on TMBL to interchange tracks of connecting carrier or vice versa, on line haul traffic (for rate to apply, see item 1010). The switching charge applicable, whether absorbed in whole or part, will be the charge in effect on the date of the actual physical interchange of the loaded railcar.D. Rates named herein include only the performance of normal switching service by and at the convenience of the carrier (TMBL). Normal switching contemplates only one switch per day and only on those days when the TMBL has regularly scheduled switching service at the plant site or industry, except the TMBL may, at its discretion only, make additional switches when deemed appropriate by the TMBL.E. The switching charge (unless otherwise specified) applies on the movement of a railcar loaded in one direction an empty in the other direction between the points named. If a railcar is loaded in both directions, the charge will be made for each loaded movement. Switching charges (unless otherwise specified) includes the spotting of a railcar one time at a designated spot within the plant site or industry or storage location. If an additional movement is necessary, on request of the industry, the applicable switch charge will be assessed.F. Special Switching – If requested by an industry or connecting carrier special switching will be performed at the sole discretion of the TMBL at the following charges. Such charges are in addition to all other applicable charges and switching rates named in this tariff. Special Switching charge will be assessed and billed to the industry or connecting carrier authorizing or requesting the special switching service (notes 1 and 2):<ul style="list-style-type: none">1. Monday through Sunday, exclusive of holidays, charge is \$500.00 per hour with a minimum of two hours (\$1,000.00). Time in excess is computed to next half hour.2. Holidays, (note 2) subject to an application for such service in advance; charge is \$654.00 per hour with a minimum of four hours (\$2,616.00). Time in excess is computed to next half hour. <p>NOTE 1 - Charges for intra-plant, intra-terminal or inter-terminal switching as the case may be, will be billed and assessed separately, and will not be usable as credits for special switching service charges.</p> <p>NOTE 2 - Holidays are identified as New Years Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.</p>

1010	<p>LINE HAUL SWITCHING RATES AND CHARGES IN DOLLARS AND CENTS FOR RAILCARS:</p> <ol style="list-style-type: none"> 1. A charge of \$519.00 per platform (See Note 1) for each loaded or empty intermodal railcar (See Note 2) between interchange with BNSF or UP; and an Intermodal Terminal (See Note 3). 2. The following charges are per railcar for each loaded railcar interchanged with the BNSF or UP, other than intermodal railcars or unit trains (See Note 5), and other than railcars required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> a. \$3060 for railcars interchanged in Tacoma b. \$570 for railcars interchanged in locations other than Tacoma 3. <u>The following charges are per railcar for each loaded railcar interchanged with the BNSF or UPA charge of \$350.00 for each loaded railcar</u>, other than intermodal railcars, required to be placarded as carrying a hazardous commodity. (See Note 4) <ol style="list-style-type: none"> a. <u>\$356 for railcars interchanged in Tacoma</u> e.b. <u>\$570 for railcars interchanged in locations other than Tacoma</u> 3.4. A charge of \$2240.00 for each loaded railcar in a unit train (See Note 5) to a facility which can unload or load the unit train in its entirety. (See Note 4) 4.5. A charge of \$295<u>300</u>.00 for each loaded railcar in a unit train (See Note 5) to a facility which cannot unload or load the unit train in its entirety. (See Note 4) <p>NOTE 1 – A platform is a location within a railcar, used for loading containers, that is separated by articulations. Unless a railcar has no containers on any platform, it is considered a load.</p> <p>NOTE 2 – A loaded intermodal railcar is defined as having any number of containers on the railcar, regardless whether the containers are loaded or empty.</p> <p>NOTE 3 –Intermodal terminals are identified as follows:</p> <ol style="list-style-type: none"> A) North Intermodal Yard – NIM B) South Intermodal Yard – SIM C) Hyundai Intermodal Yard – HIM aka WUT D) Pierce County Terminal – PCT <p>NOTE 4 – When a non-intermodal shipment is made using railcars that are articulated, each articulation shall be counted as an additional railcar for purposes of applying this rate.</p> <p>NOTE 5 – A unit train is defined as a train consisting of more than 90 railcars, other than intermodal, all destined to a single facility.</p>
1020	<p>INTRA-PLANT SWITCHING:</p> <p>The charge is \$139.00 per railcar, for railcars loaded or empty, for Intra-Plant switching service as defined in Item 180.</p>
1040	<p>RAILCARS, OLD, FOR SCRAPPING ONLY, MOVING ON OWN WHEELS:</p> <p>FROM – Interchange point of BNSF or UP in Tacoma, WA.</p> <p>TO – Scrapping plants or storage on the TMBL</p> <ol style="list-style-type: none"> 1. Charge is \$3060.00 per railcar. Intra-terminal Switch Charges in item 1160 will apply for movement from storage to plant or plant to storage.

