

Tacoma Public Utilities



Our mission:

*Tacoma Public Utilities
provides services that are
vital to our quality of life.*



Public, cost-of-service organization;
we don't pay investors

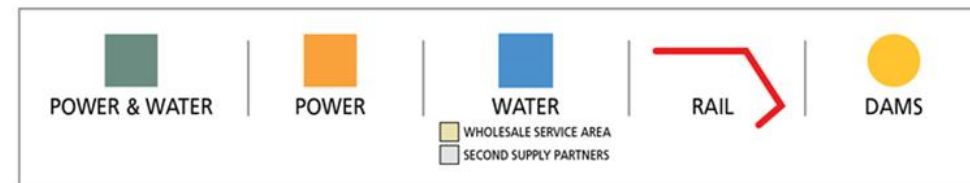
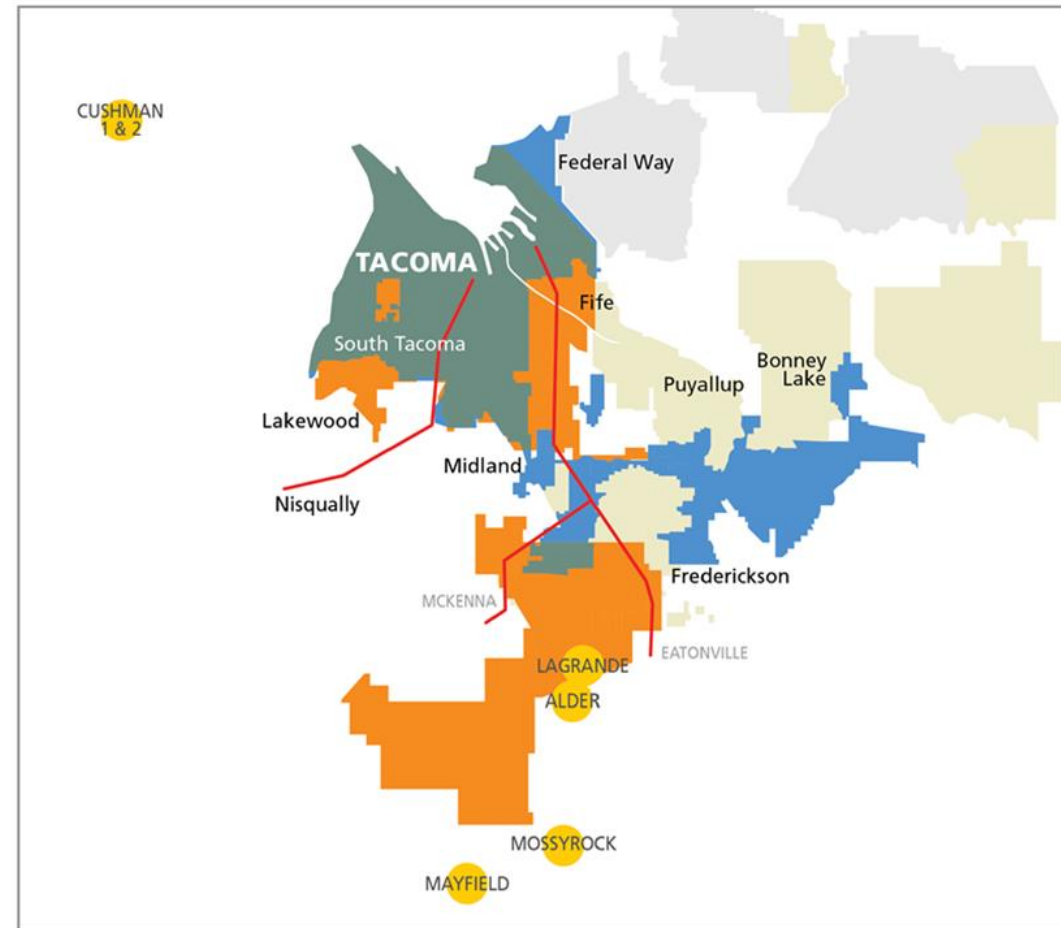
Part of the community since 1893

Led by a 5-member Public Utility
Board appointed by the Mayor of
Tacoma and confirmed by the City
Council

Jackie Flowers is the new Director
of Public Utilities



Our service area



Our long-term perspective benefits future generations

Our energy portfolio is at least 97% carbon-free, making Tacoma Power one of the cleanest utilities in the world.

