

Tacoma Water Budget and Rate Recommendations



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July 25, 2018

TACOMA  **WATER**
TACOMA PUBLIC UTILITIES

Tacoma Water Rate Recommendations

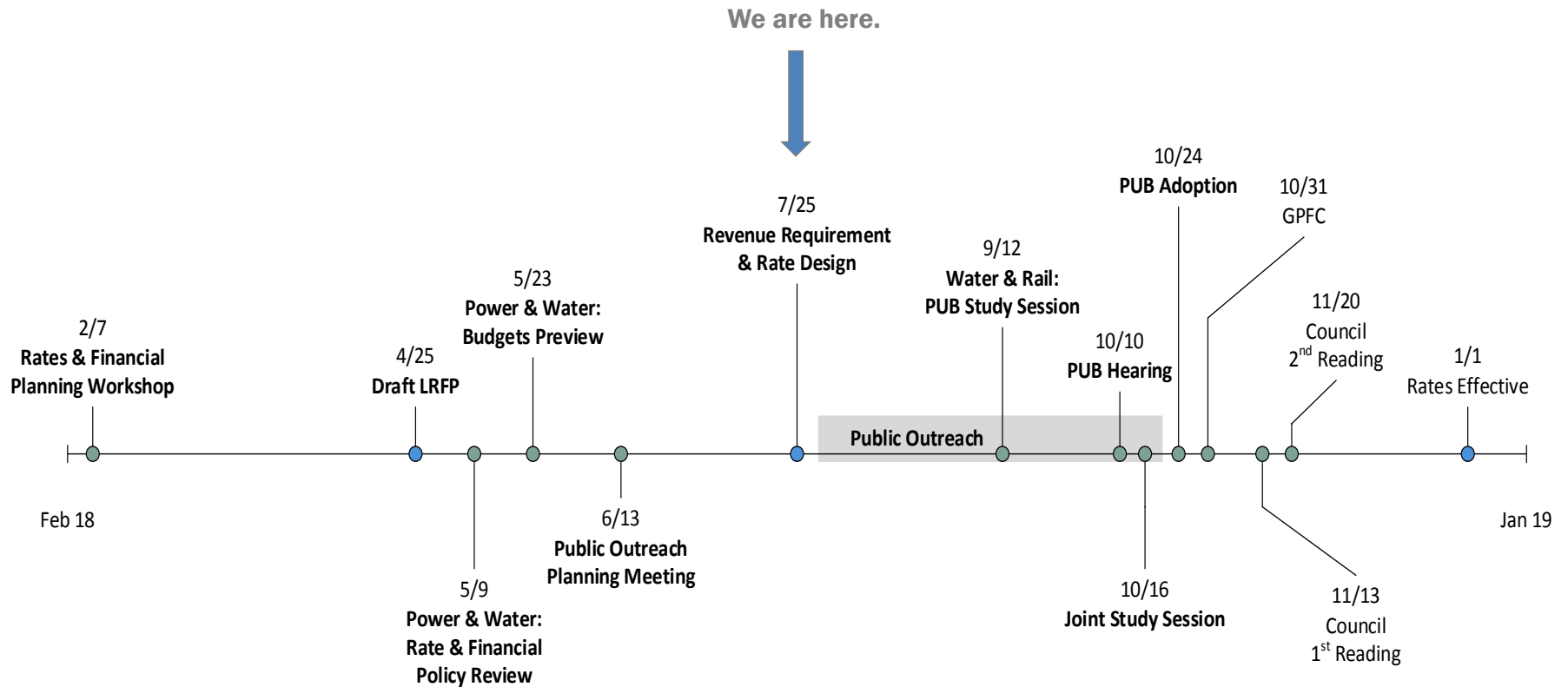
Agenda

- 1 Introduction**
- 2 Revenue Requirement and Budget**
- 3 Cost of Service**
- 4 Rate Design**
- 5 Appendix**

Introduction

Introduction

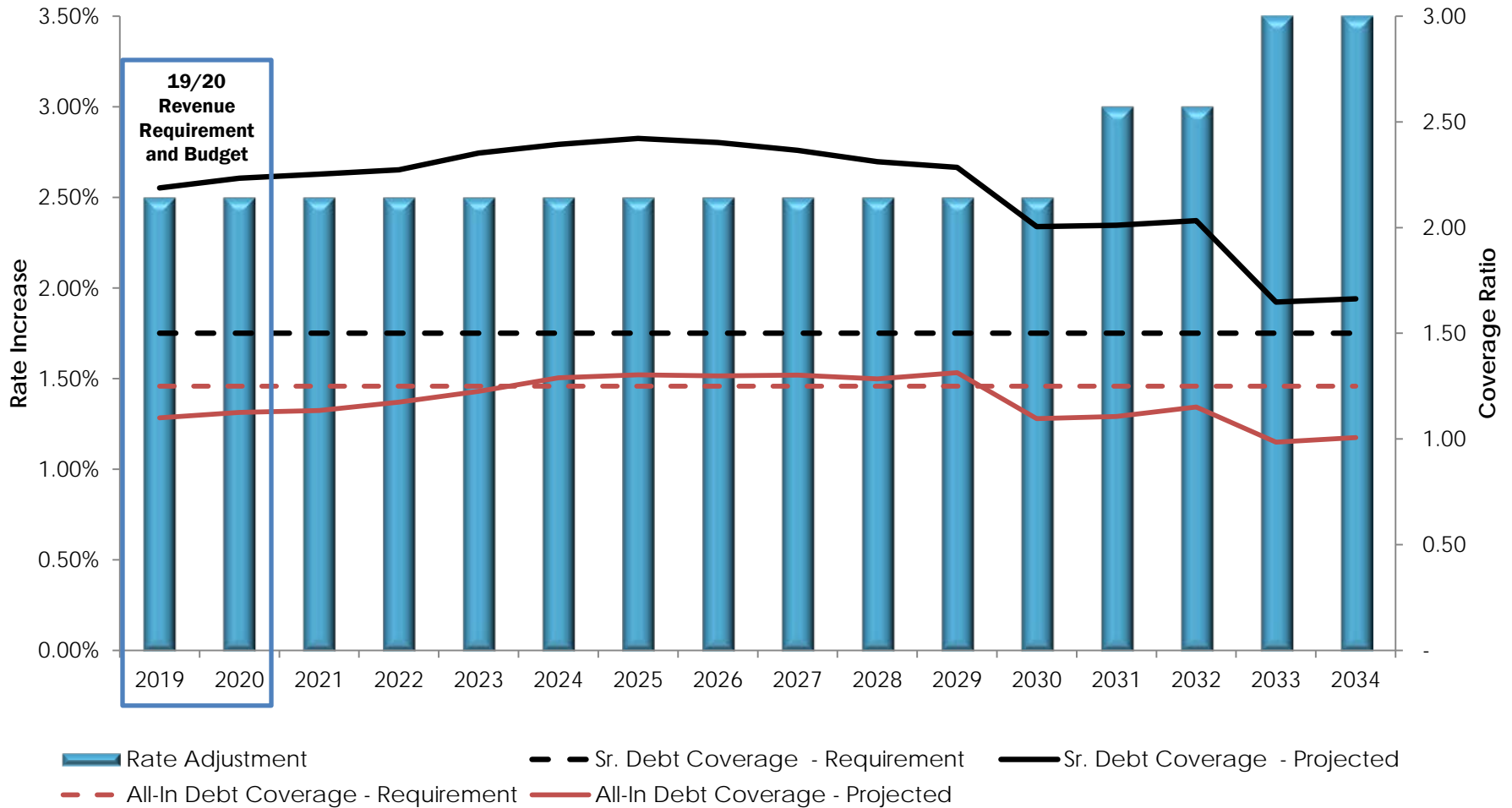
Budget and Rate Timeline



Revenue Requirement and Budget

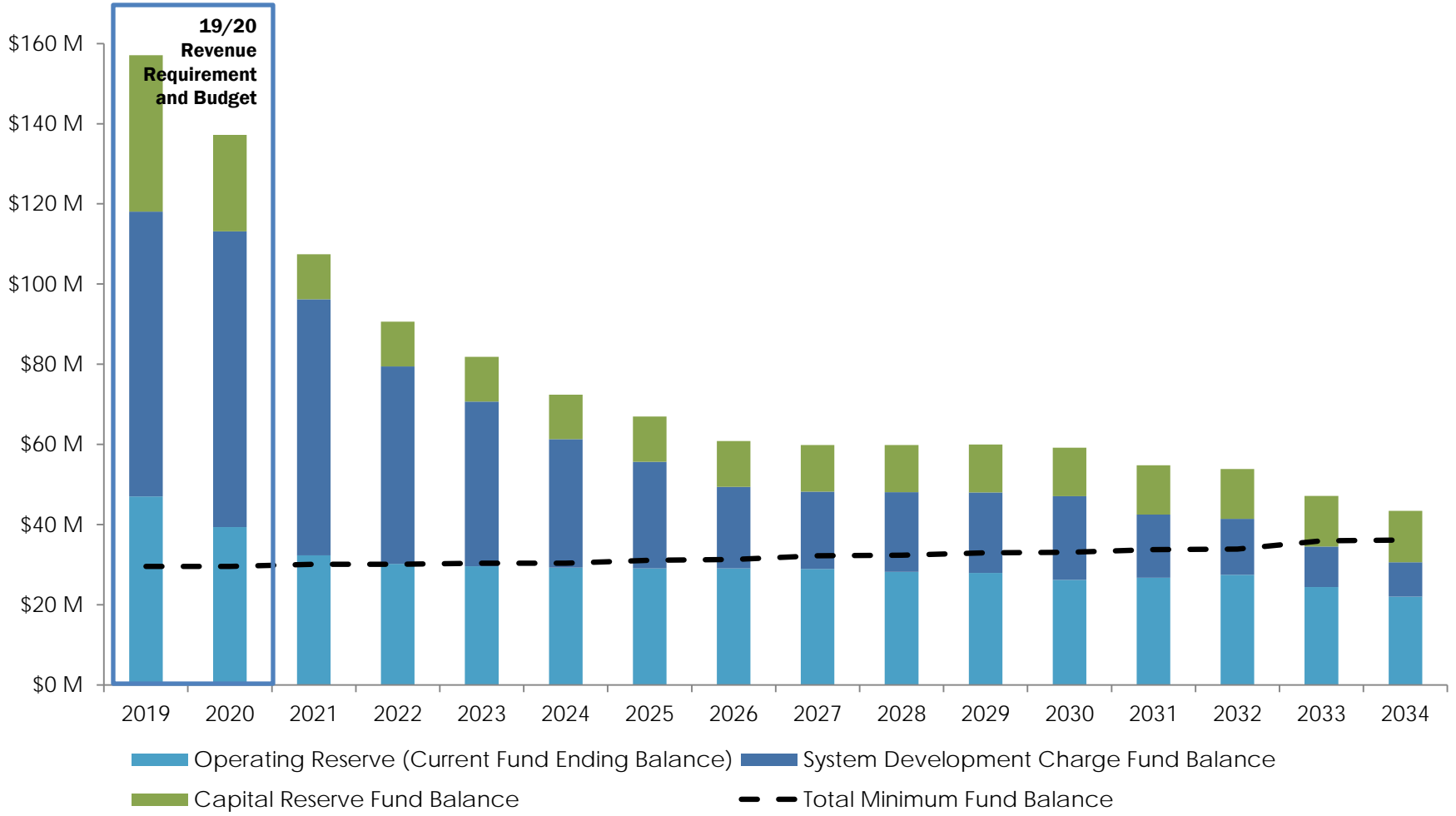
Revenue Requirement and Budget

Rate Increases and Debt Service Coverage



Revenue Requirement and Budget

Total Fund Balance



Revenue Requirement and Budget

Revenue Requirement Analysis



O&M Expense Forecast

- Apply budget development decision making tools
- Conduct historical cost review
- Include inflation factors
- Consider strategic initiatives and additional needs or enhancements
- Plan for increasing costs
- Incorporate forecasted assessments and labor assumptions



Capital Expense Forecast

- Capital Budget and 10-year CIP developed with business case evaluations
- Funding assumptions apply existing bond fund sources first, then reasonable spend down of capital and operating reserves, then anticipated additional debt funding in 2023/24