1060	<p>RAILCARS, FOR REPAIRS ONLY, MOVING ON OWN WHEELS:</p> <p>BETWEEN - Interchange points of BNSF or UP in Tacoma, WA.</p> <p>AND – Designated shop on TMBL</p> <p>OR – Staging track of designated shop on TMBL</p> <p>1. Charge is \$3060.00 per railcar.</p> <p>Charge applies for round trip movement of railcars from point of Interchange to shop site or staging and return and will be assessed on the initial movement.</p>
1070	<p>CRANES AND LOCOMOTIVES OWNED BY SCHNITZER STEEL:</p> <p>FROM – Any track on Schnitzer Steel property located at 1902 Marine View Drive, Tacoma, WA.</p> <p>TO – Any other track on Schnitzer Steel property located at 1902 Marine View Drive, Tacoma, WA.</p> <p>Charge is \$3006.00 per unit.</p>
1090	<p>LOCOMOTIVES, OLD FOR SCRAPPING ONLY, MOVING ON OWN WHEELS:</p> <p>FROM - Interchange point of BNSF or UP in Tacoma, WA</p> <p>TO – Scrapping plant or storage locations on the TMBL</p> <p>1. Charge is \$3006.00 per individual unit.</p> <p>Intra-terminal Switch Charges in item 1160 will apply for movement from storage to plant or plant to storage.</p>
1110	<p>LOCOMOTIVES, OLD, FOR REPAIRS ONLY, MOVING ON OWN WHEELS:</p> <p>FROM – Interchange point of BNSF or UP in Tacoma, WA.</p> <p>TO – Repair plants or storage locations on the TMBL.</p> <p>1. Charge is \$3006.00 per individual unit.</p> <p>Charge applies for round trip movement of locomotive between interchange and plant or storage location and will be assessed on the initial movement. Intra-terminal Switch Charges in item 1170 will apply for movement from storage to plant or plant to storage.</p>
1120	<p>ERROR DELIVERY AND SETBACK CHARGE:</p> <p>When loaded or empty railcars are delivered to TMBL in error by connecting carriers, and are returned to the same carrier without being loaded or emptied on TMBL, a charge per railcar will be assessed to the connecting carrier equal to that carrier's charge to TMBL for the same type of railcar movement. Charges for BNSF will be those specified for Interchange Error as provided in tariff BNSF 8005 series. Charges for UP will be those specified for Setback Charges as provided in tariff UP 6004 series. TMBL will not be responsible for car hire on these railcars, and will reclaim all car hire assessed from the connecting carrier.</p> <p>When loaded or empty railcars are delivered to the TMBL by connecting carriers due to an error by the Customer, any charges incurred by the railcar from the connecting carrier will be charged to the Customer by Tacoma Rail with a 10% administration fee in addition to any applicable Tacoma Rail charges.</p>

1160	<p>INTRA-TERMINAL/INTER-TERMINAL RAILCAR SWITCHING:</p> <p>Charges shown in this item apply for Intra-Terminal or Inter-Terminal switching, (except as otherwise shown in this section), as defined in Item 180. Charges do not apply on railway equipment as described in Item 1170. Intermodal rates are per platform. A platform is a location within a railcar, used for loading containers, that is separated by articulations.</p> <ol style="list-style-type: none">Intra-Terminal Charges<ol style="list-style-type: none">Non-intermodal - \$285.00Intermodal - \$75Inter-Terminal Charge - \$343.00
1170	<p>INTRA-TERMINAL/INTER-TERMINAL RAILWAY EQUIPMENT SWITCHING:</p> <p>Charges shown in this Item apply per railcar and only on RAILWAY EQUIPMENT, moved on own wheels, but not under own power.</p> <p>LOCOMOTIVES, LOCOMOTIVE TENDERS or LOCOMOTIVES and TENDERS combined.</p> <p>STEAM SHOVELS, STEAM DERRICKS or LOCOMOTIVE CRANES.</p> <p>CHARGES FOR IDLERS (Note 1)</p> <ol style="list-style-type: none">Intra-Terminal Charge - \$494.00Inter-Terminal Charge - \$593.00 <p>NOTE 1 – Charges for idler railcars used in transportation of Locomotives or Tenders, Steam Derricks, Steam Shovels or Locomotive Cranes will be charged at rates named in Item 1160 for each railcar so used.</p>
1180	<p>LOADED OR EMPTY RAILCARS RELEASED AND NOT READY</p> <p>A charge of \$100 per railcar will be assessed for each Customer railcar released and not available to be pulled or accepted by the TMBL. This charge is in addition to any applicable demurrage charges or other applicable charges.</p>
1200	<p>LATE PAYMENTS:</p> <p>Late Payments: Invoices are due and payable thirty (30) days following the date of the invoice.</p>

1220	<p>FUEL SURCHARGE:</p> <p>All loaded railcars will have a per railcar fuel surcharge applied in addition to the switch charge in item 1010-series.</p> <p>NOTE 1 – The fuel surcharge will be reviewed and adjusted quarterly.</p> <p>NOTE 2 – Adjustments to the fuel surcharge will reflect any rate changes to Tacoma Rail's current fuel price above \$2.50 per gallon at the time of review. The Fuel Surcharge Rate will also include 10% to cover taxes and administrative costs.</p> <p>NOTE 3 – Fuel surcharge collected above or below actual cost of fuel over the previous three months will offset the new fuel surcharge rate appropriately. If the offset applied to the fuel surcharge drops below \$0.00, no fuel surcharge will apply.</p>
99999	<p>EXPLANATION OF ABBREVIATIONS AND REFERENCE:</p> <p>BNSF - BNSF Railway Company UP - Union Pacific Railroad Company FT - Freight Tariff TMBL - Tacoma Municipal Belt Line Railway and all lines served by it</p> <p>[A] – Addition [I] – Increase [R] – Reduction [NC] – Brought forward without change [C] – Changes resulting in neither an increase nor a decrease</p> <p>-END-</p>