



AMENDED RESOLUTION NO. U-10917

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2 A RESOLUTION relating to amending and revising Chapter 12.06 of the
3 Tacoma Municipal Code ("TMC") regarding Power rates and regulations,
4 and approving changes to the Tacoma Power Electric Rates and
5 Financial Policy.

6 WHEREAS the City of Tacoma, Department of Public Utilities, Power
7 Division (d.b.a. "Tacoma Power"), has completed its rate analysis and has
8 developed proposed rates and regulations for the 2017-2018 biennium, and

9 WHEREAS Tacoma Power's revenue requirements analysis for the 24-
10 month budget period (April 1, 2017, through March 31, 2019) indicates a
11 revenue shortfall of approximately \$58.7 million at current rates. Expenses
12 driving this shortfall are related to lower wholesale and retail revenues, and to a
13 lesser extent, increases in city gross earnings taxes, assessments, and
14 personnel costs, and

15 WHEREAS the overall adjustment in rates is an increase of 5.9 percent in
16 both 2017 and 2018 for the system as a whole. The rate increases are
17 distributed to different customer classes based on a cost-of-service analysis.
18 Based on this analysis, Tacoma Power is recommending the following rate
19 adjustments:
20

Proposed Increase in Revenue Requirement by Class		
Rate Class		Rate Increase (two-step, levelized)
Residential	A	6.7%
Small General	B	2.4%
General	G	5.0%
High Voltage General	HVG	8.5%
Contract Industrial	CP	5.4%
Street Lighting and Traffic Signals	H1	11.0%
Private Off-Street Lighting	H2	9.3%



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WHEREAS based on customer and stakeholder feedback received, Tacoma Power has modified its prior rate adjustment recommendation approved by the Public Utility pursuant to Resolution U-10909 by putting approximately 50 percent of the residential and small general service class rate increase into the customer charge and approximately 50 percent into the variable charge, and

WHEREAS Tacoma Power is recommending adding two new rate schedules: (1) H-3 Street Lighting Service is a new tariff for utility-owned, municipally-maintained street lighting service; and (2) Renewable Energy Program is a voluntary rate tariff for customers who want to buy qualified alternative renewable energy resources, and

WHEREAS Tacoma Power is recommending the following changes to its Power regulations:

(1) TMC 12.06.140 – Tampering and injury to City equipment.

- a. Currently 12.06.140.B states that if there is evidence that energy has been used illegally, the customer can be charged the estimated consumption. The current language does not explicitly grant authority to recover costs for resealing or fixing the meter. The proposed language clarifies that the customer, or the owner of the premises when there is no current customer of utility services, is responsible for energy consumption and costs associated with the investigation and resealing of the power meter when illegal tampering has been discovered.



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(2) TMC 12.06.225 – High Voltage General Service.

- a. In the availability section, require customers over 8 Megawatts to have a contract with Tacoma Power or be served at the General Service Rate Schedule.
- b. In the availability section, include a requirement that customers who begin taking service at the High Voltage General rate after April 16, 2017, be required to enter into a contract with Tacoma Power. Requiring contracts for customers taking service at a high voltage will allow Tacoma Power to customize maintenance schedules and set clear expectations for the customer's responsibilities as a high voltage customer.

WHEREAS Tacoma Power is recommending changes to its Electric Rates and Financial Policy as follows:

- (1) In Section IV.A Subsection 3, fix a reference to Subsection 4 that should reference Subsection 5.
- (2) In Section IV.B.2.b.2, update the language regarding demand/energy classification of BPA purchased power to reflect current practice.
- (3) In Section IV.B.2.c, update the New Large Load language to reflect the 15% new resource adder for loads over 8 Megawatts. This will update the outdated language based on Bonneville Power Administration's New Large Single Load policy from the 1980s.



