



RESOLUTION NO. U-11354

1 A RESOLUTION related to amending Chapter 12.06 and to approve a new rate
2 known as Prepaid Small General Service (Schedule PB).

3 WHEREAS the City of Tacoma, Department of Public Utilities, Light
4 Division (d/b/a "Tacoma Power") is requesting a new, Prepaid Small General
5 Service ("Schedule PB"), be added to Chapter 12.06 of the Tacoma Municipal
6 Code (TMC), and

7 WHEREAS Tacoma Power implemented a prepaid residential service
8 tariff Schedule PR for the residential customer class in TMC 12.06.166,
9 effective January 1, 2021, and
10

11 WHEREAS the tariff Schedule PR allows residential customers to elect
12 to pay for electric service in advance of usage as soon as Advanced Metering
13 Infrastructure (AMI) is installed, and
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15 WHEREAS after Schedule PR was implemented, Tacoma Power
16 received requests from some small general customers for the prepaid option,
17 and

18 WHEREAS Schedule PB allows small commercial customers to
19 voluntarily pay for electric service in advance of usage as soon as AMI is
20 installed, and
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22 WHEREAS Schedule PB provides small commercial customers a better
23 understanding of their electricity use and greater control over their electricity
24 costs, and
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WHEREAS service under the prepaid tariff is provided at the same effective rates as regular post-paid service, the only difference is the timing of the customer payment; Now, therefore,

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

That the proposed revisions to Tacoma Power's rates to add a new rate category, Prepaid Small General Service (Schedule PB), is hereby approved, and the Council of the City of Tacoma is requested to pass an ordinance approving such revisions by amending Tacoma Municipal Code Chapter 12.06, to include a new rate category, Prepaid Small General Service (Schedule PB), effective April 1, 2023, as set forth 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:

Chair

/s/
Chief Deputy City Attorney

Secretary

Clerk

Adopted



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Tacoma Power Superintendent
Ying Hall, Power Section Manager
MEETING DATE: October 26, 2022
DATE: October 7, 2022

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input checked="" type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input checked="" type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input checked="" type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY:

Tacoma Power requests approval by the Public Utility Board for a new rate category—Prepaid Small General Service (Schedule PB).

BACKGROUND:

Tacoma Power implemented prepaid residential service tariff Schedule PR for the residential customer class in TMC 12.06.166, effective January 1, 2021. This tariff allows residential customers to elect to pay for electric service in advance of usage as soon as Advanced Metering Infrastructure (AMI) is installed.

After Schedule PR was implemented, Tacoma Power received requests from some small general customers for the prepaid option. This tariff allows small commercial customers to elect to pay for electric service in advance of usage as soon as AMI is installed. It is a voluntary rate option. It allows the customers to have a better understanding of their electricity use and greater control over their electricity costs. Service under the prepaid tariff is provided at the same effective rates as regular post-paid service. The only difference is the timing of customer payment. Therefore, there is no fiscal impact.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

There are no direct impacts to expenditures and revenues related to this request.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No



Board Action Memorandum

ATTACHMENTS: List any attachments (contracts, policies, agreements, etc.).
Proposed Amendment to Chapter 12.06 of the Tacoma Municipal Code

CONTACT:

Primary Contact: Ying Hall, Power Section Manager

Supervisor's Name: Chris Robinson, Tacoma Power Superintendent

Presenter (if different from primary contact):

Additional staff requiring a Zoom presentation link:



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 12.06 regarding Prepaid Small General Service
DATE: November 15, 2022

SUMMARY AND PURPOSE:

Tacoma Power requests approval by the City Council for a new rate category—Prepaid Small General Service (Schedule PB).

BACKGROUND:

This Department’s Recommendation is Based On: Tacoma Power received inquiries from small general customers about prepayment options after the residential prepayment was launched in January 2021. One of the anticipated benefits of the Advanced Metering Infrastructure program currently underway is to allow the provision of this type of rate option.

This tariff will allow small general customers to elect to pay for electric service in advance of usage as soon as Advanced Metering Infrastructure (AMI) is installed. It will be a voluntary rate option. Many electric utility customers prefer to pay for electricity before they use it, as is the model for most other consumer purchases. This allows for better understanding of their electricity use and greater control over electricity costs.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The prepaid service concept is well received. Since the implementation of the prepaid rate Schedule PR – Prepaid Residential for residential customers in 2021, some small general customers have also requested the prepaid option.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

Tacoma Power received requests for prepayment service offerings from some small general customers. The prepayment model allows customers to better understand their electricity usage, giving them more agency to control their bills and budgets. Some small general customers desire the prepaid option because they can budget their electricity expenses, instead of being required to pay a large sum every month or every two months. This feature is especially important for small general customers with a tight and irregular cash flow, which includes minority business owners without good credit resources.

