



## RESOLUTION NO. U-11424

1 A RESOLUTION adopting an updated version of Public Utility Board Guiding  
2 Principal Three on Rates, previously adopted on August 28, 2019, via  
3 Resolution U-11099.

4 WHEREAS Guiding Principle Three ("GP-3") Rates, establishes Tacoma  
5 Public Utilities' ("TPU") rates for power, water, and rail services and play an  
6 important role in securing a strong economy, establishing equity among  
7 customers, and producing revenue sufficient to provide safe, reliable, and  
8 environmentally-sensitive utilities services, and

9 WHEREAS GP-3 further provides that TPU will strive to ensure that rates  
10 will be adequate, fair, just and reasonable, and

11 WHEREAS the updates to GP-3 delete the individual "Values" section,  
12 updates measurements and outcomes, and changes the reporting frequency to  
13 annual or as otherwise appropriate, and

14 WHEREAS these policy updates were developed at regularly scheduled  
15 Public Utility Board ("Board") study sessions and all future Board reviews and  
16 amendments will be handled similarly, and

17 WHEREAS the Board has committed to monitor and ensure compliance  
18 with Board Guiding Principles and this oversight provides an opportunity for the  
19 Board and staff to clarify, revise and develop new policies, when necessary, as  
20 TPU navigates changes in the utility industry, and

21 WHEREAS the Board and Director have determined that adopting  
22 updates to the Public Utility Board Guiding Principle Three on Rates is in the  
23 best interests of Tacoma Public Utilities and the ratepayers; Now, Therefore,  
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BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the updated Public Utility Board Guiding Principle Three on Rates, in the form as on file with the Clerk, is adopted and approved.

Approved as to form:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
/s/  
Chief Deputy City Attorney

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Clerk

Adopted \_\_\_\_\_



## Board Action Memorandum

**TO:** Jackie Flowers, Director of Utilities  
**FROM:** Engel Lee, Chief Deputy City Attorney  
Charleen Jacobs, Clerk of the Board  
**MEETING DATE:** December 13, 2023  
**DATE:** December 4, 2023

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**SUMMARY:** A resolution adopting an update to Public Utility Board Guiding Principal Three (GP3) on Rates on August 28, 2019 via Resolution U-11099 by deleting the individual 'Values' section, updating measurements, outcomes, and changing the reporting frequency to annual or as otherwise appropriate as on file with the Clerk of the Board.

**BACKGROUND:**

The Rates policy provides that TPU 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 utilities services. The Rates policy also provides that TPU strives to ensure that rates will be adequate, fair, just and reasonable.

These policies were developed/modified at regularly scheduled or properly-noticed Board study sessions and meetings and all future reviews and amendments to the Public Utility Board policies will be in handled similarly.

The Public Utility Board has committed to monitor and ensure compliance with Board policies. This oversight provides an opportunity for the Board and staff to clarify, revise and develop new policy when necessary as TPU navigates changes in the utility industry.

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** 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:** Strategic Directive 3 – Rates

**CONTACT:** Jackie Flowers, Director of Utilities



## 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-11425</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 and reliable 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

<https://www.mytpu.org/about-tpu/investors/>