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WHEREAS revisions to Tacoma Power rates and regulations, and its Electric Rates and Financial Policy require approval by the Public Utility Board and Tacoma City Council, pursuant to Tacoma City Charter section 4.11, and

WHEREAS the recommended changes to the rates, regulations and policies are just, fair and reasonable, and are in the best interest of the citizens of Tacoma and the customers of Tacoma Power, and Tacoma Power requests that the Board approve said revisions and amendments; Now, Therefore, BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Sec. 1. The proposed revisions to Tacoma Power's regulations, rates and charges are hereby approved, and the Council of the City of Tacoma is requested to pass an ordinance approving such revisions by amending Chapter 12.06 of the Tacoma Municipal Code, as set forth in the attached Exhibit "A-1" effective April 16, 2017, and Exhibit "A-2" effective April 1, 2018, substantially in the form as on file with the Clerk of the Board, and in final form to be approved by the City Attorney.

Sec. 2. The proposed revisions to the Tacoma Power's Electric Rates and Financial Policy are hereby approved, and the Council of the City of Tacoma is requested to approve such revisions as set forth in the attached Exhibit "B" as on file with the Clerk of the Board.

Approved as to form and legality:

William Feshe

Chief Deputy City Attorney

Deborah DME

Clerk

Mark Patten

Chair

Woodrow Jones

Secretary

Adopted 3-22-17

AMENDED U-10917 EXHIBIT "A-1"

Amending Chapter 12.06 TMC (all additions and amendments effective April 16, 2017)

Chapter 12.06

ELECTRIC ENERGY – REGULATIONS AND RATES¹

Amended and Added Sections:

- 12.06.140 Tampering and injury to City equipment.
- 12.06.160 Residential service – Schedule A-1. Effective April 16, ~~2015~~2017.
- 12.06.170 Small general service – Schedule B. Effective April 16, ~~2015~~2017.
- 12.06.215 General service – Schedule G. Effective April 16, ~~2015~~2017.
- 12.06.225 High voltage general service – Schedule HVG. Effective April 16, ~~2015~~2017.
- 12.06.260 Contract industrial service – Schedule CP. Effective April 16, ~~2015~~2017.
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 16, ~~2015~~2017.
- ~~12.06.295 Street lighting service – Schedule H-3. Effective April 16, 2017.~~
- 12.06.300 Private off-street lighting service – Schedule H-2. Effective April 16, ~~2015~~2017.
- ~~12.06.370 Renewable Energy Program.~~

12.06.140 Tampering and injury to City equipment.

A. It shall be unlawful for any person, other than a duly authorized employee of the Department acting under the authority of the Director to connect any house, premises, wires or appliances with the City's electric circuits for the purpose of securing the electric current therefrom, or for any other purpose whatever. If such unlawful action is taken, the Department shall have the right to disconnect the service at the service source and demand a minimum restoration fee as set forth in City Code Section 12.01.010 plus all other unpaid charges owing the Department.

B. If the seal on the City's meter is broken, or the meter from any cause does not properly register, or any other evidence of energy having been used illegally is found, ~~the customer shall be charged with a consumption estimated by the Director and bill rendered accordingly~~ the Director shall charge the customer, or the owner of the premises when there is no current customer of utility services, with an energy consumption estimate along with all costs associated with the investigation and resealing of the meter.

C. The civil remedies set forth herein are in addition to all other civil or criminal remedies available under State law, including but not limited to RCW 80.28.240 and/or RCW Title 9A, this Code, or Customer Service Policies adopted hereunder.

(Ord. 25681 § 8; passed Mar. 21, 1995; Ord. 25460 § 3; passed Mar. 22, 1994; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.160 Residential service – Schedule A-1. Effective April ~~16~~, ~~2015~~2017, through ~~March 31~~, ~~2018~~.

A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.

B. Applicability. To single residences, individually metered apartments and per apartment for collectively metered apartments.

C. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.~~039710~~042437 per kWh.
2. Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.
3. Customer Charge: ~~\$10.50~~13.50 per month, or any fraction thereof, for all but collectively metered apartments; ~~\$8.50~~11.00 per month, or any fraction thereof, for collectively metered apartments.
4. Exceptions:

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

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~039710-042437~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~1013.50-50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~8.5011.00~~ per month, or any fraction thereof, for collectively metered apartments.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~039710-042437~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~1013.50-50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~8.5011.00~~ per month, or any fraction thereof, for collectively metered apartments.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~039710-042437~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~1013.50-50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~8.5011.00~~ per month, or any fraction thereof, for collectively metered apartments.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~039710-042437~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~10.5013.50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~8.5011.00~~ per month, or any fraction thereof, for collectively metered apartments.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~039710-042437~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~10.5013.50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~8.5011.00~~ per month, or any fraction thereof, for collectively metered apartments.