We have an ample, sustainable water supply.

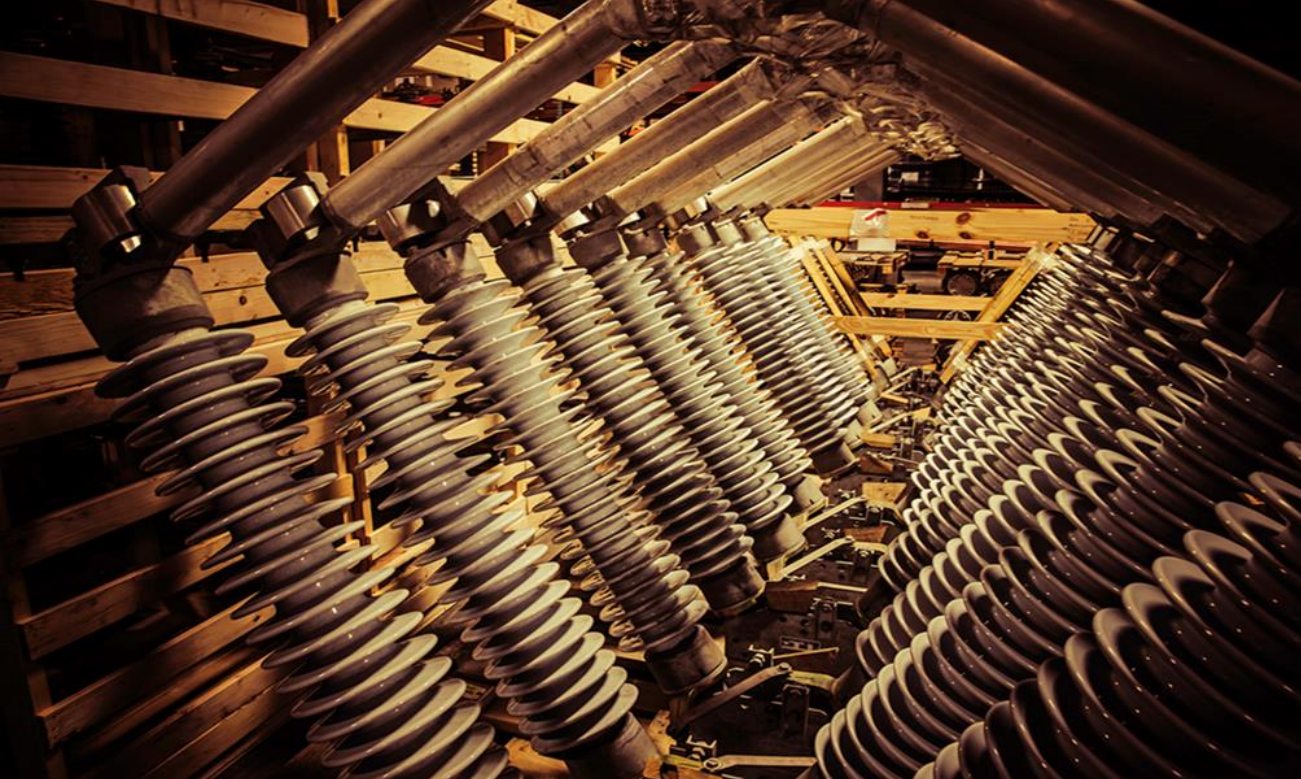
We manage our water and power supplies so we can meet customers' needs for decades to come.

Our water system relies primarily on gravity, minimizing the electricity needed.

We are stewards of our environment by protecting lands, fish and wildlife.

Our overarching rates principles

- We only bill customers for the costs required to run our business.
- Our rates are based on the cost to serve each customer class.
- We allocate costs fairly amongst all customer classes.
- Our rate structure provides stable and predictable bills for customers.