Non-Rate Revenue Forecast

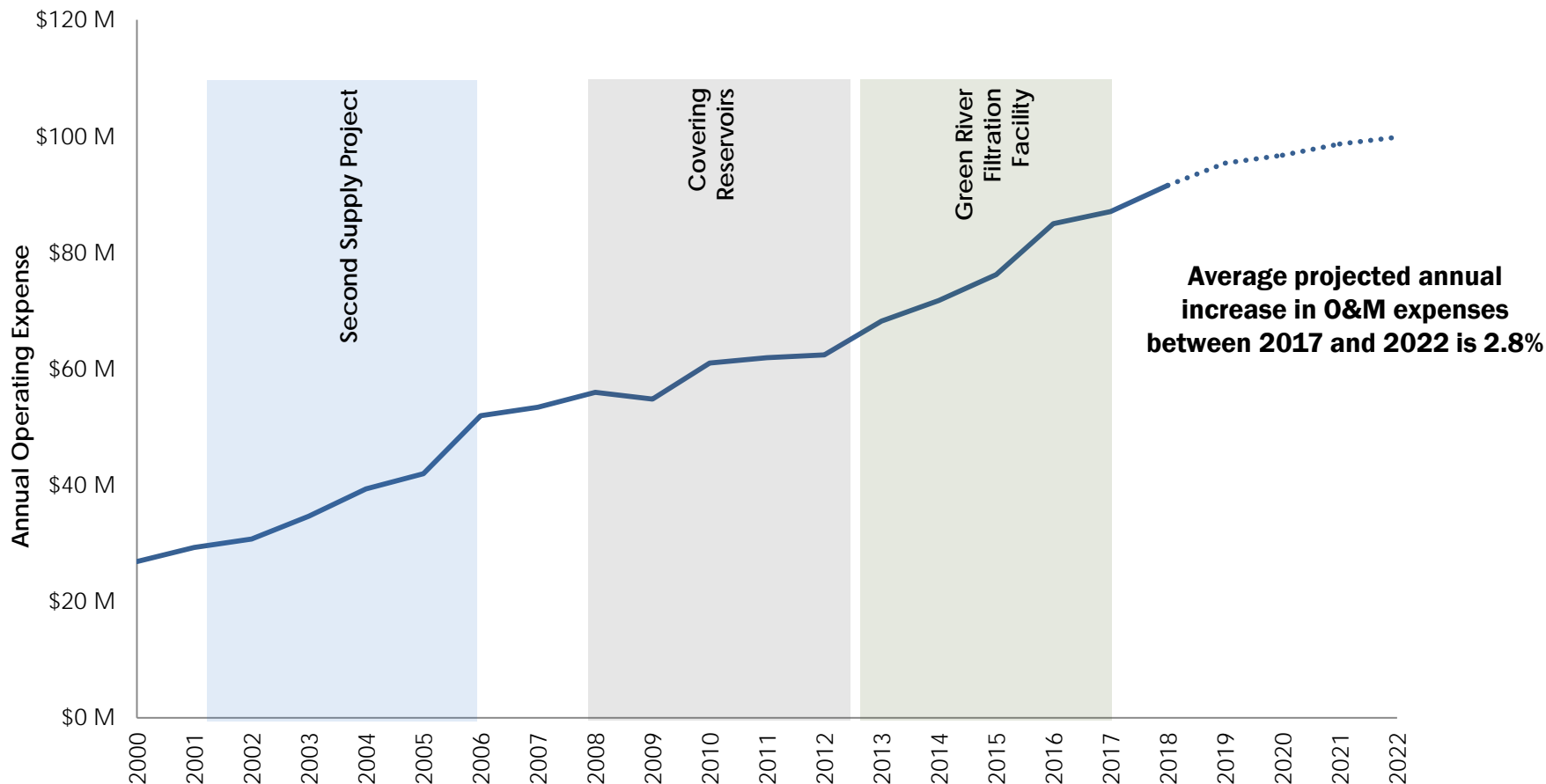
- Miscellaneous fee and charge revenues projected based on recent historical trends and known future changes
- Used to reduce rate revenue requirement

Rate Revenue Requirement Forecast

- Projection of revenue under existing rates using 10-year demand forecast
- Any revenue requirement deficiencies must be addressed by rate adjustments

Revenue Requirement and Budget

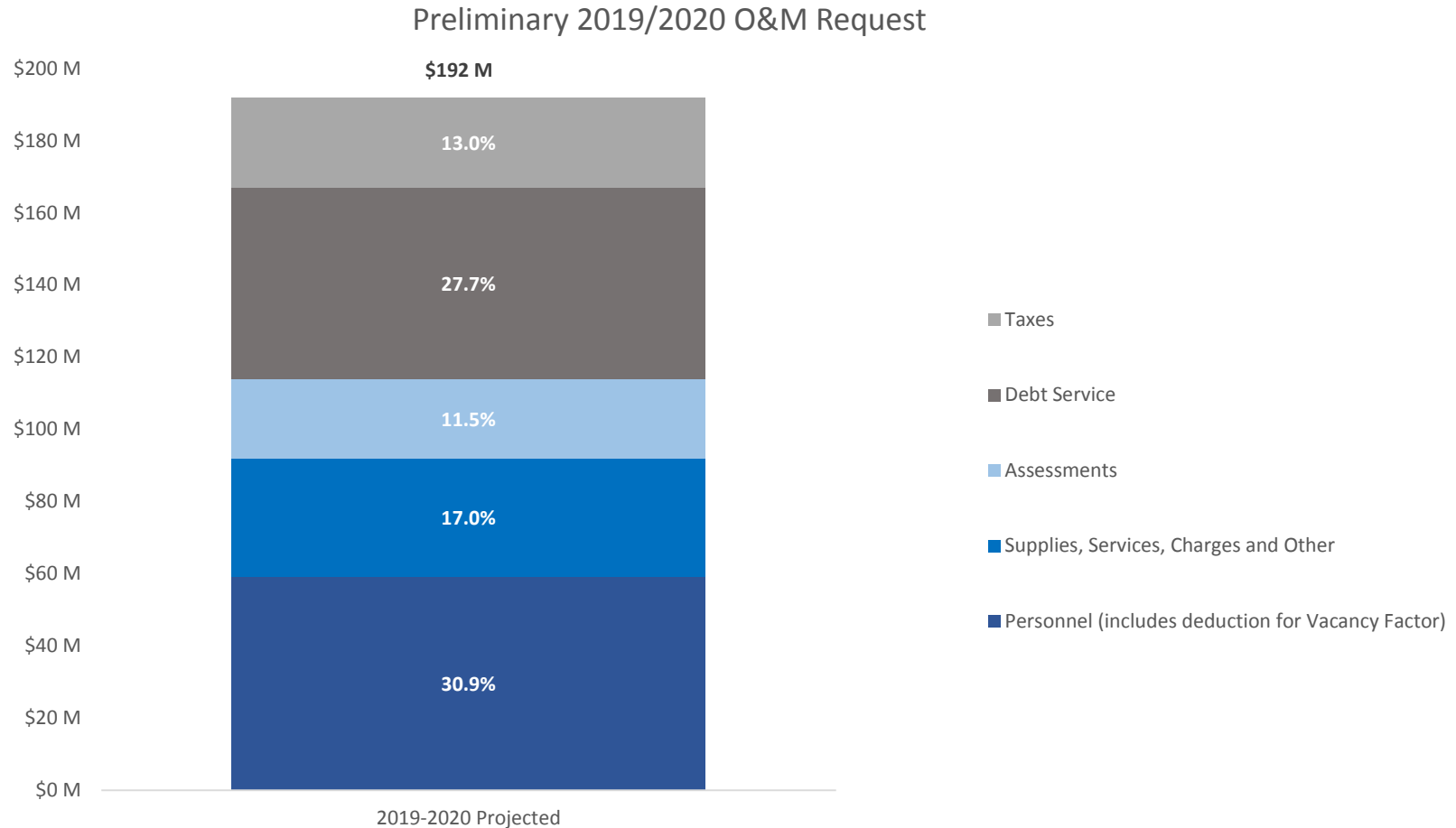
O&M Budget Overview



In response to 5/23 Board Study Session question from Board Member Larkin (ACTION ITEM 21).

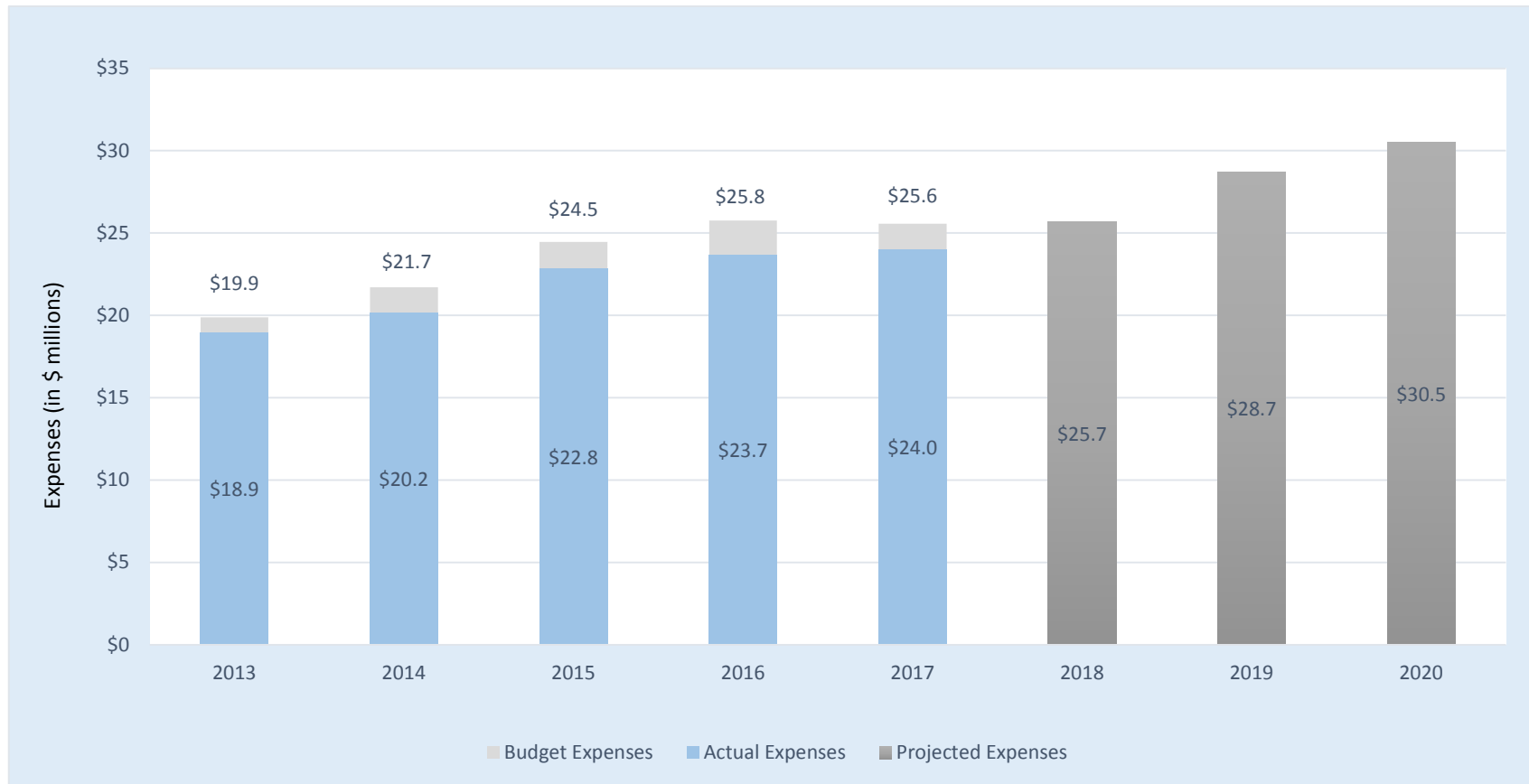
Revenue Requirement and Budget

2019/20 Preliminary O&M Budget



Revenue Requirement and Budget

O&M Budget Overview: Personnel

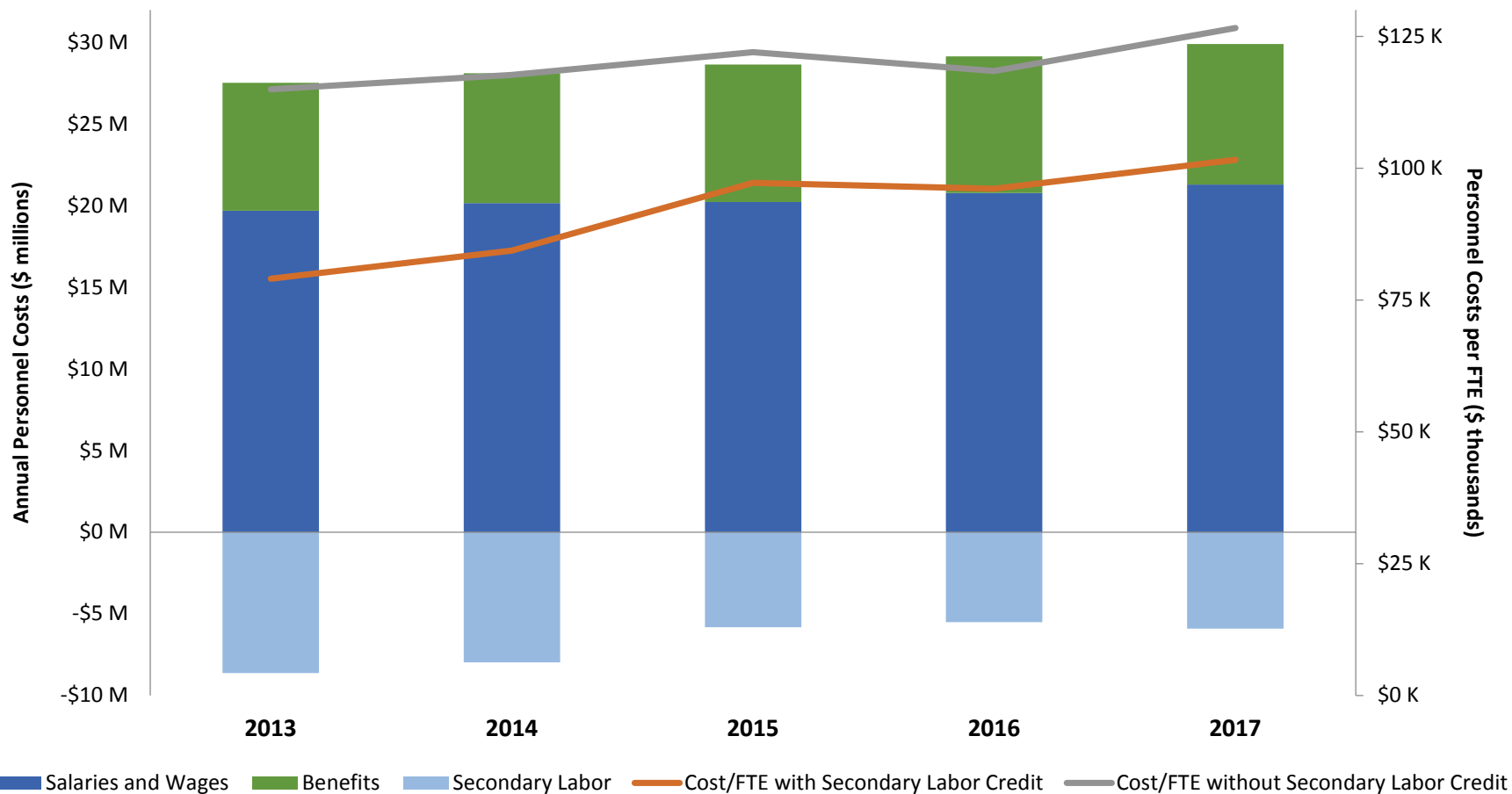


Average annual increase in total personnel expense between 2016-2020 is 6.0%. Includes Vacancy Factor deduction for 2017-2020.