D. Service Conditions.

1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27332 § 1; passed Mar. 22, 2005: Ord. 27150 § 1; passed Oct. 7, 2003: Ord. 27058 § 1; passed Mar. 18, 2003: Ord. 26848 § 9; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 9; passed Mar. 21, 1995: Ord. 25460 § 4; passed Mar. 22, 1994: Ord. 25076 § 1; passed Mar. 24, 1992: Ord. 24584 § 1; passed Mar. 20, 1990: Ord. 24050 § 1; passed Mar. 29, 1988: Ord. 23703 § 1; passed Sept. 23, 1986: Ord. 23473 § 1; passed Sept. 24, 1985: Ord. 23372 § 1; passed Apr. 16, 1985: Ord. 23277 § 1; passed Oct. 23, 1984: Ord. 23093 § 1; passed Dec. 27, 1983: Ord. 23061 § 1; passed Nov. 22, 1983: Ord. 22951 § 1; passed Jul. 5, 1983: Ord. 22878 § 1; passed Mar. 1, 1983: Ord. 22460 § 1; passed Jul. 7, 1981: Ord. 21917 § 1; passed Dec. 11, 1979: Ord. 21566 § 1; passed Dec. 19, 1978: Ord. 20267 § 4; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.170 Small general service – Schedule B. Effective April ~~161, 2015~~2017, through March 31, 2018.

A. Availability. For nonresidential lighting, heating, and incidental power uses where a demand meter may be installed. Also for nonresidential incidental power uses where a meter is not installed. 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: All energy measured in kilowatt-hours at \$0.~~042507~~.~~043549~~ per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

3. Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042507~~~~043549~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042507~~~~043549~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042507~~~~043549~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042507~~~~043549~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~042507~~~~043549~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$~~19.00~~20.75 per month or any fraction thereof for all but unmetered services; \$~~14.75~~16.10 per month or any fraction thereof for unmetered services.

C. Service Conditions.

1. The maximum allowable total connected motor rating is 7.5 horsepower (5.6 kilowatts) exclusive of motors of 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.

(Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27604 § 1; passed Apr. 17, 2007: Ord. 27332 § 3; passed Mar. 22, 2005: Ord. 27150 § 2; passed Oct. 7, 2003: Ord. 27058 § 3; passed Mar. 18, 2003: Ord. 26848 § 11; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 10; passed Mar. 21, 1995: Ord. 25460 § 6; passed Mar. 22, 1994: Ord. 25076 § 3; passed Mar. 24, 1992: Ord. 24584 § 3; passed Mar. 20, 1990: Ord. 24050 § 2; passed Mar. 29, 1988: Ord. 23372 § 2; passed Apr. 16, 1985: Ord. 22951 § 2; passed Jul. 5, 1983: Ord. 22878 § 2; passed Mar. 1, 1983: Ord. 22460 § 2; passed Jul. 7, 1981: Ord. 21917 § 2; passed Dec. 11, 1979: Ord. 21566 § 2; passed Dec. 19, 1978: Ord. 20267 § 5; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.215 General service – Schedule G. Effective April ~~161, 2015~~2017, through March 31, 2018.

A. Availability. For general power use where a demand meter is installed, for standby capacity to customers generating all or a part of their electric power requirements, and for intermittent use. The customer's actual demand as determined by Tacoma Power must exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power must exceed 65 kilowatts upon initial service energization.

For customers providing all their own transformation from Tacoma Power's distribution system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

2. Delivery: All kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

3. Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

(3) Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

(3) Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

(3) Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

(3) Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.0411920~~.042964 per kWh.

(2) Delivery: All Kilowatts of Billing Demand delivered at ~~\$7.507.91~~ per kW.

(3) Customer Charge: ~~\$5063.00~~ per month or any fraction thereof.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor;
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or
3. 100 percent of the standby capacity.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Standby Capacity. That amount of power requested by written application or estimated by the Director to be made continuously available for exclusive use of the customer.