2019/2020 Residential rate proposal

Adjustments are per year
for both 2019 and 2020

Power

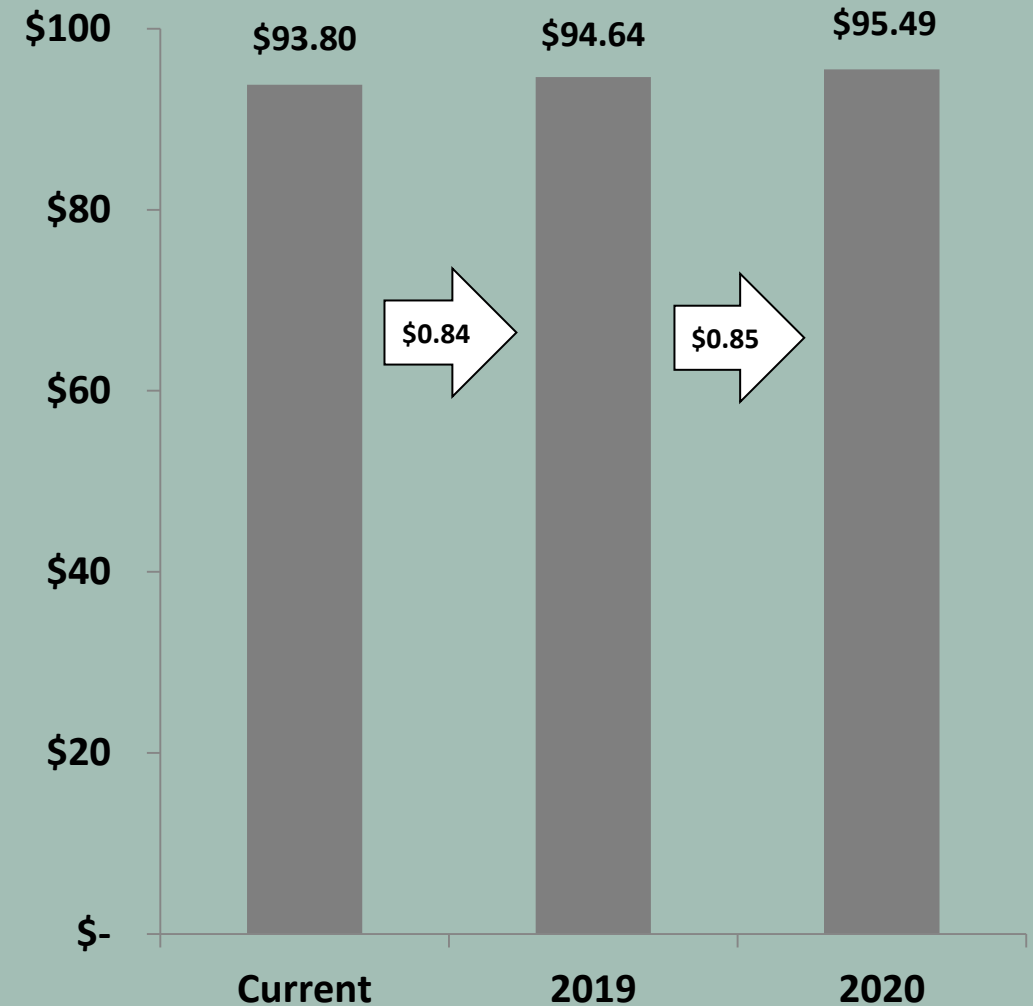
- **2.0% system average increase**
- **0.9% for residential customers**
 - \$0.84 average increase in 2019
 - \$0.85 average increase in 2020