In response to 4/25 Board Study Session question from Board Member Larkin (ACTION ITEM 16).

Revenue Requirement and Budget

O&M Budget Overview: Personnel



Average annual increase in salaries and benefits per FTE is 2.5%

Revenue Requirement and Budget

O&M Budget Overview: Personnel

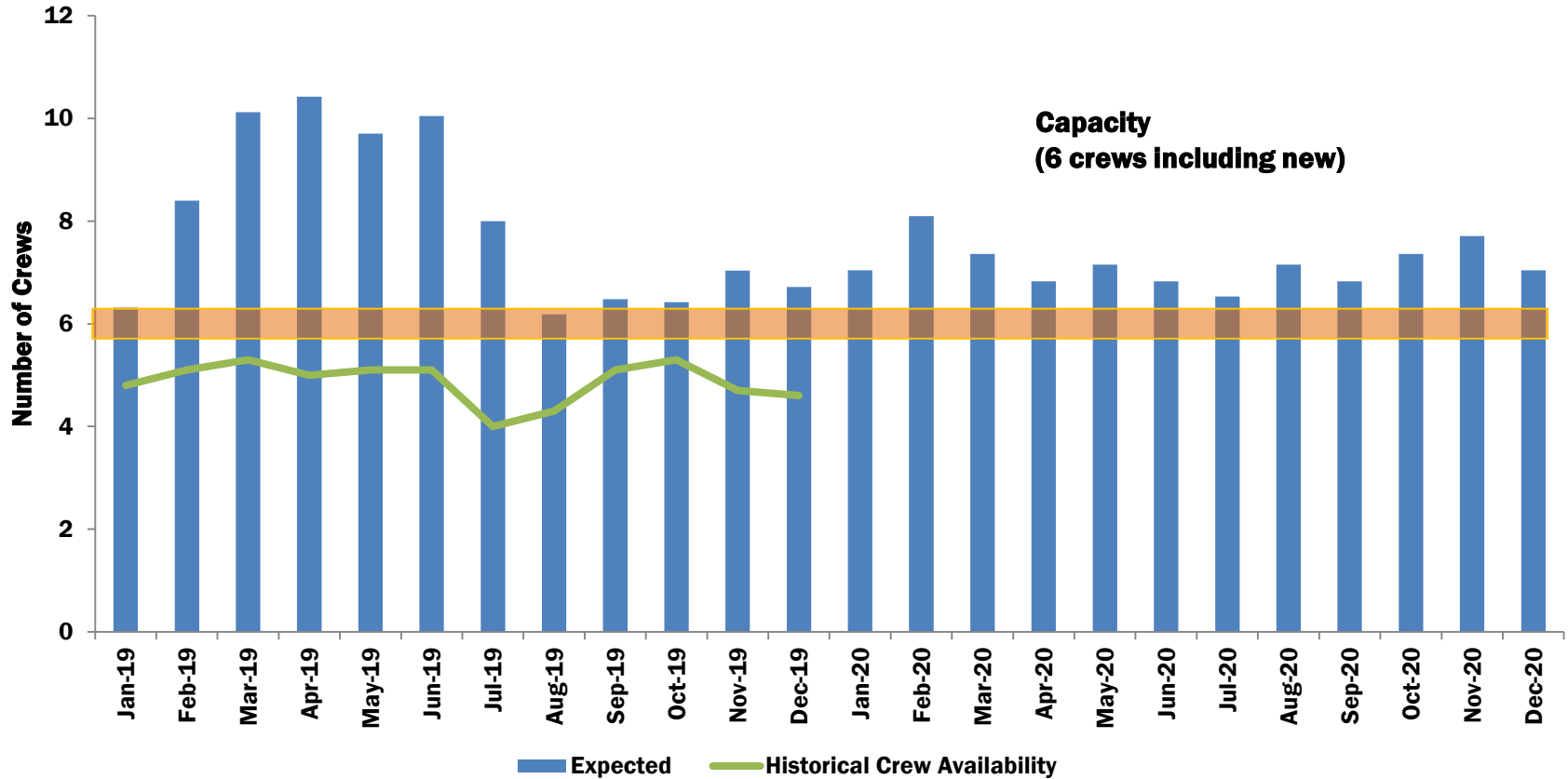
Permanent Capabilities	FTE	Project Positions	FTE
Operational Support		Operational Innovation	
Water Utility Workers*	2	Advanced Metering Infrastructure (AMI)	
Heavy Equipment Operator	1	Water Service Worker	2
Senior Warehouse Technician	1	Water Utility Worker	2
Regulatory Compliance (Lead Locator)	1	Water Meter Repair Worker	1
Managing Assets (Planner)	1		
Employee Engagement (Workforce Development)	1		
Operational Optimization			
Knowledge Manager	1		
Safety Manager	1		
Project Manager	1		
Total Permanent	10	Total Project	5
Total Permanent Strategic FTEs	5		
Total Permanent Operational FTEs	5		
Total Project FTEs	5	Vacancy Factor (4% + *2 Water Utility Workers)	(13)
Total New FTEs	15	Total New FTE's Less Vacancy Factor	2

The overall Personnel Expense increase is \$4.8M or 8.6% over the 2017/18 budget and includes a deduction of \$3.4M for the vacancy factor.