E. Service Conditions.

1. At the option of Tacoma Power, primary metering may be installed where the service transformers aggregate 500 kVA or more.
2. At the option of Tacoma Power, a customer may be transferred to a non-demand metered rate if the customer's actual demand has not exceeded 50 kilovolt amperes 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.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 4; passed Mar. 22, 2005; Ord. 27150 § 3; passed Oct. 7, 2003; Ord. 27058 § 4; passed Mar. 18, 2003; Ord. 26848 § 12; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 11; passed Mar. 21, 1995; Ord. 25460 § 7; passed Mar. 22, 1994; Ord. 25076 § 4; passed Mar. 24, 1992; Ord. 24584 § 7; passed Mar. 20, 1990; Ord. 24050 § 5; passed Mar. 29, 1988)

12.06.225 High voltage general service – Schedule HVG. Effective April ~~16~~, ~~2015~~2017, through March 31, 2018.

A. Availability. For general power use where a demand meter is installed and where a customer served does not require the use of Tacoma Power's distribution facilities other than substation transformation. Customers over 8 Megawatts who do not have a Power Service Agreement (Contract) with Tacoma Power will take service under TMC 12.06.215 General Service. A Power Service Agreement (Contract) with Tacoma Power is required for customers who begin taking service under TMC 12.06.225 High voltage general service after April 16 2017. For customers who provide all of their own transformation from Tacoma Power's transmission system voltage, a credit of ~~15.8324.00~~ percent will be applicable to the delivery charge.

High voltage general service customers shall be billed the following rates under Subsection 12.06.225.B (a two-step rate increase effective April 16, 2017 and April 1, 2018) unless the Customer files by April 21, 2017, a written notice in a form approved by Tacoma Power that irrevocably elects to be billed under the alternative rates under Subsection 12.06.225.C (a one-step rate increase effective April 16, 2017 with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date).

B. Monthly Rate: The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at ~~\$0.0351750.038295~~ per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at ~~\$4.004.51~~ per kW.
3. Customer Charge: ~~\$210.00850.00~~ per month or any fraction thereof.
4. Exceptions:

(a) Within the City of Fife:

- (1) Energy: All energy measured in kilowatt-hours at \$0.0351750.038295 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$4.004.51 per kW.
- (3) Customer Charge: \$210.00850.00 per month or any fraction thereof.

(b) Within the City of Fircrest:

- (1) Energy: All energy measured in kilowatt-hours at \$0.0351750.038295 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$4.004.51 per kW.
- (3) Customer Charge: \$210.00850.00 per month or any fraction thereof.

(c) Within the City of Lakewood:

- (1) Energy: All energy measured in kilowatt-hours at \$0.0351750.038295 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$4.004.51 per kW.
- (3) Customer Charge: \$210.00850.00 per month or any fraction thereof.

(d) Within the City of Steilacoom:

- (1) Energy: All energy measured in kilowatt-hours at \$0.0351750.038295 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$4.004.51 per kW.
- (3) Customer Charge: \$210.00850.00 per month or any fraction thereof.

(e) Within the City of University Place:

- (1) Energy: All energy measured in kilowatt-hours at \$0.0351750.038295 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$4.004.51 per kW.
- (3) Customer Charge: \$210.00850.00 per month or any fraction thereof.

C. Monthly Rate (a one-step rate increase effective April 16th, 2017 with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date

	<u>Effective 4/16/17</u>	<u>Effective 4/1/19 unless superseded prior to effective date</u>
<u>Energy</u>	<u>\$0.039987</u>	<u>\$0.041691</u>
<u>Delivery</u>	<u>\$4.63</u>	<u>\$4.75</u>
<u>Customer Charge</u>	<u>\$1,175.00</u>	<u>\$1,490.00</u>
<u>Exceptions:</u>		
<u>Within the City of Fife</u>		
<u>Energy</u>	<u>\$0.039987</u>	<u>\$0.041691</u>
<u>Delivery</u>	<u>\$4.63</u>	<u>\$4.75</u>
<u>Customer Charge</u>	<u>\$1,175.00</u>	<u>\$1,490.00</u>
<u>Within the City of Fircrest</u>		
<u>Energy</u>	<u>\$0.039987</u>	<u>\$0.041691</u>
<u>Delivery</u>	<u>\$4.63</u>	<u>\$4.75</u>

Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of Lakewood</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of Steilacoom</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of University Place</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00

CD. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The billing demand shall be the higher of:

1. The highest measured demand for the month adjusted for power factor, or
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

DE. Service Conditions.

