



RESOLUTION NO. U-11221

1 A RESOLUTION related to amending Chapter 12.01 and 12.06 of the Tacoma
2 Municipal Code to provide for an Advanced Metering Infrastructure Opt-
3 Out fee, clarification regarding fees and charges, and clarifications
4 related to the PrePay program billing statements.

5 WHEREAS, the City of Tacoma, Department of Public Utilities (“TPU”)
6 has requested a proposed fee and other changes to Chapter 12.01 “Utility
7 Charges” and Chapter 12.06 “Electric Energy – Regulations and Rates” of the
8 Tacoma Municipal Code (“TMC”), and

9 WHEREAS, the proposed revisions to the TMC are needed to support
10 the Advanced Metering Infrastructure (“AMI”) Project and to clarify billing
11 practices related to the PrePay program, and

12 WHEREAS, TPU staff has reviewed existing policies, procedures, and
13 practices for essential changes required to implement advanced metering or to
14 make other updates as needed, and

15 WHEREAS, TPU desires to amend Section B of Chapter 12.01.010
16 “Utility Services Establishment” of the TMC to add an AMI Opt-Out fee and to
17 add language allowing the low-income senior and/or disabled Discount Rate
18 Program percentage fee discount to apply to the Opt-Out fee, and

19 WHEREAS, TPU desires to amend Sections B and C of Chapter
20 12.01.010 of the TMC to add language specifying there will not be a
21 disconnection, connection, or reconnection fee charged to customers if the
22 action may normally be performed remotely, and

23 WHEREAS, TPU desires to amend Section A of Chapter 12.06.110
24 “Billing – Payment of bills and delinquency” of the TMC to clarify that PrePay
25
26



customers will receive a billing statement that itemizes service activity during
 1 the previous period, and

2 WHEREAS, proposed revisions to the rates and charges for utility
 3 services and changes to the TMC require approval by the Public Utility Board
 4 and Tacoma City Council pursuant to Tacoma City Charter and state law; Now,
 5 therefore,
 6

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

8 Sec. 1. The proposed revisions to Section B and Section C of Chapter
 9 12.01.010 "Utility Services Establishment" of the TMC related to Tacoma Public
 10 Utilities' customer charges and fees to add a \$15.00 AMI Program Opt-Out
 11 service fee and to specify no disconnection, connection, or reconnection fee for
 12 actions ordinarily performed remotely are hereby approved.
 13

14 Sec. 2. The proposed revisions to Section A of Chapter 12.06.110
 15 "Billing – Payment of bills and delinquency" of the TMC related to the PrePay
 16 billing statements are hereby approved.
 17

18 Sec. 3. The Council of the City of Tacoma is requested to pass an
 19 ordinance approving such revisions by amending Chapters 12.01 and 12.06 of
 20 the Tacoma Municipal Code, in substantially the form as set forth in the
 21 documents on file with the Clerk of the Board, and in final form to be approved
 22 by the City Attorney.
 23

24 Approved as to form:

25 _____
 /s/
 Chief Deputy City Attorney

26 _____
 Clerk

 Chair

 Secretary
 Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Power Superintendent/COO
Scott Dewhirst, Water Superintendent/COO
MEETING DATE: November 18, 2020
DATE: November 6, 2020

SUMMARY: Tacoma Public Utilities requests a resolution to adopt proposed revisions to the Tacoma Municipal Code, Chapters 12.01 and 12.06. These revisions support implementation of the Advanced Metering Infrastructure Project, and include the addition of an advanced metering opt-out fee and associated fee discount, language specifying that PrePay customers will receive statements instead of invoices, and language specifying that remote meter disconnections, connections, and reconnections will not be charged a fee.

BACKGROUND: Tacoma Public Utilities (TPU) plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories, replacing or upgrading all non-communicating power and water meters with advanced two-way communicating technology. Advanced metering is a foundational element of Tacoma Public Utilities' Utility Modernization Strategy and will deliver customers new key benefits over time related to their power and water usage. Advanced metering technology will capture interval data, enable two-way communications, include remote capabilities, and provide advanced outage/issue detection and verification. Advanced metering will modernize utility operations and be a cornerstone to deliver customers improved services and benefits.