Explain how your legislation will affect the selected indicator(s).

The proposed rate schedule facilitates additional bill payment options. A wide selection of payment options allows all diverse segments of customers to choose the method they find easiest to pay their electric bills and retain electric service.

ALTERNATIVES:



Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Continue to offer only post-payment small general service.	No action needed.	Negation of one of the anticipated benefits of the Advanced Metering Infrastructure program. Failure to respond to customer requests.
2.		
3.		

EVALUATION AND FOLLOW UP:

Customer satisfaction with this rate offering will be illustrated by the proportion of customers who elect to take service under this schedule.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power requests approval by the City Council of a prepaid Small General tariff.

FISCAL IMPACT:

There is no fiscal impact for this action. The prepaid rates will be identical to the postpaid rates other than timing. This new payment option provides more flexibility to rate payers.

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?

YES

Service under the Prepaid Small General tariff is provided at the same effective rates as regular Small General service. The tariffs only differ in the timing of customer payment for the electric service. Therefore, no fiscal impact is anticipated.

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

YES

Adoption of prepayment is anticipated to reduce customer service and uncollectible expense, although the size of such reduction is difficult to quantify or forecast.

Will the legislation have an ongoing/recurring fiscal impact?

No

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

No

No additional personnel needed.



City of Tacoma

City Council Action Memorandum

ATTACHMENTS:

- Proposed Amendment to Chapter 12.06 TMC

CHAPTER 12.06
ELECTRIC ENERGY – REGULATIONS AND RATES¹

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, 2022.*
- 12.06.165 Low-income/senior and/or low-income/disabled discount residential service – Schedule A-2. *Effective January 1, 2021.*
- 12.06.166 Prepaid residential service – Schedule PR. *Effective January 1, 2021.*
- 12.06.170 Small general service – Schedule B. *Effective April 1, 2022.*
- 12.06.176 Prepaid small general service – Schedule PB. *Effective April 1, 2023.*
- 12.06.180 *Repealed.*
- 12.06.190 *Repealed.*
- 12.06.210 *Repealed.*
- 12.06.215 General service – Schedule G. *Effective April 1, 2022.*
- 12.06.220 *Repealed.*
- 12.06.225 High voltage general service – Schedule HVG. *Effective April 1, 2022.*
- 12.06.240 *Repealed.*
- 12.06.250 *Repealed.*
- 12.06.260 Contract industrial service – Schedule CP. *Effective April 1, 2022.*
- 12.06.265 New large load service – Schedule NLL. *Effective April 1, 2022.*
- 12.06.270 *Repealed.*
- 12.06.280 *Repealed.*
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. *Effective April 1, 2022.*
- 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, 2022.*
- 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.
- 12.06.371 Electric Vehicle Fast Charge – Schedule FC. *Effective January 1, 2019, to December 31, 2031.*
- 12.06.372 Shore power – Schedule SP. *Effective April 1, 2022.*
- 12.06.373 Electrofuel service pilot – Schedule EF. *Effective April 1, 2021.*

¹ Prior legislation: Ords. 16486, 16718, 16729, 16979, 17181, 17335, 17652, 17740, 18074, 18121, 18378, 18379, 18577, 18654, 18705 and 19120.

...

12.06.176 Prepaid small general service – Schedule PB. Effective April 1, 2023.

A. Availability. Available for nonresidential lighting, heating, and incidental power uses with Advanced Metering Infrastructure installed, subject to billing system availability. 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: The energy rate of the otherwise applicable published rate schedule as set forth in Chapter 12.06.170 Small general service.

2. Delivery: The delivery rate of the otherwise applicable published rate schedule as set forth in Chapter 12.06.170 Small general service.

3. Customer Charge: Calculated on a daily basis, invoiced, and collected pursuant to the applicable customer service policies: The customer charge of the otherwise applicable published rate schedule as set forth in Chapter 12.06.170 Small general service, multiplied by 12, divided by 365, and rounded to the nearest cent.

C. Service Conditions.

1. The maximum allowable total connected motor rating is 7.5 horsepower (5.6 kilowatts), exclusive of motors of $\frac{1}{4}$ 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.