1. Power factor provision applicable.
2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 27976 Ex. A; passed Mar. 29, 2011; Ord. 27332 § 5; passed Mar. 22, 2005; Ord. 27150 § 4; passed Oct. 7, 2003; Ord. 27058 § 5; passed Mar. 18, 2003; Ord. 26848 § 13; passed Sept. 18, 2001)

12.06.260 Contract industrial service – Schedule CP. Effective April ~~16~~, ~~2015~~2017, through March 31, 2018.

A. Availability. For major industrial power use upon the execution of a written Power Service Agreement (Contract) with Tacoma Power, which shall require among other conditions:

1. A minimum Contract Demand (as set forth in the Contract) of not less than 8,000 kilowatts;
2. Delivery of power at one primary voltage;
3. Metering at primary voltage but in no case at less than nominal 4,160 volts;
4. Power factor adjustment to 95 percent lagging or better; and

5. Service is subject to curtailment and certain notice provisions are applicable.

B. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at ~~\$0.02848~~0.030675 per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$4.33 per kW.

(c) Minimum Charge: The Demand Charge.

(d) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge =
 $(MWh + Losses) \times (THI + Tx) \times 120\%$.

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(e) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge =
 $MW \times 300\% \times DC$

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

2. Delivery: All kilowatts of Billing Demand delivered at \$4.00 per kW.

3. Customer Charge: ~~\$760.00~~1,870.00 per month or any fraction thereof.

4. Exceptions:

(a) Within the City of Fife:

(1) Power Service Charges:

(i) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at ~~\$0.02848~~0.030675 per kWh.

(ii) Demand: All kilowatts of Billing Demand delivered at \$4.33 per kW.

(iii) Minimum Charge: The Demand Charge.

(iv) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge =
 $(MWh + Losses) \times (THI + Tx) \times 124.1319\%$

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(v) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge =
 $MW \times 300\% \times DC$

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.00 per kW.

(3) Customer Charge: ~~\$760.00~~1,870 per month or any fraction thereof.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly.

1. The Billing Demand shall be the highest of:

(a) The highest measured demand for the month, adjusted for power factor;

(b) 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor;

(c) A demand level equal to the Contract Energy, in average megawatt (as set forth in the Contract); or

(d) 60 percent of the highest Contract Demand (as set forth in the Contract) during any of the preceding 11 months.

D. Service Conditions.

1. Power factor provision applicable; and

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy and delivery services shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27332 § 6; passed Mar. 22, 2005: Ord. 27150 § 5; passed Oct. 7, 2003: Ord. 27058 § 6; passed Mar. 18, 2003: Ord. 26848 § 14; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 12; passed Mar. 21, 1995: Ord. 25460 § 8; passed Mar. 22, 1994: Ord. 25076 § 5; passed Mar. 24, 1992: Ord. 24584 § 11; passed Mar. 20, 1990: Ord. 24050 § 8; passed Mar. 29, 1988: Ord. 23372 § 7; passed Apr. 16, 1985: Ord. 22951 § 7; passed Jul. 5, 1983: Ord. 22878 § 7; passed Mar. 1, 1983: Ord. 22460 § 7; passed Jul. 7, 1981: Ord. 21917 § 7; passed Dec. 11, 1979: Ord. 21566 § 7; passed Dec. 19, 1978: Ord. 20267 § 13; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April ~~161, 2015~~2017 through March 31, 2018.

A. Availability: Available for:

1. Public street lighting service where the lighting system is in operation during hours of darkness and where the street light system and equipment is owned by the customer, or there have been other suitable prior written arrangements agreed to by Tacoma Power and the applicant; and

2. Traffic controllers, signal lights, warning lights, danger lights, pedestrian lights and similar uses, where the traffic control system and equipment is owned and maintained by the customer.