As a transformative initiative, the Advanced Metering Project has and continues to require a significant effort across TPU to implement the new processes, applications, technologies, and integrations needed to fully enable the functions and features of the solution. As part of this initiative, TPU has reviewed existing utility policies, procedures, and practices for essential changes required to implement advanced metering or to make other essential updates as needed.

Proposed revisions to the Tacoma Municipal Code, Title 12-Utilities (attached, with explanatory comments) include changes to Chapters 12.01 and 12.06 in the following sections:

- **12.01.010 B:** The word "Fees" is added to the section title, to clarify this section includes both adjustments and fees.

Language is added for the recommended \$15.00 AMI Opt-Out service fee, to be charged each billing cycle for opt-out customers (e.g. monthly). Specification is added regarding a fee discount percentage and that low-income senior and/or disabled Discount Rate Program customers are eligible to receive that program's discount on the fee. The fee is based on TPU's costs to provide opt-out service and shall be effective January 1st, 2021. Opt-Out of Advanced Metering Infrastructure is a voluntary option for customers.

- **12.01.010 B and C:** Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely (without a field visit). Remote meter disconnection and reconnection is a benefit enabled by Advanced Metering Infrastructure.



Board Action Memorandum

Historically, TPU did not charge remote meter disconnection and reconnection fees for PayGo (TPU's pilot prepayment program) and the utility recommends to continue this practice for PrePay going forward (TPU's upcoming prepayment program). Expanding this to all meters with remote capability provides consistency and is also cost of service based, with new automated processes minimizing/eliminating manual office procedures and field visits.

The primary benefit is to residential electric customers, with a small percentage of water meters also having remote disconnection/reconnection capability (not planned for wide use; approximately 200 bellwether water meters primarily to collect pressure/temperature in addition to usage).

- **12.06.110 A:** Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date. This aligns to the TPU Customer Services Policy regarding PrePay statements (section 4.2.2).

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?

Yes, fee related revenue changes continue to be reviewed and planned for as advanced meters are deployed to customers.

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

N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?

N/A.

ATTACHMENTS: Proposed Tacoma Municipal Code Revisions and Explanatory Comments

CONTACT: Andre' Pedefferri, Utility Technology Services, Advanced Meter Program Manager, (253) 502-8997; Matt Hubbard, Utility Technology Services, Power Engineer, (253) 345-1662



TO: Elizabeth Pauli, City Manager
FROM: Matt Hubbard, Power Engineer, Tacoma Public Utilities
Jackie Flowers, Utilities Director, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance to Adopt Revisions to TMC Chapters 12.01 and 12.06 in Support of the Advanced Metering Project/ First Reading December 8, 2020
DATE: November 6, 2020

SUMMARY AND PURPOSE:

Tacoma Public Utilities requests a resolution to adopt proposed revisions to the Tacoma Municipal Code, Chapters 12.01 and 12.06. These revisions support implementation of the Advanced Metering Infrastructure Project, and include the addition of an advanced metering opt-out fee and associated fee discount, language specifying that PrePay customers will receive statements instead of invoices, and language specifying that remote meter disconnections, connections, and reconnections will not be charged a fee.

BACKGROUND:

Tacoma Public Utilities (TPU) plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories, replacing or upgrading all non-communicating power and water meters with advanced two-way communicating technology. Advanced metering is a foundational element of Tacoma Public Utilities' Utility Modernization Strategy and will deliver customers new key benefits over time related to their power and water usage. Advanced metering technology will capture interval data, enable two-way communications, include remote capabilities, and provide advanced outage/issue detection and verification. Advanced metering will modernize utility operations and be a cornerstone to deliver customers improved services and benefits.

As a transformative initiative, the Advanced Metering Project has and continues to require a significant effort across TPU to implement the new processes, applications, technologies, and integrations needed to fully enable the functions and features of the solution. As part of this initiative, TPU has reviewed existing utility policies, procedures, and practices for essential changes required to implement advanced metering or to make other essential updates as needed.