Water

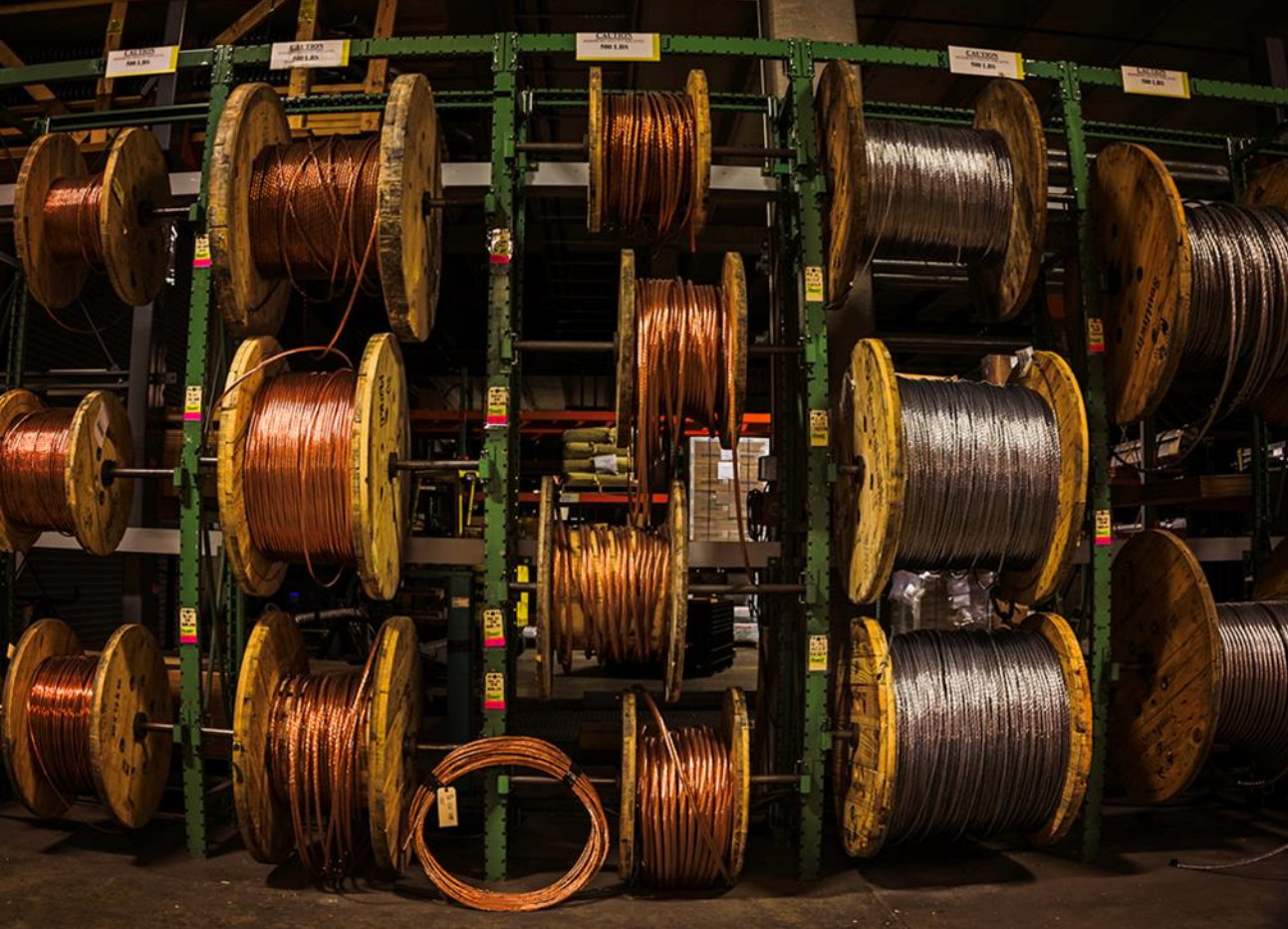
- **2.5% system average increase**
- **2.9% for residential customers**

| 2019 | | 2020 | |
|----------|------------------|--------|------------------|
| \$1.27 | average increase | \$1.33 | average increase |
| - \$1.90 | PFP decrease | - | |
| - \$0.63 | net decrease | \$1.33 | net increase |

Average monthly residential electric bill



Assumed average usage. Individual customer bills may be higher or lower depending on usage.