Revenue Requirement and Budget

O&M Budget Overview: Personnel

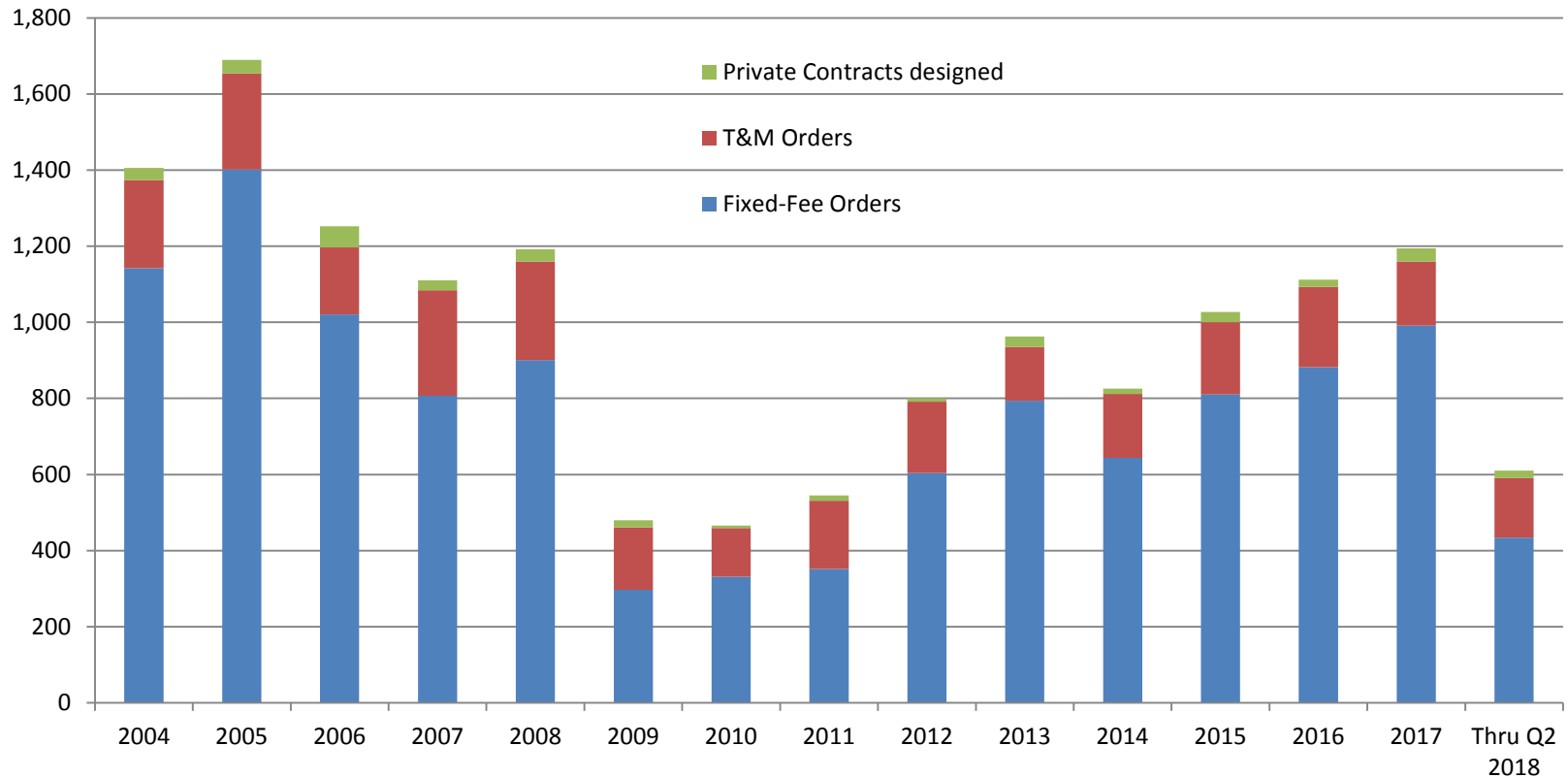
Service Crews Resource Histogram



Revenue Requirement and Budget

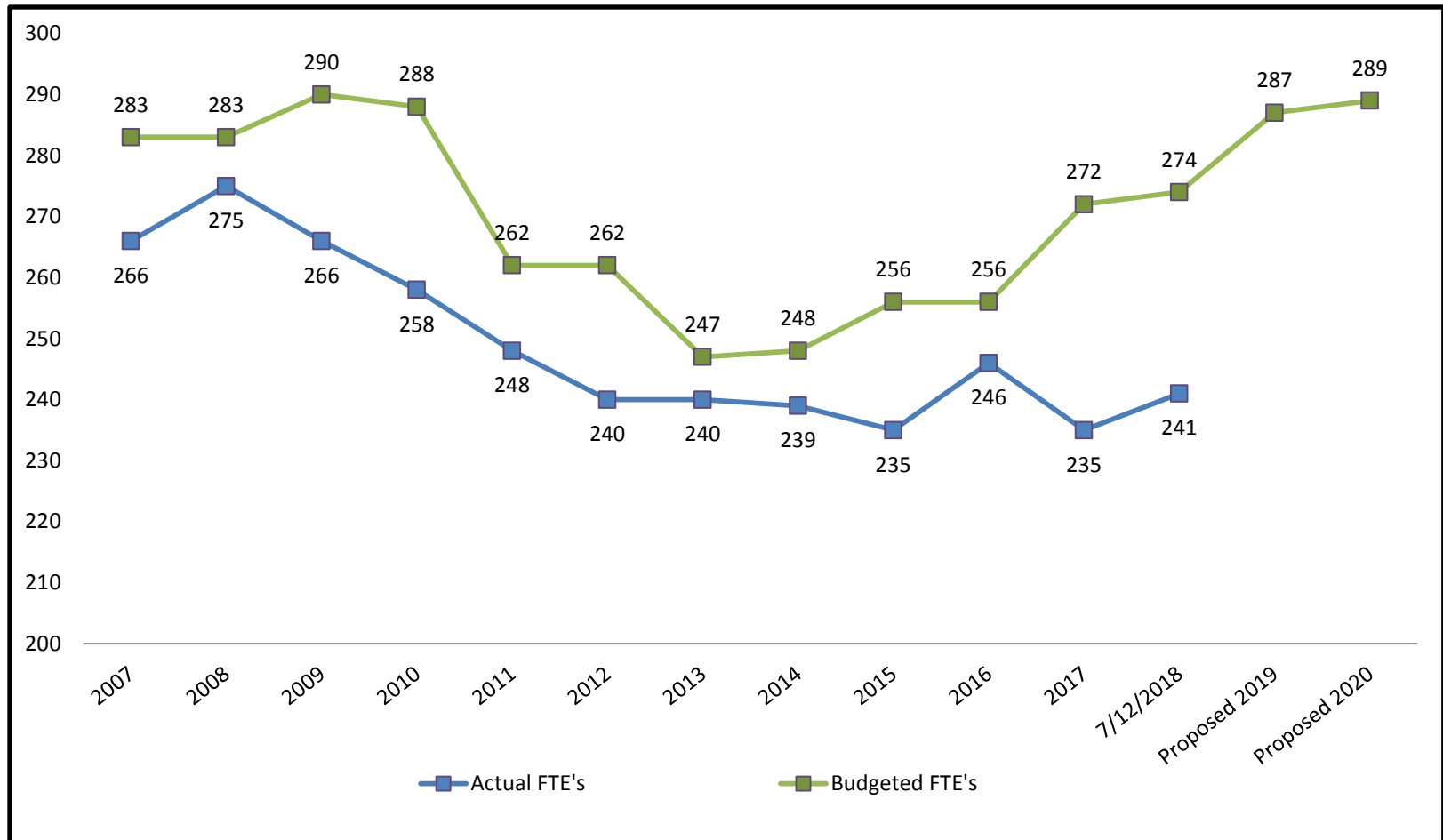
O&M Budget Overview: Personnel

Developer Funded Work, including T&M's and Private Contracts



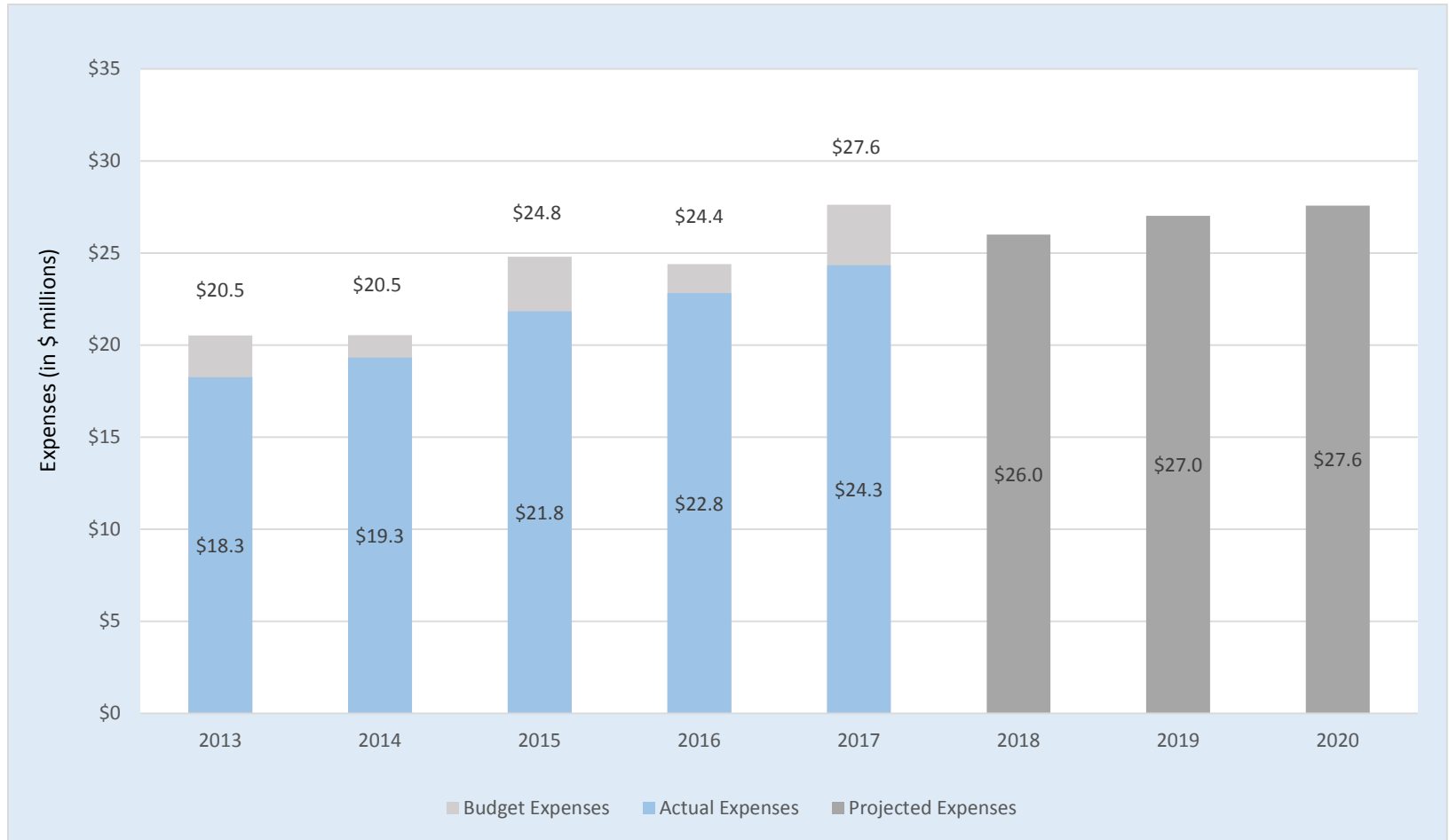
Revenue Requirement and Budget

O&M Budget Overview: Personnel



Revenue Requirement and Budget

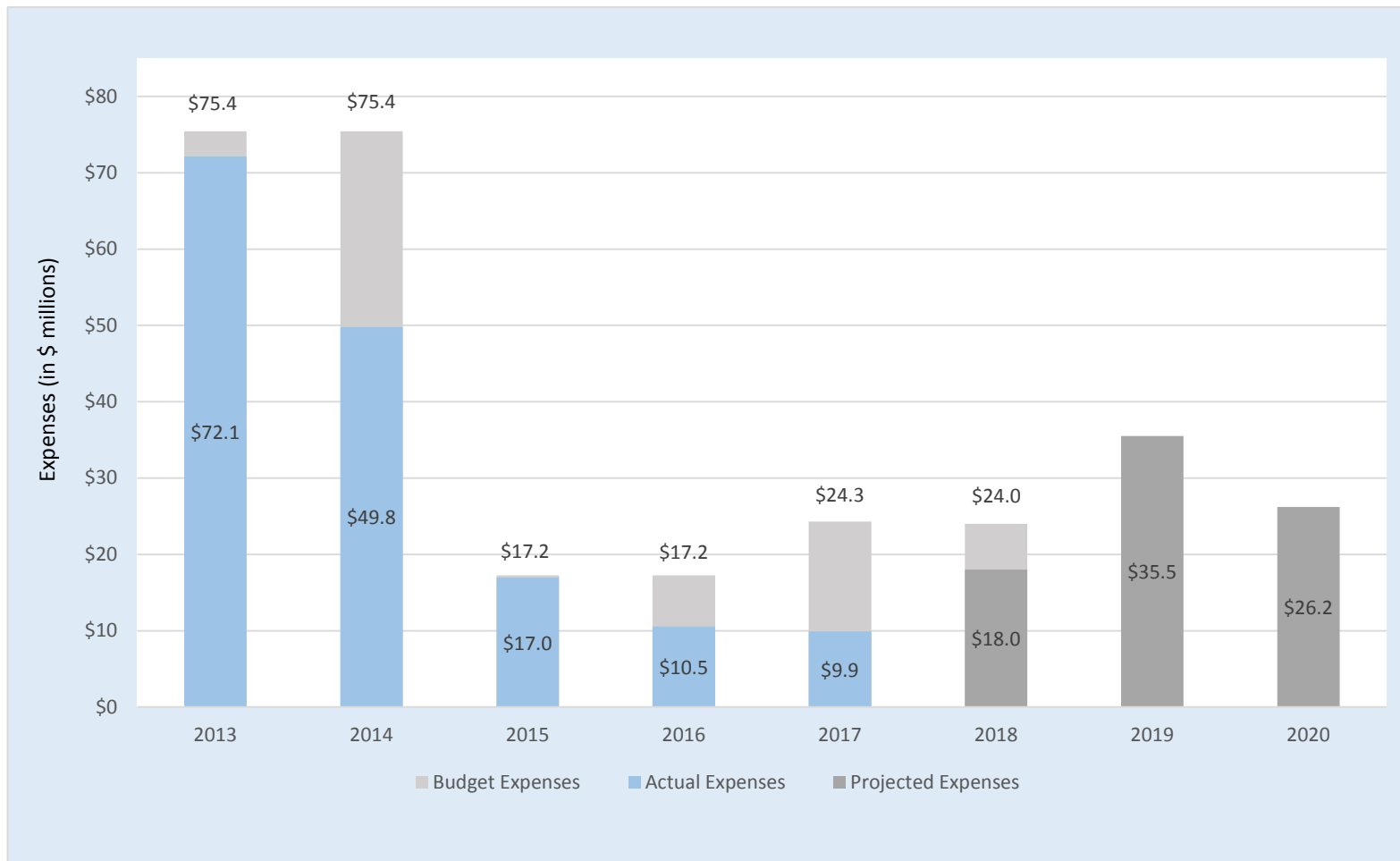
O&M Budget Overview: Supplies, Services and Charges



Average annual increase in Supplies, Services and Other Charges between 2016-2020 is 4.8%.

Revenue Requirement and Budget

Capital Budget Overview

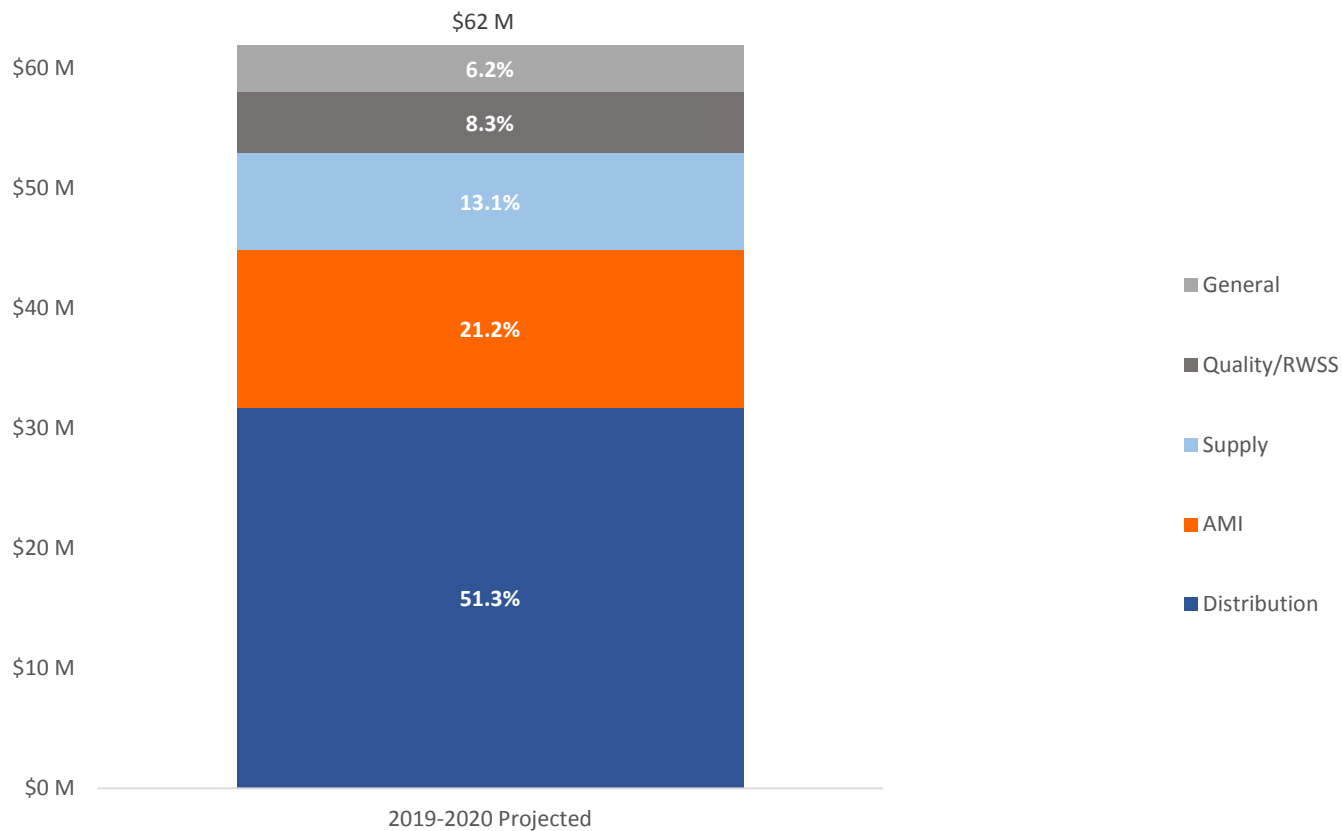


Average annual increase in budgeted Capital between 2016-2020 is 13%.

