



## PUBLIC UTILITY BOARD POLICY

<p>Category: <b>Guiding Principle</b></p> <p>Date of Adoption: <b>August 28, 2019</b></p> <p>Resolution No.: <b>U-11099</b></p> <p>Revision Date: <b>December 13, 2023 via Resolution U-11424</b></p>	<p>Title: <b>Rates</b></p> <p>Policy Number: <b>GP-3</b></p>
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### Purpose

Tacoma Public Utilities' rates for power, water, and rail services play an important role in securing a strong economy, establishing equity among customers, and producing revenue sufficient to provide safe, reliable, and environmentally-sensitive utility services with rates that are as low as they can responsibly be. TPU strives to ensure rates will be adequate, fair and just.

### Outcomes

1. Utility rates at the lowest levels reasonably sufficient to sustain safe, reliable and environmentally-sensitive utility operations, achieve goals in Operating, Capital, and Strategic Plans, and meet liquidity and debt service coverage requirements, as defined in the Rate and Financial Policies, over the near and long term.
2. Utility rates that reflect ratemaking principles of adequate, fair and just rates that equitably assign costs of providing services to each customer class.
3. Planned gradual and consistent utility rate changes that are stable and predictable over the long term and mitigate sudden or large changes within customer classes.
4. Rate and Financial Policies that provide detail and expand on the Guiding Principles for Tacoma Power, Water, and Rail.
5. Proactive customer and community outreach that provides equitable access to information on rates, policies, and assistance programs, and accompanies rate adjustments as well as significant events that may impact rates.
6. TPU planning methods that incorporate customer assistance programs to support affordability of services for customers.

### Measurements

1. Evaluate and update participation in assistance programs, including income eligibility and affordability.
2. Peer utility customer bill benchmark and analysis on utility service bill including rate assistance.
3. Results of customer and community outreach plans and schedules, including customer feedback and utility responses

**Reporting**

Frequency: Quarterly or as otherwise appropriate

Method: Biennial rate development process

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