B. Monthly Rate: Rates stated herein are for (1) unmetered installations [items 1 and 2] where charges are per fixture and shall be applied to the number of installed units on the system as determined by Tacoma Power at the time the billing is rendered, and (2) metered installations [item 3].

1. Street Lighting Units (Unmetered):

(a) Incandescent Lamps:

Nominal Wattage	Energy Charge Per Unit
Up to 150 Watts	\$2.78 <u>91</u>
151-220 Watts	\$4.05 <u>27</u>
221-320 Watts	\$5.84 <u>6.20</u>
321-520 Watts	\$9.51 <u>10.08</u>
521 & Over Watts	\$13.58 <u>15.90</u>

(b) High Intensity Discharge Lamps:

Energy Charge Per Unit			
Nominal Wattage	Continuous	Dusk to Dawn	Dusk to 2:20 a.m.
50 Watts	\$2.55 <u>15</u>	\$1.30 <u>16</u>	\$0.80 <u>73</u>
70 Watts	\$3.37 <u>02</u>	\$1.74 <u>1.63</u>	\$1.20 <u>03</u>
100 Watts	\$4.86 <u>31</u>	\$2.54 <u>2.33</u>	\$1.70 <u>1.47</u>
150 Watts	\$7.24 <u>6.46</u>	\$3.26 <u>3.49</u>	\$2.51 <u>2.20</u>
175 Watts	\$7.59 <u>7.54</u>	\$4.05 <u>4.07</u>	\$2.62 <u>56</u>
200 Watts	\$8.48 <u>8.62</u>	\$4.38 <u>4.65</u>	\$2.87 <u>93</u>
250 Watts	\$10.93 <u>10.77</u>	\$5.37 <u>5.82</u>	\$3.78 <u>66</u>
310 Watts	\$12.53 <u>13.35</u>	\$6.42 <u>7.21</u>	\$4.20 <u>54</u>
400 Watts	\$16.73 <u>17.23</u>	\$8.67 <u>9.31</u>	\$5.74 <u>86</u>
700 Watts	\$28.72 <u>30.16</u>	\$14.69 <u>16.29</u>	\$9.84 <u>10.26</u>
1000 Watts	\$41.39 <u>39.49</u>	\$20.83 <u>21.33</u>	\$14.17 <u>13.43</u>
1500 Watts	\$59.64 <u>64.62</u>	\$30.80 <u>34.90</u>	\$20.47 <u>1.98</u>

(c) At the discretion of Tacoma Power, all lamps not listed above may be charged the following equivalent rate: Energy charge for lamp installations not listed in the above tabulations shall be at the rate of \$36.9235.90, \$18.8119.39, and \$12.3512.21 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Traffic Control Units (Unmetered):

(a)

Unit Type	Energy Charge Per Unit
(1) Red - Amber - Green	
Controllers	\$2.04 <u>2.29</u>
Heads	\$2.72 <u>3.47</u>
(2) Flashing	
Controllers	\$0.63 <u>1.15</u>
Heads	\$1.61 <u>1.73</u>

(1) Incandescent Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait

8 Inch Bulb	<u>\$1,071.91</u>	\$0.10	<u>\$0.781.46</u>	<u>\$0.991.73</u>		
12 Inch Bulb	<u>\$2,614.66</u>	<u>\$0.2425</u>	<u>\$1,913.56</u>	<u>\$2,374.23</u>		
Pedestrian Head					<u>\$0.391.73</u>	<u>\$1.5673</u>

(2) Light Emitting Diodes (LED) Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch LED	<u>\$0.16</u> <u>0.23</u>	\$0.02	<u>\$0.08</u> <u>0.15</u>	<u>\$0.150.2</u> <u>1</u>		
12 Inch LED	<u>\$0.22</u> <u>0.36</u>	<u>\$0.030</u> <u>2</u>	<u>\$0.17</u> <u>30</u>	<u>\$0.1932</u>		
Pedestrian Head					<u>\$0.06</u> <u>21</u>	<u>\$0.342</u> <u>1</u>

(3) Neon Lamps:

Unit Type	Energy Charge Per Unit	
	Walk	Wait
Pedestrian Head	<u>\$0.197</u>	<u>\$0.7467</u>

(4) Controllers:

Unit Type	Energy Charge Per Unit
Traffic	<u>\$2.042.29</u>
Flashing	<u>\$0.631.15</u>

(5) All lamps or controllers not listed above: Energy charge for lamp or controller installations not listed in the above tabulations shall be calculated by multiplying the unit wattage (in kW) x 730 hours x percent active x \$0.045230-050993 per kWh per month.

