

Tacoma Public Utilities and Environmental Services 2025-2026 Business Rate Proposals

Tacoma Public Utilities will present our 2025-2026 budgets to the Public Utility Board and Tacoma City Council this fall for approval. Our proposals include rate adjustments for Tacoma Power and Tacoma Water.

Proposals for Environmental Services (Wastewater, Solid Waste, and Stormwater) are sent to the Environmental Services Commission, which recommends them to the Tacoma City Council for review and approval.



Tacoma Power

Small General Business (B rate)

- Annual increases: 6.1% in 2025; 6.1% in 2026*
- Average monthly increases: \$9.79 in 2025; \$10.02 in 2026*

General Business (G rate)

- Annual increase of 3.2% in 2025; 3.2% in 2026*
- Average monthly increases of \$131 in 2025; \$144 in 2026*

Rates go into effect in April of each year.

**Rates in University Place are slightly higher due to a 6% utility tax from the City of U.P.*



Tacoma Water

Commercial

- Overall: 6.6% in 2025; 6.6% in 2026
 - Fixed charge: 6.5% in 2025; 6.5% in 2026
 - CCF (variable) rate: 6.9% in 2025; 7.0% in 2026
- Average monthly increases for customers inside the City of Tacoma:
 - \$22.38 in 2025; \$23.89 in 2026
- Average monthly increases for customers outside the City of Tacoma:
 - \$26.88 in 2025; \$28.64 in 2026*

Large Volume Commercial

- Overall: 9.0% in 2025; 9.0% in 2026
 - Fixed charge: 6.5% in 2025; 6.5% in 2026
 - CCF (variable) rate: 9.1% in 2025; 9.1% in 2026
- Average monthly increases for customers inside the City of Tacoma:
 - \$1,934.77 in 2025; \$2,109.79 in 2026
- Average monthly increases for customers outside the City of Tacoma:
 - \$2,321.75 in 2025; \$2,537.71 in 2026*

Rates go into effect in January of each year.

**Rates in University Place are slightly higher due to a 6% utility tax from the City of U.P.*

Environmental Services



Stormwater

2025 - approx. 8% increase

2026 - approx. 8% increase



Wastewater

2025 - approx. 3-9% increase

2026 - approx. 5-8% increase



Solid Waste

20 gallon - 300 gallon containers

- 2025 - approx. 0-8% increase
- 2026 - approx. 0-8% increase

Drop-off boxes

- 2025 - approx. 3% increase
- 2026 - approx. 3% increase

Drop-off box compactor containers

- 2025 - approx. 8% increase
- 2026 - approx. 8% increase

Front load containers

- 2025 - approx. 3% increase
- 2026 - approx. 3% increase

Front load compactor containers

- 2025 - approx. 8% increase
- 2026 - approx. 8% increase

Commercial recycling

- 2025 - approx. 8% increase
- 2026 - approx. 8% increase

Rates go into effect in January of each year.

These rates are preliminary and are subject to change.



Why adjust rates?

As public utilities, we set rates to cover the costs of essential services. This includes the cost of providing safe, reliable services, maintaining our systems, protecting natural resources near our facilities, complying with regulations, and investing in upgrades that improve your services. Increased costs to operate and maintain our systems, inflation in materials and supplies, and ongoing impacts from losing one of our largest commercial water customers are the primary factors affecting our rates for 2025 and 2026. Average utility construction costs have increased over 20-30% in the last three years. We need to increase our rates to cover these higher costs. By gradually increasing rates over time, we can prevent large increases while still providing the services you rely on.

Increased costs from inflation

Like our customers, we are experiencing increased insurance, equipment, and supply costs. For example, the cost of buying electricity to ensure reliability and meet demand is increasing by 13%. Another example is that the cost of our CNG collection trucks for Solid Waste increased by more than 25% over the last four years.

Supply chain shortages

Delays and difficulty in buying equipment result in increased costs and limited resources. For example, replacing a transformer costs 282% more than it did a few years ago.

Critical infrastructure

We need to maintain and improve aging critical infrastructure for safety and reliability. One major example is a multi-year sewer main replacement project along Puyallup Avenue, which affects both Stormwater and Wastewater utilities.

Cost savings projects

We know rates affect you. We work hard to keep our costs down, which helps us provide some of the lowest rates in the region. This keeps services more affordable for everyone in our community.

Here are a few examples of how we reduce costs:

- Pursuing state and federal grants to fund projects that improve the customer experience, including:
 - Bureau of Reclamation Water Smart Grant to offset the costs of advanced water meters.
 - American Public Power Association – Demonstration of Energy & Efficiency Developments paid for a Heat Pump Water Heating pilot in two Tacoma Housing Authority multi-family buildings.
 - The WA Department of Commerce (Public Works Board FY2023) helps cover the costs of a new water pump station at Fennel Creek.
- Refinancing our loans and bonds to a lower rate so we pay less in interest.
- Recycling and selling equipment and property we no longer need.

- Increasing our sales of excess power and water to other utilities.
- Implementing a new, more efficient process for calculating water usage for wastewater bills that reduced staff time spent on billing.

Ways to manage your payments

We offer several ways for businesses of all sizes to manage their utility bills. From managing multiple utility accounts, to resources for property managers and multifamily properties, to dedicated customer service and account executives for business customers, we have you covered.

Ways to manage your electricity and water use

Power and water conservation can lower your usage, reduce costs, and benefit the environment. We offer several ways to save on equipment upgrades that reduce usage, like lighting, HVAC, smart irrigation, and more.

How you can get involved

- Read our budget proposals online.
- Attend our public meetings and outreach events, including a public hearing at the Public Utility Board meeting on October 9, 2024, and City Council meetings later this fall.
- Submit your questions and comments through our online form.
- Contact your Account Executive.

Visit MyTPU.org/Rates for details.

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