Revenue Requirement and Budget

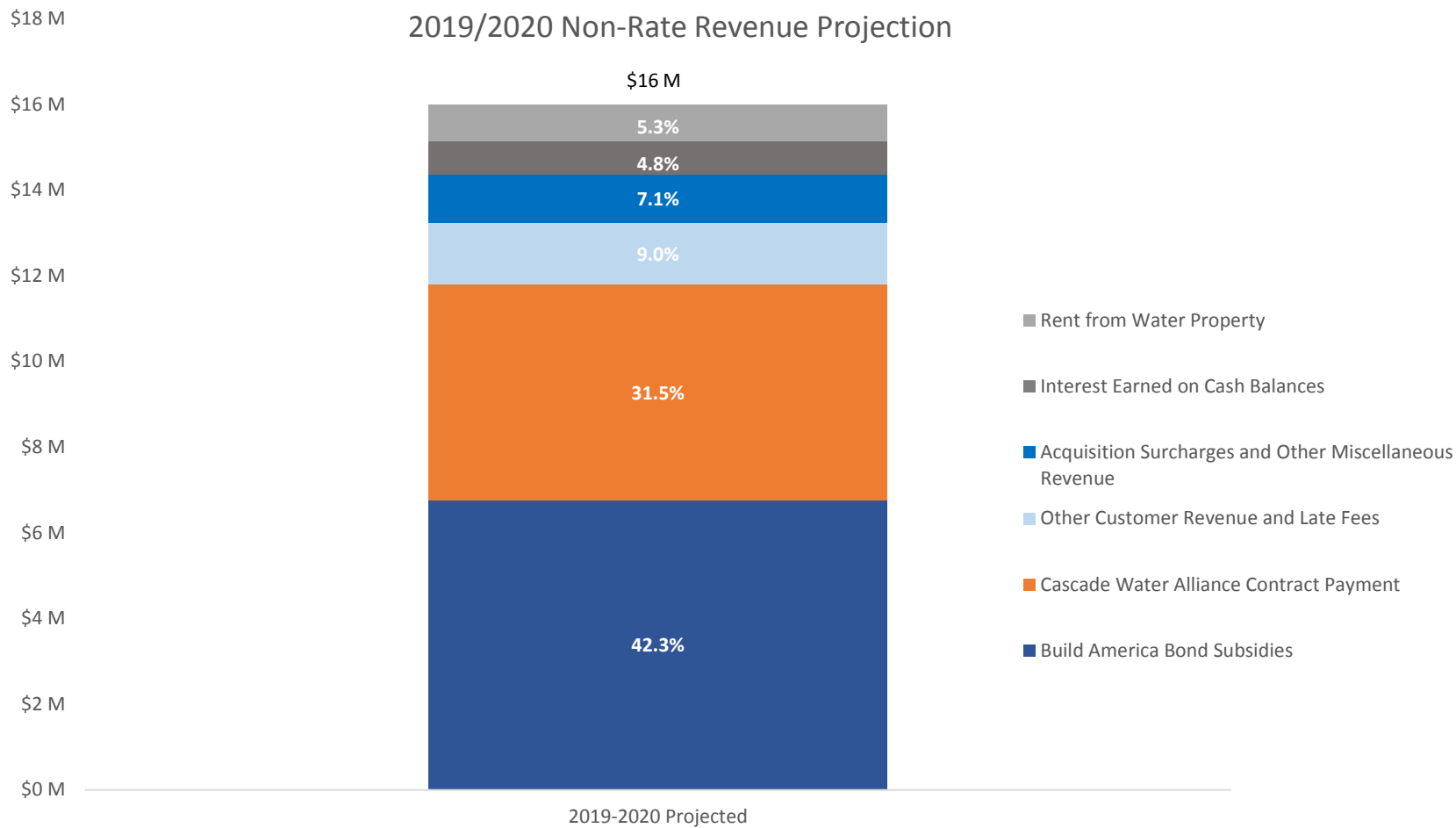
2019/20 Preliminary Capital Budget

Preliminary 2019/2020 Capital Request



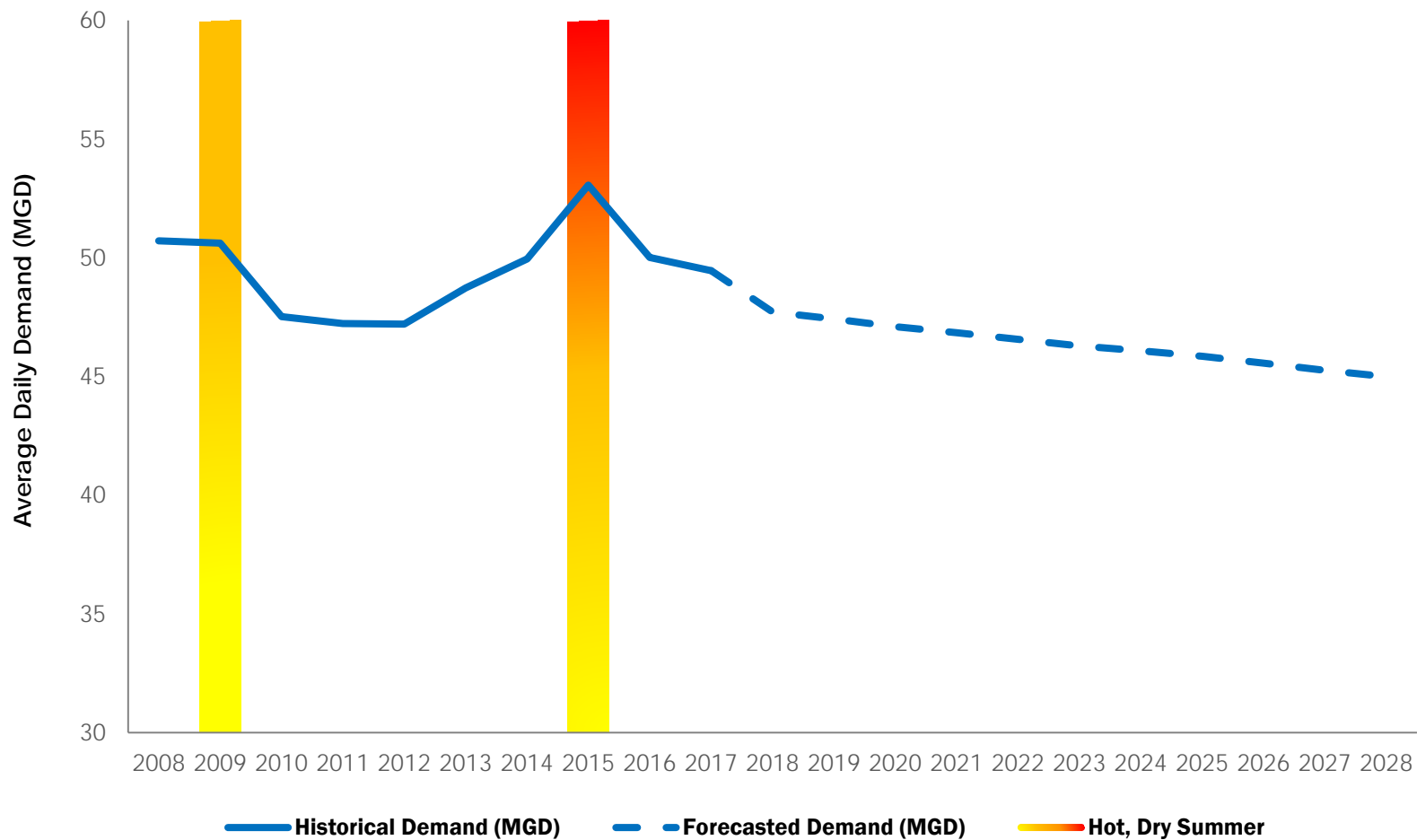
Revenue Requirement and Budget

Revenue Overview: Non-Rate Revenue



Revenue Requirement and Budget

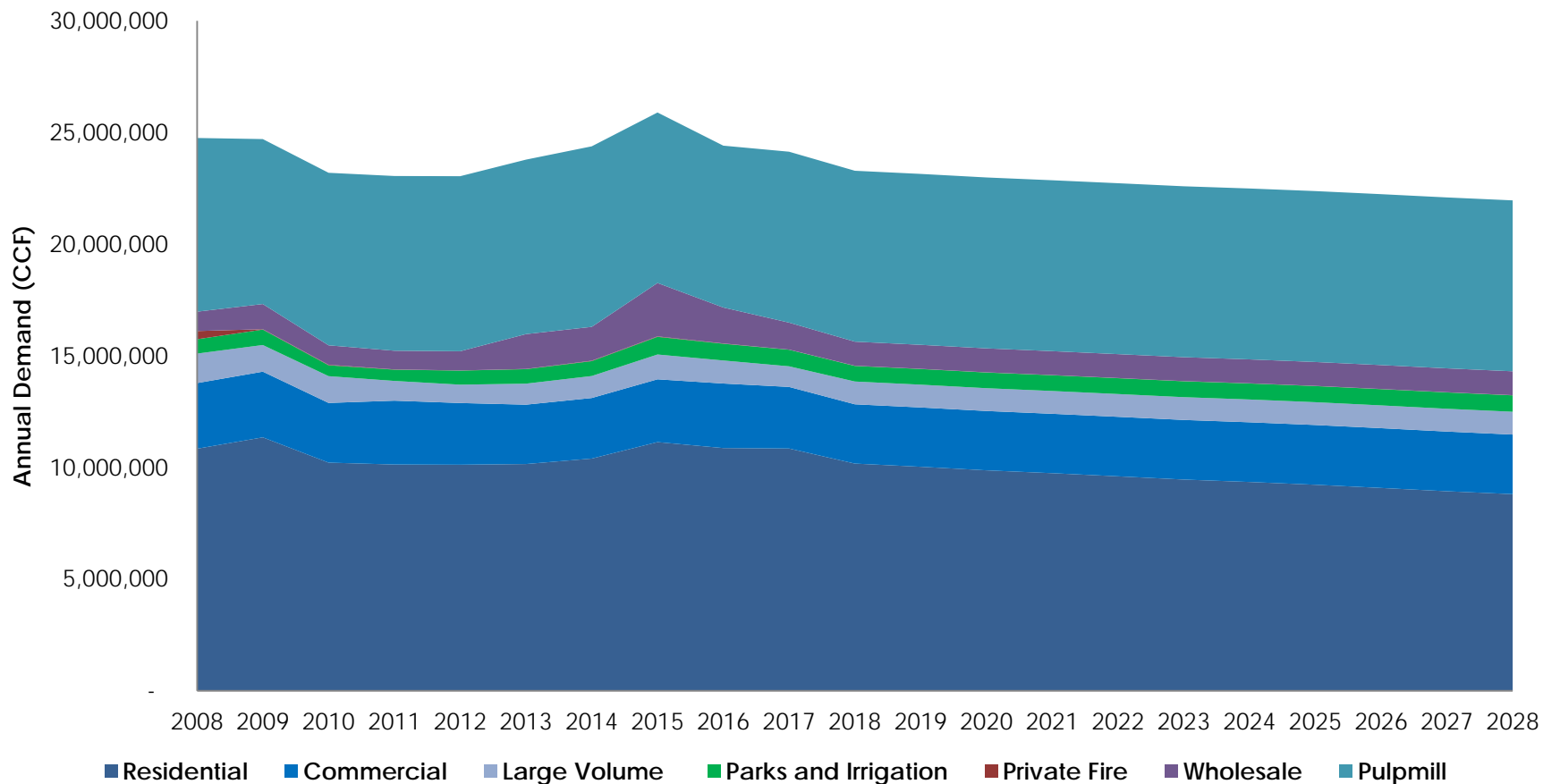
Rate Revenue Forecast



Revenue Requirement and Budget

Rate Revenue Forecast: Demand

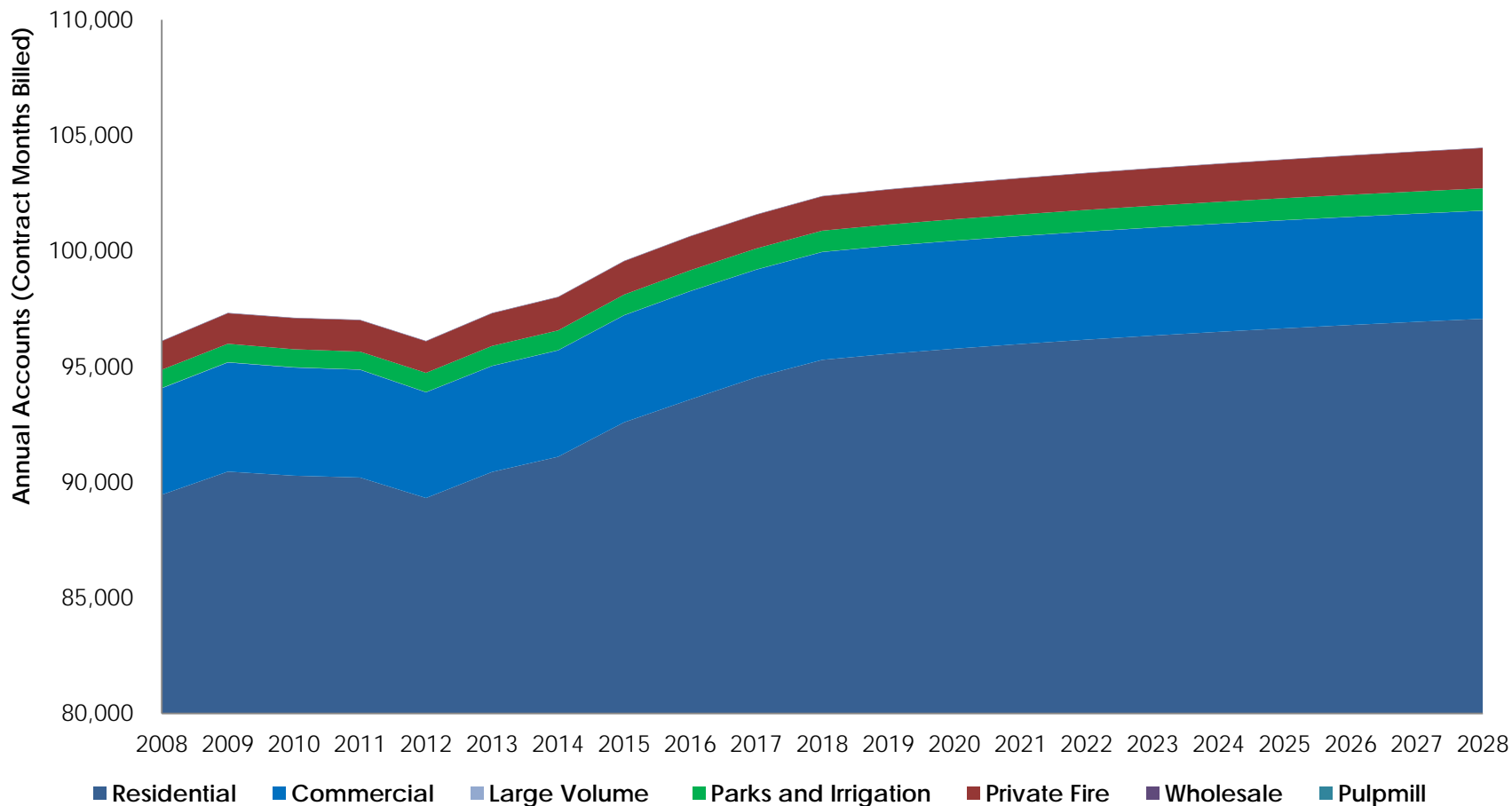
Demand by Customer Class



Revenue Requirement and Budget

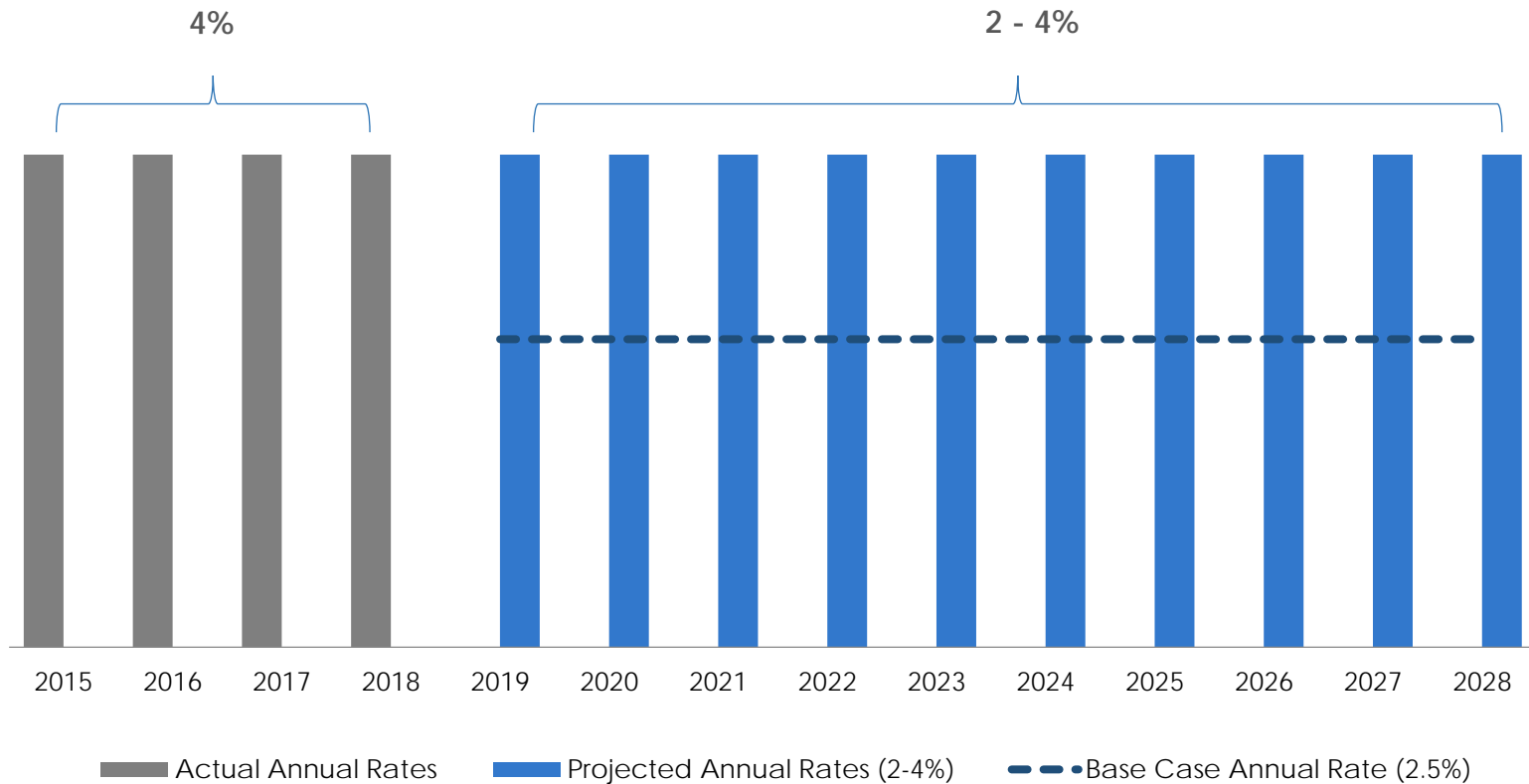
Rate Revenue Forecast: Accounts

Accounts by Customer Class



Revenue Requirement and Budget

Forecast of Projected Rate Increases



This forecast is subject to change, and is dependent upon actual financial performance in future years.

Cost of Service

Cost of Service

Cost of Service Analysis

Tacoma Public Utilities is a Cost-of-Service Organization

- Rates set based on **cost to serve customers**.
- Customer Classes are groups of customers with similar **usage characteristics** that influence cost, such as **infrastructure** requirements and **consumption** patterns
- A **cost-of-service analysis (COSA)** determines the cost of serving each Customer Class:
 - Standard utility practice
 - Conducted every budget cycle
 - Reviewed by third-party consultant

**The COSA
calculates the total
revenue that should
be collected from
each rate class.**

Cost of Service

Customer Class Overall Revenue Requirement

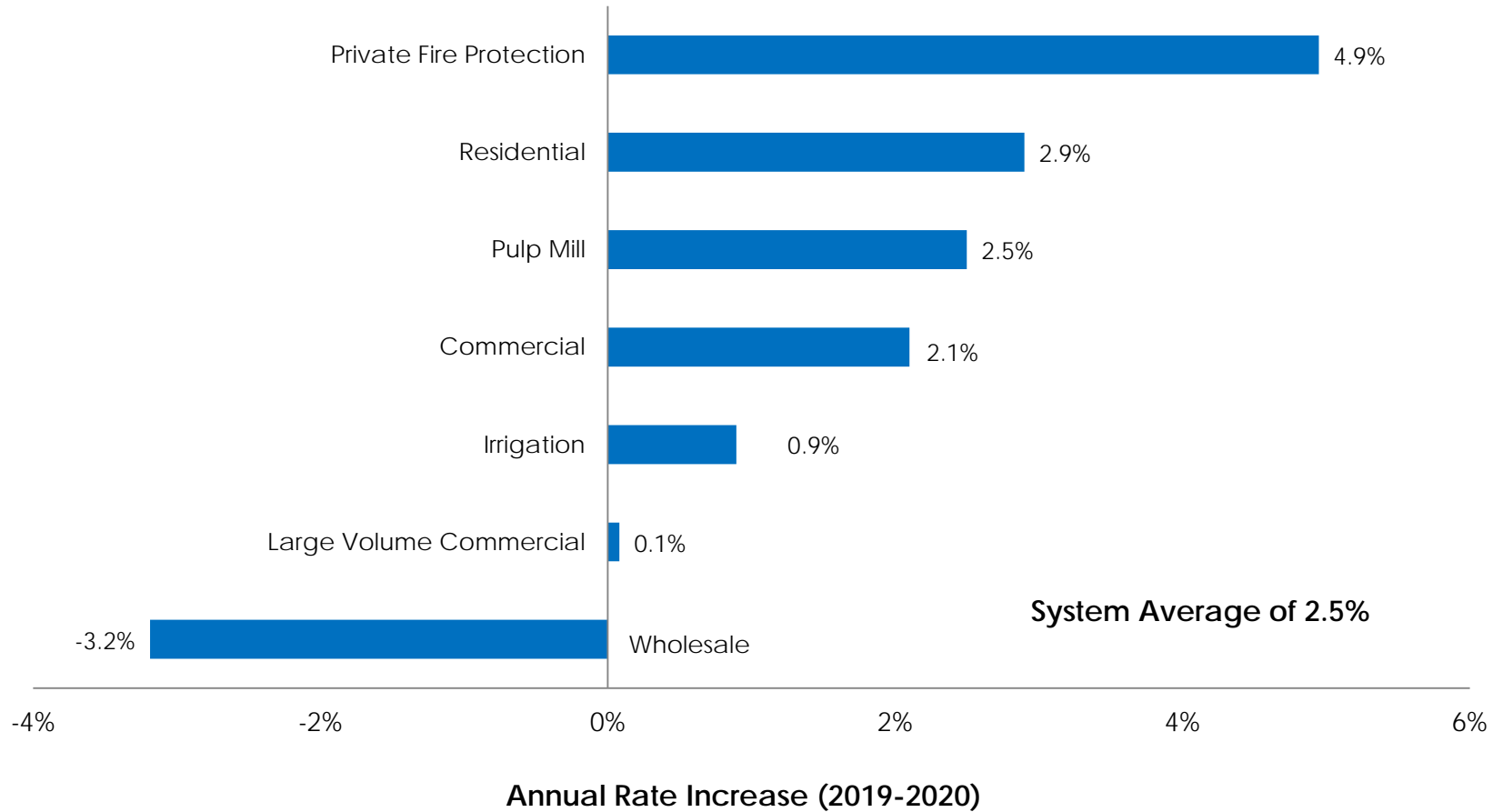
Customer Class	2019-2020 Revenues @		Additional Revenue Required