3. Street Lighting and Traffic Control Units (Metered): The sum of the following energy, delivery and customer charges:

- (a) Energy: All energy measured in kilowatt-hours at \$0.0329220.034278 per kWh.
- (b) Delivery: All energy delivered in kilowatt-hours at \$0.0117900.013281 per kWh.
- (c) Customer Charge: \$6.228.10 per month or any fraction thereof.

C. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27604 § 2; passed Apr. 27, 2007; Ord. 27332 § 7; passed Mar. 22, 2005; Ord. 27058 § 7; passed Mar. 18, 2003; Ord. 26848 § 16; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 14; passed Mar. 21, 1995; Ord. 25460 § 10; passed Mar. 22, 1994; Ord. 25076 § 7; passed Mar. 24, 1992; Ord. 24584 § 13; passed Mar. 20, 1990; Ord. 24280 § 1; passed Feb. 28, 1989; Ord. 24050 § 11; passed Mar. 29, 1988; Ord. 23372 § 8; passed Apr. 16, 1985; Ord. 22951 § 8; passed Jul. 5, 1983; Ord. 22878 § 8; passed Mar. 3, 1983; Ord. 22460 § 9; passed Jul. 7, 1981; Ord. 21917 § 9; passed Dec. 11, 1979; Ord. 21566 § 9;

passed Dec. 19, 1978: Ord. 20808 § 1; passed Jul. 13, 1976: Ord. 20267 § 15; passed Dec. 17, 1974: Ord. 19714 § 1; passed Dec. 12, 1972)

12.06.295 Street Lighting Service – Schedule H-3. Effective April 16, 2017 through March 31, 2018.

A. For the purpose of this section, the following definitions apply:

1. “Jurisdiction” shall mean a city, town, county, or other political subdivision of the state of Washington within the Tacoma Power service territory.

2. “Service Point” shall have the same meaning as defined in the Tacoma Power Customer Service Policies (as authorized under TMC 12.06.330), which is the point where the customer’s service conductors are connected to Tacoma Power’s service utility conductors.

3. “Street Lighting Service” shall mean lighting service supplied by Tacoma Power, where Tacoma Power owns the streetlight fixtures and provides power to the Service Point during the duration of the service.

4. “Capital Recovery Period” shall mean the time period over which Tacoma Power will levy a charge equal to the amortized value of the investment cost for the streetlight fixtures. Unless an alternative time period is mutually determined in writing between Tacoma Power and the Jurisdiction, this period will be 15 years. Streetlight fixtures remain the property of Tacoma Power after the Capital Recovery Period unless a Transfer of Ownership Charge has been paid.

5. “Transfer of Ownership Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests ownership of the fixtures. The charge is determined by costs of equipment, installation, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.

6. “Termination Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests termination of Street Lighting Service. The charge is determined by costs of equipment, installation, removal, disposal, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.

7. “Utility Financing Cost” shall mean the current cost of capital financing to Tacoma Power, as determined solely by Tacoma Power.

B. Schedule H-3 Availability.

1. To qualify for Street Lighting Service under the Schedule H-3, the Jurisdiction must agree to convert a minimum of 300 Jurisdiction streetlights.

2. For service under Schedule H-3, a Jurisdiction must submit a request in writing to Tacoma Power. Tacoma Power reserves the right to delay provision of service under Schedule H-3 for up to two years after the request date.

C. Service Conditions.

1. Monthly Rate: Rates stated herein are charged per fixture installed.

2. Streetlight Fixtures: Streetlight fixtures provided under the Schedule H-3 are owned by Tacoma Power unless the Transfer of Ownership provisions in this section are completed. Under the Schedule H-3, Tacoma Power will provide replacement streetlight fixtures as fixtures become inoperable.