Proposed revisions to the Tacoma Municipal Code, Title 12-Utilities (attached, with explanatory comments) include changes to Chapters 12.01 and 12.06 in the following sections:

- **12.01.010 B:** The word "Fees" is added to the section title and language is added for the recommended \$15.00 AMI Opt-Out service fee and discount, to be charged each billing cycle for opt-out customers. The fee is based on TPU's costs to provide opt-out service. Opt-Out of AMI is a voluntary option for customers.
- **12.01.010 B and C:** Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely (without a field visit).
- **12.06.110 A:** Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date.



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The Advanced Metering Project will provide new benefits to residential and commercial utility customers. Before commencing on the project, market research was conducted across all customer groups and showed strong interest in new, modernized benefits, such as a web portal to view granular daily/hourly usage data, alert notifications, PrePay, and monthly billing. In addition, TPU continues ongoing community outreach with Tacoma’s Neighborhood Council Meetings, the Black Collective, Neighborhood Block Groups, Community Organizations (such as the Sunrise Rotary Club), Franchise Cities, Pierce County, and the Joint Municipal Action Committee.

ALTERNATIVES:

The alternative to this recommendation would be to **make no code changes**. Impacts of this alternative are that:

- An opt-out fee for Advanced Metering Infrastructure would not be implemented, and revenue would not be collected to directly offset TPU’s estimated cost of providing customers an opt-out option.
- Disconnection, connection, and reconnection fees would continue to be charged as they are today, regardless if the action is performed remotely or manually (e.g. with or without a field visit).
- The TMC would not accurately reflect that PrePay customers will receive statements instead of invoices.

EVALUATION AND FOLLOW UP:

As the Advanced Meter program progresses, TPU will review necessary policy/code changes to ensure consistency between the TMC and TPU’s new operational state. Recommended code revisions will be brought forward as needed.

STAFF/SPONSOR RECOMMENDATION:

TPU recommends adoption of the proposed revisions to the Tacoma Municipal Code Title 12 – Utilities. It is recommended that the proposed revisions be effective 1/1/2021.

These revisions include changes to Chapters 12.01 and 12.06 in the following sections:

- **12.01.010 B:** The word “Fees” is added to the section title, to clarify this section includes both adjustments and fees.

Language is added for the recommended \$15.00 AMI Opt-Out service fee, to be charged each billing cycle for opt-out customers (e.g. monthly). Specification is added regarding a fee discount percentage and that low-income senior and/or disabled Discount Rate Program customers are eligible to receive that program’s discount on the fee. The fee is based on TPU’s costs to provide opt-out service and shall be effective January 1st, 2021. Opt-Out of Advanced Metering Infrastructure is a voluntary option for customers.

- **12.01.010 B and C:** Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely (without a field visit). Remote meter disconnection and reconnection is a benefit enabled by Advanced Metering Infrastructure.



Historically, TPU did not charge remote meter disconnection and reconnection fees for PayGo (TPU's pilot prepayment program) and the utility recommends to continue this practice for PrePay going forward (TPU's upcoming prepayment program). Expanding this to all meters with remote capability provides consistency and is also cost of service based, with new automated processes minimizing/eliminating manual office procedures and field visits.

The primary benefit is to residential electric customers, with a small percentage of water meters also having remote disconnection/reconnection capability (not planned for wide use; approximately 200 bellwether water meters primarily to collect pressure/temperature in addition to usage).

- **12.06.110 A:** Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date. This aligns to the TPU Customer Services Policy regarding PrePay statements (section 4.2.2).

FISCAL IMPACT:

Following the effective date of the recommended revisions:

- A new Advanced Metering Infrastructure Opt-Out fee will be charged each billing cycle (for voluntary, participating opt-out customers) and
- Disconnection, connection, and reconnection fees will not be charged if the action may ordinarily be performed remotely.

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

N/A – No impact is expected to the 2019-2020 biennium budget.

Are there financial costs or other impacts of not implementing the legislation?