	Current Rates	Proposed Rates	
Residential	\$ 111,273,911	\$ 116,141,841	\$ 4,867,930
Irrigation	6,449,180	6,536,106	86,926
Commercial	21,772,140	22,470,052	697,912
Large Volume Commercial	4,278,790	4,284,057	5,267
Wholesale	5,674,463	5,406,285	(268,177)
Private Fire Protection	5,617,189	6,042,306	425,117
Pulp Mill	13,305,109	13,808,208	503,099
System	\$ 168,370,781	\$ 174,688,855	\$ 6,318,075

Large Volume Commercial

US Oil
 GP Gypsum
 Boeing
 James Hardie
 Frederickson Power
 Niagara Bottling

Cost of Service

Proposed Rate Increases by Customer Class



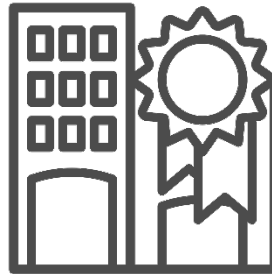
Rate Design

Principles of Rate Design



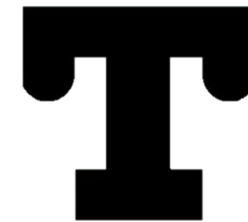
Legal

- Fair
- Just
- Reasonable
- Non-Discriminatory



Industry-Standard

- Revenue Stability
- Cost Causation
- Economic Efficiency
- Equity
- Bill Stability



TPU Principles

- Affordability
- Environment
- Public Involvement

Rate Recommendation (Scenario 1)

Scenario 1 applies a 0% increase to the fixed rate for each class (except for Irrigation and the Pulp Mill), while incorporating fire protection fees.

Customer Class	Overall	Ready to Serve Charge (Fixed)	Rate per CCF (Variable)
Residential	2.9%	0.2%	6.3%
Irrigation	0.9%	-25.0%	7.1%
Commercial	2.1%	0.1%	3.8%
Large Volume Commercial	0.1%	0.0%	0.1%
Wholesale	-3.2%	0.0%	-3.5%
Private Fire Protection	4.9%	4.8%	0.0%
Pulp Mill	2.5%	2.5%	2.5%

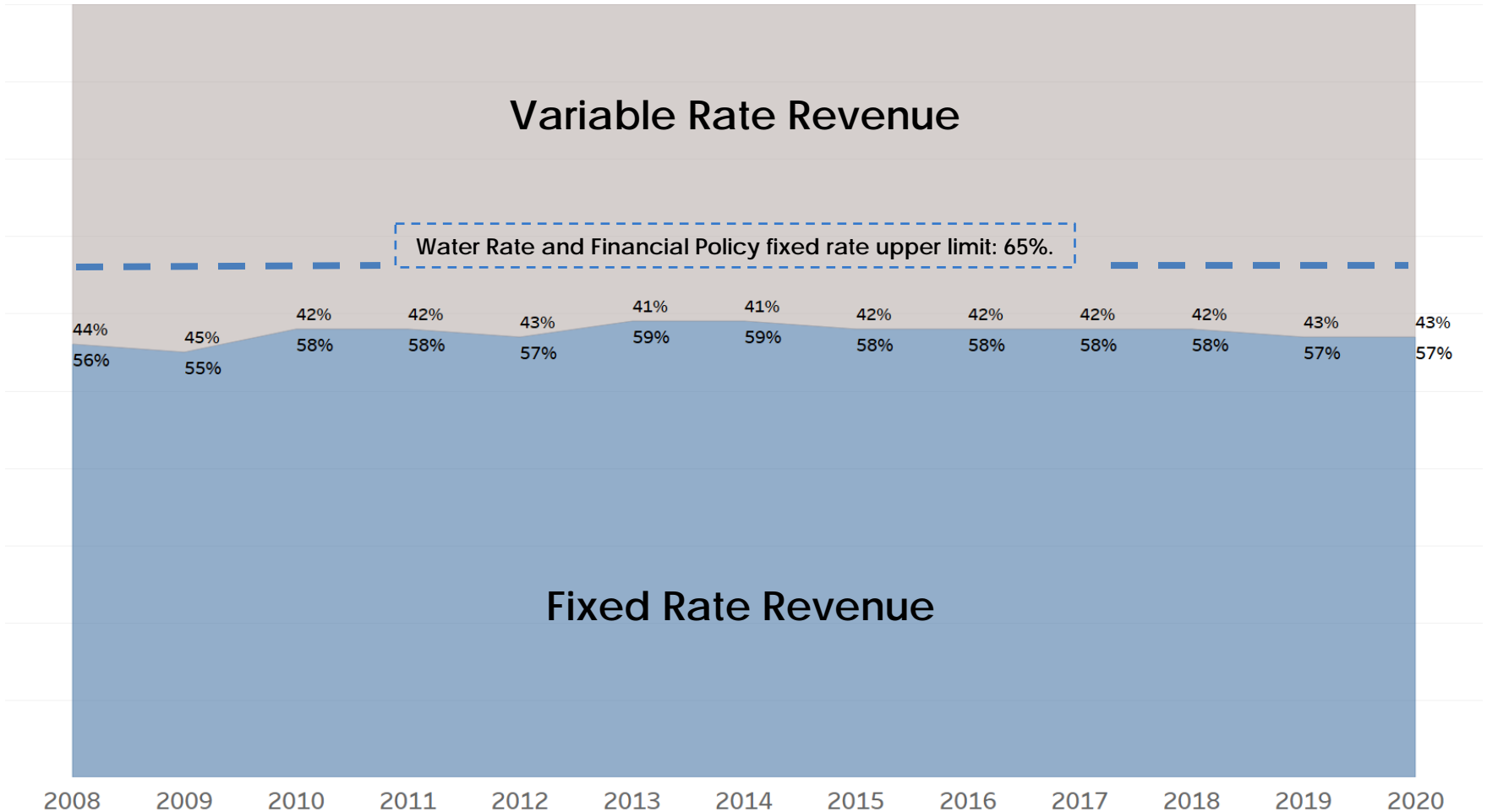
Rate Recommendation (Scenario 2)

Scenario 2 applies a 2.5% increase to the fixed rate for each class (except for Irrigation), while incorporating fire protection fees.