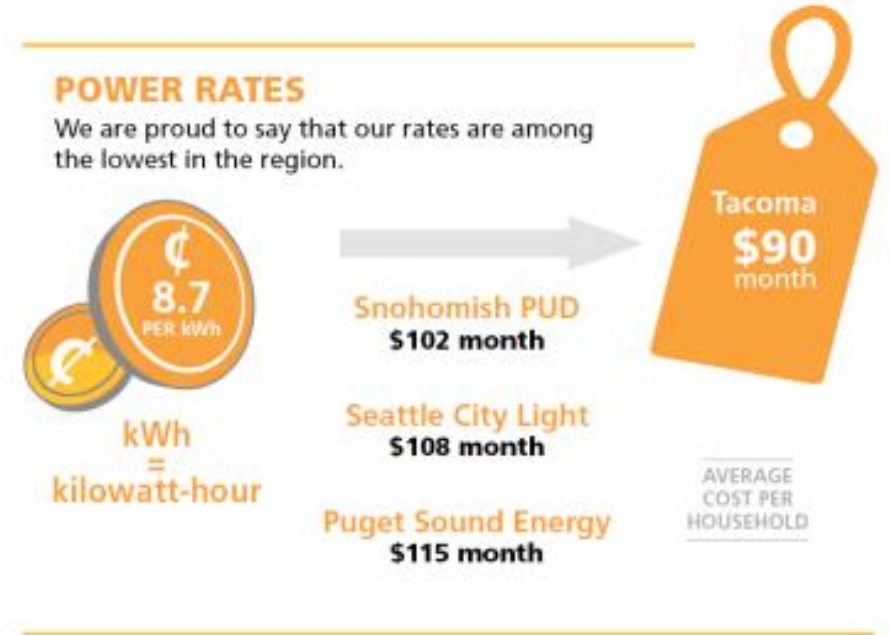
Keeping Power Rates Low

The 2% annual average rate increase recovers inflationary increases in operating and capital expenses.

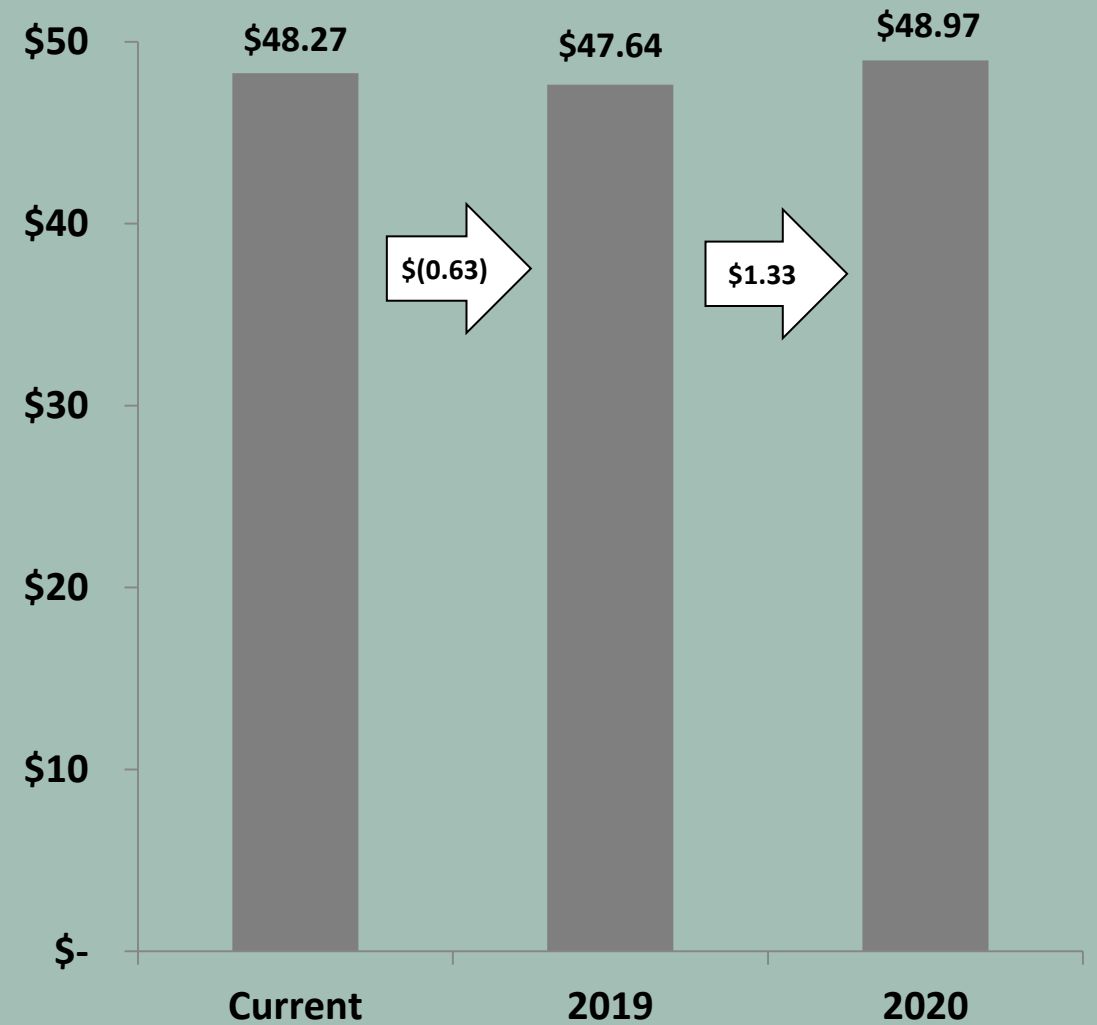
Operating and capital expenses in 2019 & 2020 include:

- Technology projects, including investment in Advanced Metering Infrastructure (AMI)
- Regulatory compliance to manage fish and analyze impacts of potential seismic activity
- Enhancement of cyber security measures

Our Power rates are among the lowest in the region



Average monthly residential water bill



Assumed 6 CCF in winter @ 8 months and 9 CCF in summer @ 4 months.
Historical component of Hydrant Service Fee is retired in 2019 (\$1.90 per month).



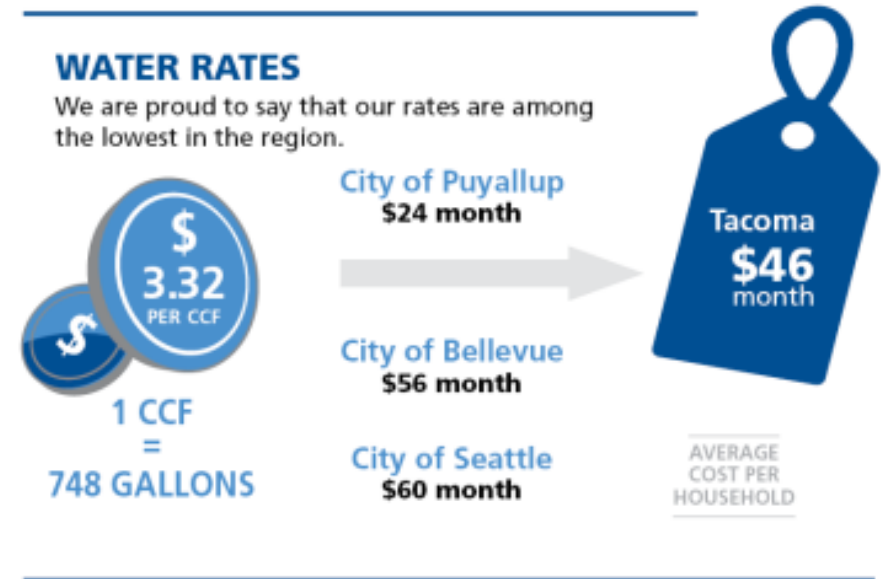
Keeping Water Rates Low

The 2.5% annual average rate increase recovers inflationary increases in operating and capital expenses.

Operating and capital expenses in 2019 & 2020 include:

- Renewal and replacement of existing water infrastructure
- Technology projects including investment in Advanced Metering Infrastructure (AMI)
- Regulatory compliance and risk mitigation

Our Water rates are among the lowest in the region



What we're doing to control our costs

- Asset and project management
- Workforce planning and development
- Efficiency improvement projects
- Enhanced safety program

What you can do to control your utility costs

Our energy and water conservation programs can help save the amount you use and lower your bill

We offer zero-interest loans to help you manage the costs for your energy efficiency home improvements

We support low-income customers through utility bill payment assistance and energy conservation programs

Customers can also enroll in Budget Billing



Visit our website:
MyTPU.org/Rates

- Information about our rates
- Updated public comment dates
- Links to conservation information
- Links to bill assistance information

Want more info?