YES

Other impacts if not implemented:

- Customers may not immediately or fully benefit from Advanced Metering Infrastructure (e.g. disconnect, connection, and reconnection fees would continue to be charged as they are today).
- Select sections of TMC Title 12 – Utilities would not reflect the updated operational state of TPU following the implementation of advanced meters.
- Additional technical software and application work may be required to modify planned fee structures.



City of Tacoma

City Council Action Memorandum

Will the legislation have an ongoing/recurring fiscal impact?

YES

Yes, fee related revenue changes continue to be reviewed and planned for as advanced meters are deployed to customers.

Will the legislation change the City's FTE/personnel counts?

NO

ATTACHMENTS:

Proposed Tacoma Municipal Code Revisions and Explanatory Comments

CHAPTER 12.01
UTILITY CHARGES

12.01.010 Utility services establishment.

A utility service establishment charge shall be imposed for each customer's service order for all utilities provided by the City of Tacoma as set forth below:

A. A utility service establishment charge shall be paid by each utility customer at the time of the service request. The charge includes turn-on and turn-off services if required. The establishment charge shall be as indicated in the table below for each service:

Power (metered)	\$10.50
Water (metered)	\$6.10
Solid Waste	\$3.00
Wastewater	\$1.00
Surface Water	\$1.00

Such utility service establishment charge will be allocated to, and recorded as revenue for City tax purposes by each utility providing service.

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B. Adjustments/Fees. A service charge shall be paid by each utility customer if a field call is required to adjust service to a new or different type of service or rate, or for turn-off or turn-on of service. For purposes of this chapter, normal City business hours means 8:00 a.m. to 5:00 p.m., Monday through Friday, except City recognized holidays. The service charge shall be the sum of the following applicable fees:

1. \$10.00 for collection or disconnection for nonpayment.
2. \$12.00 for service connection during normal City business hours.
3. \$60.00 for turn-on or turn-off during all other hours.
4. Plus an additional \$35.00 if a pole or vault cut-in or termination is necessary.
5. \$6.00 for failure to appear for utility turn-on.
6. \$20.00 for self cut-in.
7. \$5.00 for verification of meter reading at the customer's request after second reading within 12 consecutive months.
8. \$5.00 for lock-out during a reasonable attempt to read a meter.
9. \$5.00 for service provided to prepare information for collection on accounts closed over 30 days.
10. \$10.00 for service provided to prepare information for bankruptcy administration.

A \$15.00 recurring billing cycle fee shall be charged for service provided for Opt-Out of Advanced Metering Infrastructure. The low-income senior and/or disabled discount rate percentage, as specified in 12.06.165.C, shall be applied to the opt-out fee for qualified eligible customers as determined by 12.06.165. (Opt-Out fee shall be effective January 1, 2021)

There will not be a disconnection or connection fee charged if the action may ordinarily be performed remotely. Such adjustment charges will be allocated to and recorded as revenue for City tax purposes by each utility providing service.

C. Reconnection fees resulting from delinquency cut-offs shall be as follows:

1. \$12.00 during normal City business hours and \$60.00 during all other hours.
2. \$40.00 for a pole reconnection during normal City business hours and \$65.00 for a pole reconnection during all other hours.

3. \$75.00 for a URD reconnection during normal City business hours.

4. No URD reconnection after normal City business hours.

There will not be a reconnection fee charged if the action may ordinarily be performed remotely. Such reconnection fees will be allocated to and recorded as revenue for City tax purposes by each utility providing service.

(Ord. 27137 § 1; passed Sep. 9, 2003; Ord. 27025 § 1; passed Dec. 10, 2002; Ord. 26076 § 1; passed Jun. 3, 1997; Ord. 24965 § 1; passed Aug. 27, 1991; Ord. 23337 § 6; passed Sept. 10, 1985)

Chapter 12.06
Electric Energy – Regulations and Rates

12.06.110 Billing - Payment of bills and delinquency.

A. The Director shall cause a bill, or statement, 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. PrePay customers will not receive invoices but will receive statements that itemize prepay service activity during the previous period. PrePay customers will receive an invoice for any services not enrolled in PrePay. 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)