Customer Class	Overall	Ready to Serve Charge (Fixed)	Rate per CCF (Variable)
Residential	2.9%	2.9%	2.8%
Irrigation	0.9%	-25.0%	7.1%
Commercial	2.1%	2.5%	1.7%
Large Volume Commercial	0.1%	2.5%	0.0%
Wholesale	-3.2%	2.5%	-3.7%
Private Fire Protection	4.9%	4.8%	0.0%
Pulp Mill	2.5%	2.5%	2.5%

Rate Design

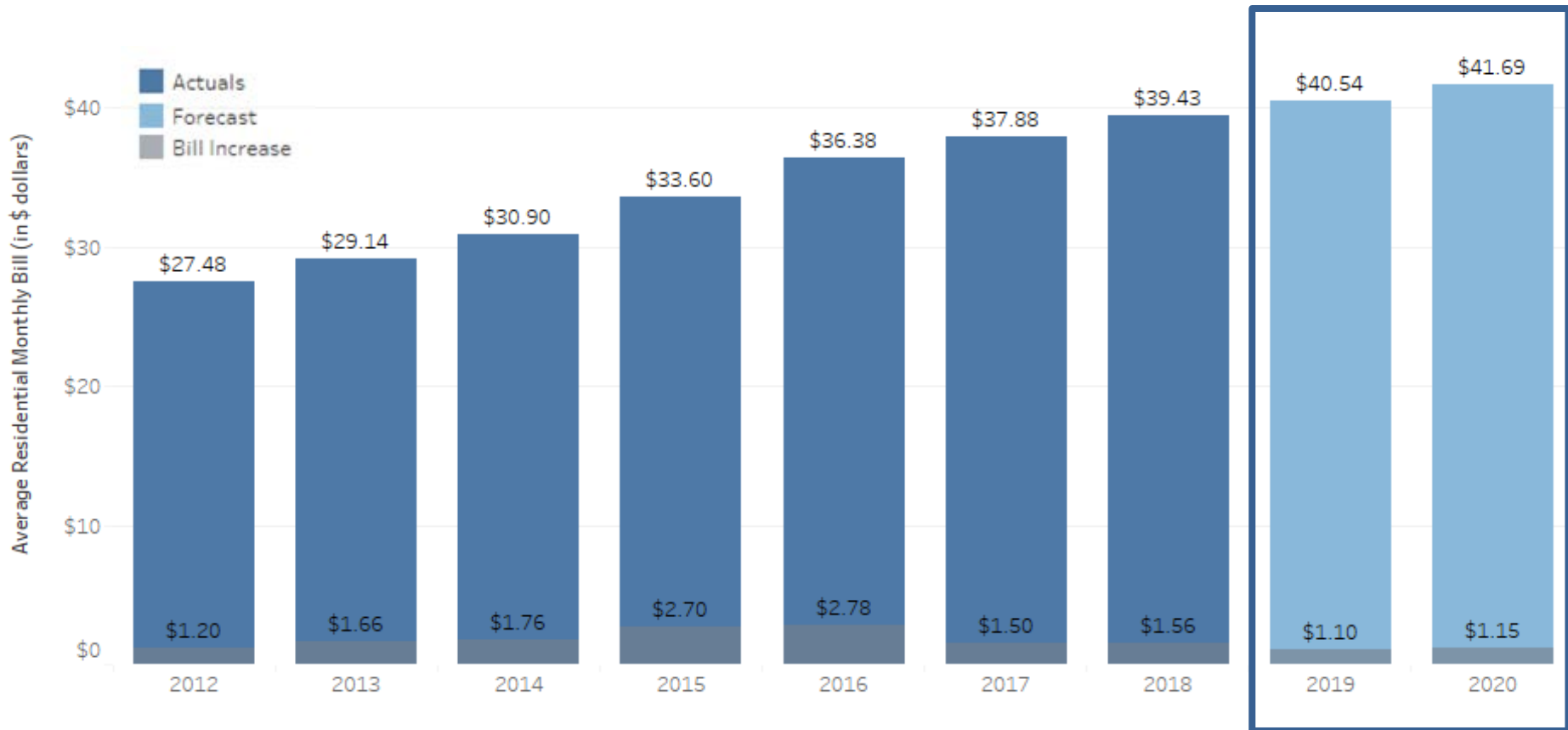
Residential Fixed/Variable Rate Recovery



The projected 2019-2020 recovery ratio is for Scenario 1. Scenario 2's projected recovery ratio would be 42% variable and 58% fixed.

Rate Design

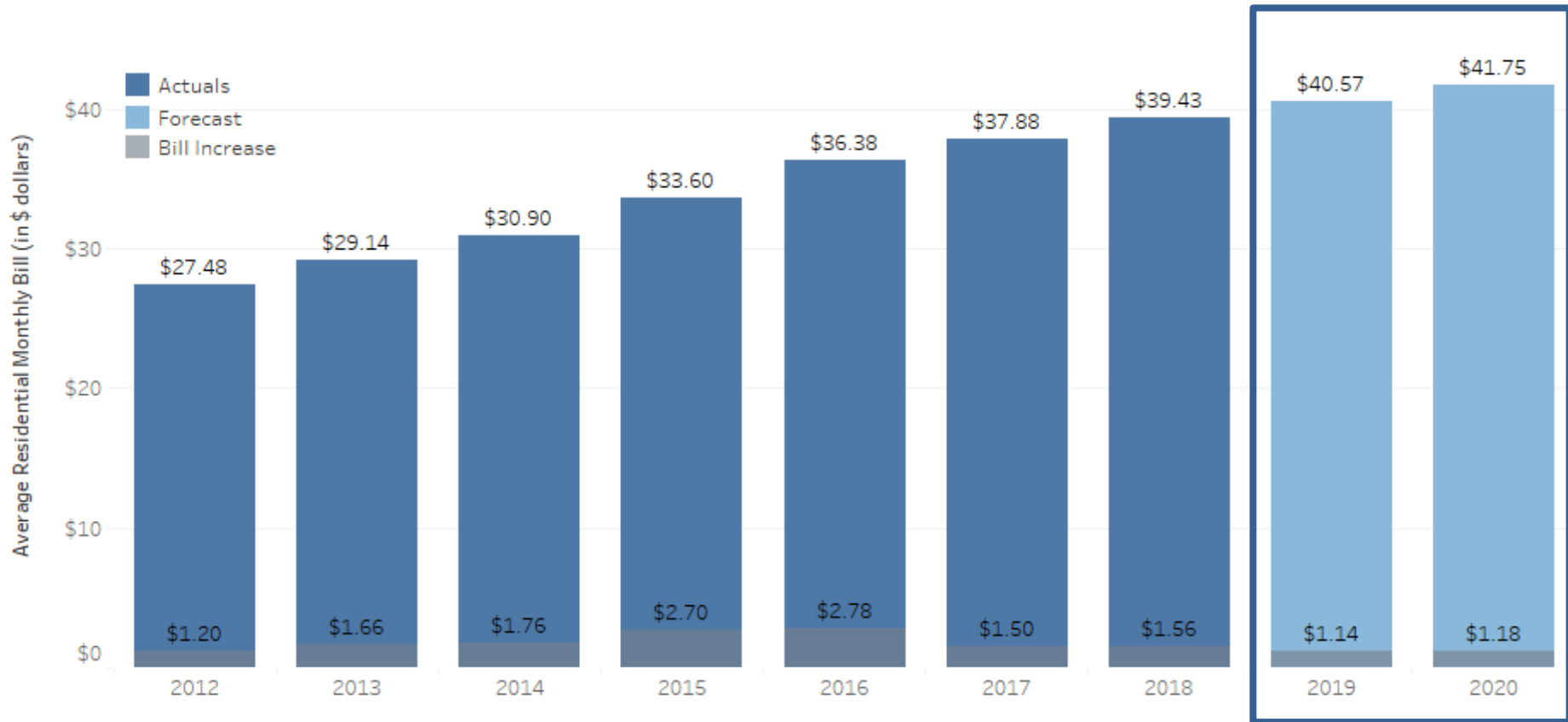
Sample Monthly Bill Increase (Scenario 1)



The monthly average residential bill assumes water consumption of 7 CCF per month on a 5/8 meter.

Rate Design

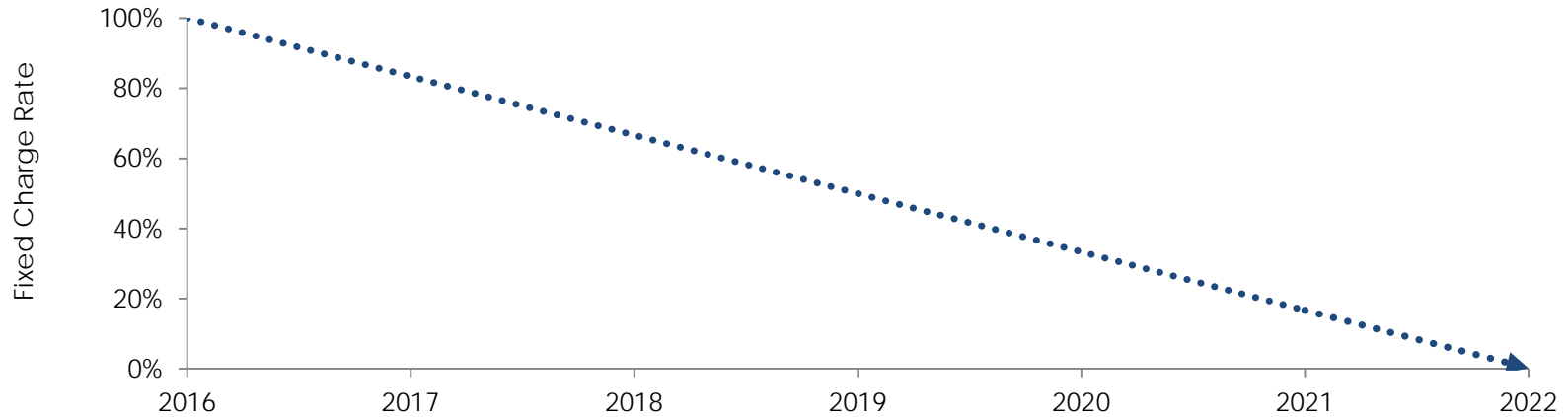
Sample Monthly Bill Increase (Scenario 2)



The monthly average residential bill assumes water consumption of 7 CCF per month on a 5/8 meter.

Irrigation Timeline

Irrigation Fixed Charge Schedule



Fixed charge to gradually phase out over 6 years, transitioning to a purely variable rate structure by 2022

Objectives

- Improve operational efficiency by reducing truck rolls
- Strengthen seasonal conservation signal
- Will position the utility well to explore AMI-supported rate design alternatives


Rate Design

Public Fire Protection: Inside City

- Recover public fire protection costs from the fixed component of the rate, and remove "Hydrant Service Fee" as a separate line item on the bill

Sample 2018 Residential Bi-Monthly Bill



	Tacoma Water	Meter ██████████
11.340 @ \$1.895000/ccf		\$21.49
Fixed Charge @ \$22.05/month		\$44.10
Hydrant Service Fee		\$5.08
Total		\$70.67
Taxes included in your water service:		
Tacoma gross earnings - 8.0% - \$5.65		
State Public Utility - 5.029% - \$3.55		

2019 Sample Bill (itemized)

11.340 @ \$2.014/ccf	\$ 22.84
Fixed Charge @ \$22.05/month	\$ 44.10
Hydrant Service Fee @ 2.71/month	\$ 5.42
Total	\$ 72.36



2019 Sample Bill (combined)

11.340 @ \$2.014/ccf	\$ 22.84
Fixed Charge @ \$24.76/month	\$ 49.52
Total	\$ 72.36

Rate Design

Public Fire Protection: Outside City

- Recover public fire protection costs from the fixed component of the rate, and remove "Hydrant Service Fee" as a separate line item on the bill
- Retire "Historical Service Component" for outside city customers

Sample 2018 Residential Bi-Monthly Bill



	Tacoma Water	Meter	
	9.630 @ \$2.274000/ccf		\$21.90
	Fixed Charge @ \$26.46/month		\$52.92
	Franchise Hydrant Service Fee		\$10.26
	Total		\$85.08 ccf
Taxes included in your water service: Tacoma gross earnings - 8.0% - \$6.81 State Public Utility - 5.029% - \$4.28			

2019 Sample Bill (itemized)

9.630 @ \$2.417/ccf	\$ 23.28
Fixed Charge @ \$26.46/month	\$ 52.92
Hydrant Service Fee (Historical) @ \$0.00/month	\$ -
Hydrant Service Fee (Ongoing) @ \$3.47/month	\$ 6.94
Total	\$ 83.14



2019 Sample Bill (combined)

9.630 @ \$2.417/ccf	\$ 23.28
Fixed Charge @ \$29.93/month	\$ 59.86
Total	\$ 83.14

Appendix

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Residential Service

Residential, Commercial & Large Volume - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$24.76	\$24.94	\$29.93	\$30.20
3/4	\$35.79	\$35.97	\$43.17	\$43.44
1	\$57.84	\$58.02	\$69.63	\$69.90
1.5	\$112.96	\$113.14	\$135.77	\$136.04
2	\$179.11	\$179.29	\$215.15	\$215.42
3	\$333.46	\$333.64	\$400.37	\$400.64
4	\$553.96	\$554.14	\$664.97	\$665.24
6	\$1,105.21	\$1,105.39	\$1,326.47	\$1,326.74
8	\$1,766.71	\$1,766.89	\$2,120.27	\$2,120.54
10	\$2,538.46	\$2,538.64	\$3,046.37	\$3,046.64
12	\$3,723.65	\$3,723.83	\$4,468.60	\$4,468.87

Residential Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption during the winter months of October through and including May	\$2.014	\$2.138	\$2.417	\$2.566
For the first five CCF of water consumption per month during the summer months of June through and including September	\$2.014	\$2.138	\$2.417	\$2.566
For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.518	\$2.673	\$3.021	\$3.208

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Commercial and Industrial Service

Residential, Commercial & Large Volume - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$24.76	\$24.94	\$29.93	\$30.20
3/4	\$35.79	\$35.97	\$43.17	\$43.44
1	\$57.84	\$58.02	\$69.63	\$69.90
1.5	\$112.96	\$113.14	\$135.77	\$136.04
2	\$179.11	\$179.29	\$215.15	\$215.42
3	\$333.46	\$333.64	\$400.37	\$400.64
4	\$553.96	\$554.14	\$664.97	\$665.24
6	\$1,105.21	\$1,105.39	\$1,326.47	\$1,326.74
8	\$1,766.71	\$1,766.89	\$2,120.27	\$2,120.54
10	\$2,538.46	\$2,538.64	\$3,046.37	\$3,046.64
12	\$3,723.65	\$3,723.83	\$4,468.60	\$4,468.87

Commercial and Industrial - General Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$2.204	\$2.286	\$2.645	\$2.743

Commercial and Industrial - Large Volume Service*				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$1.783	\$1.785	\$2.140	\$2.142

* Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Parks and Irrigation Service

Parks & Irrigation - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$11.03	\$7.35	\$13.23	\$8.82
3/4	\$16.54	\$11.03	\$19.85	\$13.23
1	\$27.57	\$18.38	\$33.08	\$22.05
1.5	\$55.13	\$36.75	\$66.15	\$44.10
2	\$88.20	\$58.80	\$105.84	\$70.56
3	\$165.38	\$110.25	\$198.45	\$132.30
4	\$275.63	\$183.75	\$330.75	\$220.50
6	\$551.25	\$367.50	\$661.50	\$441.00
8	\$882.00	\$588.00	\$1,058.40	\$705.60
10	\$1,267.88	\$845.25	\$1,521.45	\$1,014.30
12	\$1,860.47	\$1,240.31	\$2,232.57	\$1,488.38

Parks and Irrigation Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$3.732	\$3.985	\$4.478	\$4.782

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Wholesale Service

Wholesale - Ready to Serve Charge		
Meter Size (Inches)	Rate Effective Dates	
	1/1/19	1/1/20
5/8	\$26.46	\$26.46
3/4	\$39.70	\$39.70
1	\$66.16	\$66.16
1.5	\$132.30	\$132.30
2	\$211.68	\$211.68
3	\$396.90	\$396.90
4	\$661.50	\$661.50
6	\$1,323.00	\$1,323.00
8	\$2,116.80	\$2,116.80
10	\$3,042.90	\$3,042.90
12	\$4,465.13	\$4,465.13

Wholesale Constant Use Customer		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/19	1/1/20
Per CCF for winter months (October - May)	\$2.038	\$1.967
Per CCF for summer months (June - September)	\$2.548	\$2.459

Wholesale Summer Season, Peaking		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/19	1/1/20
For each CCF of water consumption	\$3.821	\$3.688

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Fire Protection Service

Fire Protection Service - Ready to Serve Charge					
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates				
	1/1/19	1/1/20	1/1/19	1/1/20	
2	\$27.33	\$28.70	\$32.80	\$34.44	2.99
3	\$39.79	\$41.79	\$47.75	\$50.15	2.99
4	\$66.48	\$69.82	\$79.78	\$83.78	2.99
6	\$149.13	\$156.60	\$178.96	\$187.92	2.99
8	\$265.48	\$278.79	\$318.58	\$334.55	2.99
10	\$415.25	\$436.07	\$498.30	\$523.28	2.99
12	\$664.19	\$697.48	\$797.03	\$836.98	2.99

Fire Protection Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$3.960	\$3.960	\$4.752	\$4.752

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 1)

Pulp Mill

Billing Components	1/1/19	1/1/20
Distribution Charge per Month	\$82,296.95	\$84,354.37
Supply Charge/CCF	\$0.7620256	\$0.7810762
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.783	\$1.785

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

Residential Service

Residential, Commercial & Large Volume - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$25.31	\$26.06	\$30.59	\$31.54
3/4	\$36.61	\$37.65	\$44.15	\$45.45
1	\$59.21	\$60.82	\$71.27	\$73.26
1.5	\$115.71	\$118.74	\$139.07	\$142.76
2	\$183.51	\$188.25	\$220.43	\$226.17
3	\$341.71	\$350.44	\$410.27	\$420.80
4	\$567.71	\$582.14	\$681.47	\$698.84
6	\$1,132.71	\$1,161.39	\$1,359.47	\$1,393.94
8	\$1,810.71	\$1,856.49	\$2,173.07	\$2,228.06
10	\$2,601.71	\$2,667.44	\$3,122.27	\$3,201.20
12	\$3,816.46	\$3,912.83	\$4,579.97	\$4,695.67

Residential Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption during the winter months of October through and including May	\$1.948	\$2.003	\$2.338	\$2.404
For the first five CCF of water consumption per month during the summer months of June through and including September	\$1.948	\$2.003	\$2.338	\$2.404
For each CCF of water consumption over five CCF during the summer months of June through and including September	\$2.435	\$2.504	\$2.923	\$3.005

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

Commercial and Industrial Service

Residential, Commercial & Large Volume - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$25.31	\$26.06	\$30.59	\$31.54
3/4	\$36.61	\$37.65	\$44.15	\$45.45
1	\$59.21	\$60.82	\$71.27	\$73.26
1.5	\$115.71	\$118.74	\$139.07	\$142.76
2	\$183.51	\$188.25	\$220.43	\$226.17
3	\$341.71	\$350.44	\$410.27	\$420.80
4	\$567.71	\$582.14	\$681.47	\$698.84
6	\$1,132.71	\$1,161.39	\$1,359.47	\$1,393.94
8	\$1,810.71	\$1,856.49	\$2,173.07	\$2,228.06
10	\$2,601.71	\$2,667.44	\$3,122.27	\$3,201.20
12	\$3,816.46	\$3,912.83	\$4,579.97	\$4,695.67

Commercial and Industrial - General Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$2.159	\$2.195	\$2.591	\$2.634

Commercial and Industrial - Large Volume Service*				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$1.782	\$1.782	\$2.138	\$2.138

* Customers may qualify for this rate based on an established consumption history greater than 65,000 CCF annually.

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

Parks and Irrigation Service

Parks & Irrigation - Ready to Serve Charge				
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
5/8	\$11.03	\$7.35	\$13.23	\$8.82
3/4	\$16.54	\$11.03	\$19.85	\$13.23
1	\$27.57	\$18.38	\$33.08	\$22.05
1.5	\$55.13	\$36.75	\$66.15	\$44.10
2	\$88.20	\$58.80	\$105.84	\$70.56
3	\$165.38	\$110.25	\$198.45	\$132.30
4	\$275.63	\$183.75	\$330.75	\$220.50
6	\$551.25	\$367.50	\$661.50	\$441.00
8	\$882.00	\$588.00	\$1,058.40	\$705.60
10	\$1,267.88	\$845.25	\$1,521.45	\$1,014.30
12	\$1,860.47	\$1,240.31	\$2,232.57	\$1,488.38

Parks and Irrigation Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$3.732	\$3.985	\$4.478	\$4.782

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

Wholesale Service

Wholesale - Ready to Serve Charge		
Meter Size (Inches)	Rate Effective Dates	
	1/1/19	1/1/20
5/8	\$27.12	\$27.80
3/4	\$40.68	\$41.71
1	\$67.80	\$69.52
1.5	\$135.60	\$139.02
2	\$216.96	\$222.43
3	\$406.80	\$417.06
4	\$678.00	\$695.10
6	\$1,356.00	\$1,390.20
8	\$2,169.60	\$2,224.32
10	\$3,118.80	\$3,197.46
12	\$4,576.50	\$4,691.93

Wholesale Constant Use Customer		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/19	1/1/20
Per CCF for winter months (October - May)	\$2.033	\$1.956
Per CCF for summer months (June - September)	\$2.541	\$2.445

Wholesale Summer Season, Peaking		
Range in CCF (100 cubic feet)	Rate Effective Dates	
	1/1/19	1/1/20
For each CCF of water consumption	\$3.812	\$3.668

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

Fire Protection Service

Fire Protection Service - Ready to Serve Charge					
Meter Size (Inches)	Inside City of Tacoma		Outside City of Tacoma		Maximum Allowable Monthly Water Usage for Testing and Leakage, CCF
	Rate Effective Dates				
	1/1/19	1/1/20	1/1/19	1/1/20	
2	\$27.33	\$28.70	\$32.80	\$34.44	2.99
3	\$39.79	\$41.79	\$47.75	\$50.15	2.99
4	\$66.48	\$69.82	\$79.78	\$83.78	2.99
6	\$149.13	\$156.60	\$178.96	\$187.92	2.99
8	\$265.48	\$278.79	\$318.58	\$334.55	2.99
10	\$415.25	\$436.07	\$498.30	\$523.28	2.99
12	\$664.19	\$697.48	\$797.03	\$836.98	2.99

Fire Protection Service				
Range in CCF (100 cubic feet)	Inside City of Tacoma		Outside City of Tacoma	
	Rate Effective Dates			
	1/1/19	1/1/20	1/1/19	1/1/20
For each CCF of water consumption	\$3.960	\$3.960	\$4.752	\$4.752

Proposed TMC Rate Schedules for 2019 – 2020 (Scenario 2)

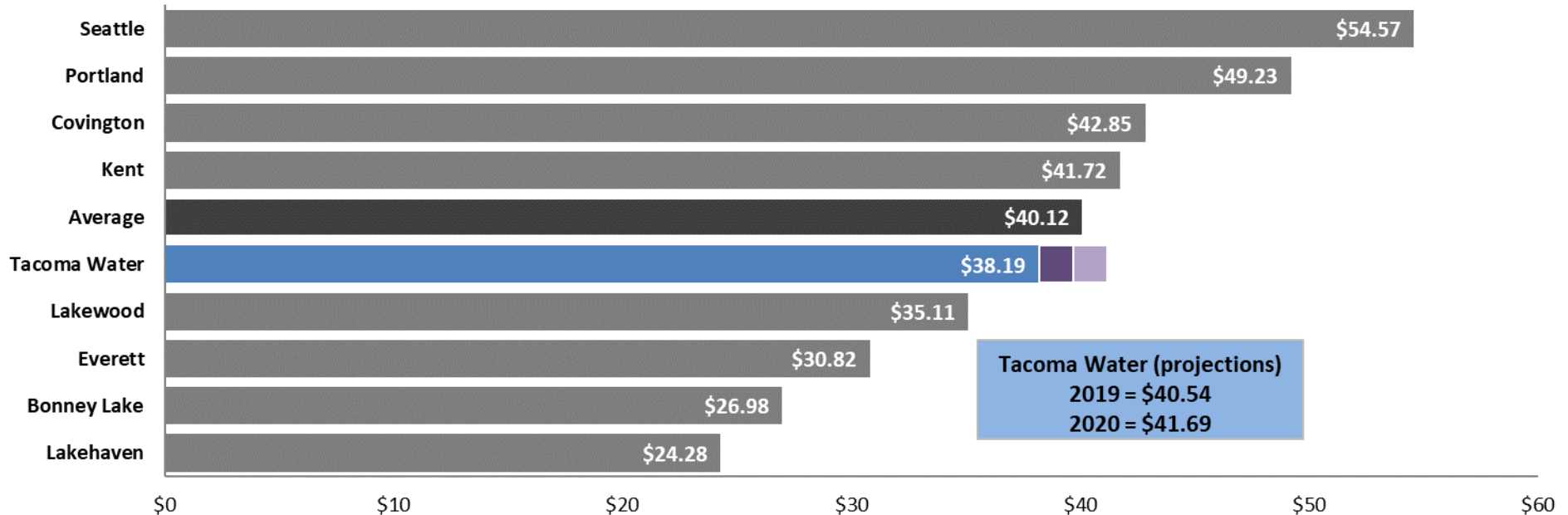
Pulp Mill

Billing Components	1/1/19	1/1/20
Distribution Charge per Month	\$82,296.95	\$84,354.37
Supply Charge/CCF	\$0.7620256	\$0.7810762
Daily or Monthly Excess Water Usage Charge (Commercial and Industrial - Large Volume Rate) per CCF	\$1.782	\$1.782

Bill Comparison

Residential Inside City of Tacoma

Residential Inside City Monthly Average Bill at 2018 Rates by Utility



ASSUMPTIONS: 5/8" Meter with 6 CCF per month demand in winter for 8 months and 9 CCF per month demand in summer for 4 months.