3. Transfer of Ownership: A Jurisdiction may request in writing to purchase and transfer the ownership of and responsibility for a portion or all of a Jurisdiction’s streetlight fixtures under this Schedule H-3 at any time. Transfer of ownership shall occur after the Jurisdiction has paid a Transfer of Ownership Charge. Until the Transfer of Ownership Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3. After transfer of ownership, service will be billed under the Schedule H-1 for non-Tacoma Power owned streetlight fixtures.

4. Termination: A Jurisdiction may request in writing to terminate Schedule H-3 Street Lighting Service for a portion or all of Tacoma Power owned streetlight fixtures at any time. In the event of termination, the Jurisdiction shall pay the Termination Charge. Until the Termination Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3.

5. Fixture Specifications: Tacoma Power will provide fixtures that meet the Jurisdiction Traffic Engineer's specifications. Tacoma Power may solicit input from the Jurisdiction on other fixture features, requirements, and options but retains final authority for fixture selection and purchase. Tacoma Power will purchase only such lighting fixture options as are directly related to Street Lighting Service. Non-streetlight related options that are determined by Tacoma Power to be compatible with the streetlight fixture are allowed. The Jurisdiction will be solely responsible for installation, operation, maintenance, and all costs associated with non-streetlight related options. The Jurisdiction shall notify Tacoma Power of the type, quantity, location, and energy requirements of all non-streetlight related options installed.

6. Liability: The Jurisdiction is wholly responsible for all illumination engineering to meet roadway lighting specifications and the operation of all non-streetlight related options. By accepting Street Lighting Service under Schedule H-3, the Jurisdiction agrees to hold Tacoma Power harmless from any claim for damages associated with the streetlight fixtures provided under this Schedule H-3.

7. Installation: Tacoma Power may authorize the Jurisdiction to install some or all streetlight fixtures covered under this Schedule H-3. If the Jurisdiction elects to perform such installations, the cost shall be at the expense of the Jurisdiction.

8. Service Point: Schedule H-3 will be available to provide Street Lighting Service to customer Service Points with existing streetlight fixtures only.

9. Poles and Circuits: The Jurisdiction that owns the poles and circuits associated with light service under Schedule H-3 shall be responsible for the appropriate maintenance of said poles and circuits. The Jurisdiction is responsible for the safe operation of the poles, circuits, and light fixtures. Tacoma Power reserves the right to refuse or discontinue service under Schedule H-3 if Tacoma Power determines a pole or circuit is inadequate to provide safe Street Lighting Service. In the event a Schedule H-3 streetlight fixture must be discontinued due to an unsafe condition, the Jurisdiction shall remedy the condition immediately or follow the Termination provision above.

10. Maintenance and Repair: The Jurisdiction is responsible for performing, at its sole expense, all maintenance and repair activities associated with the streetlight fixture provided by Tacoma Power under this Schedule H-3. Maintenance and repair includes, but is not limited to, labor and equipment. In the event a Schedule H-3 streetlight fixture fails, the Jurisdiction shall return the failed streetlight fixture to Tacoma Power for replacement. If the Jurisdiction damages a streetlight fixture while performing maintenance, the Jurisdiction will be responsible for the cost to repair or replace the streetlight fixture.

11. Energy: Tacoma Power will provide energy for the streetlight fixture up to the Jurisdiction provided Service Point.

12. Additional Rules: Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

D. Monthly Rates: The sum of the following energy and capital recovery charges:

1. Energy: Energy charge for lamp installations shall be at the rate of \$35.90, \$19.39, and \$12.21 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Capital Recovery Charge: For the biennium during which the fixtures shall be installed, the Capital Recovery Charge shall be calculated as follows:

(a) The monthly amount required to achieve full expense recovery from the Jurisdiction over the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and estimated installation cost.

(b) The amount calculated in a) shall be multiplied by the number of months in the rate period.

(c) The amount in b) shall be divided by the estimated number of fixture-months to be billed during the rate period.

Accounting records shall be kept that record the differences between actual and estimated installation cost, and actual and estimated fixture-months billed. For biennia subsequent to that in which the fixtures are installed, the Capital Recovery Charge shall be calculated as follows:

(a) The amount required to be recovered from the Jurisdiction each month of the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and actual installation cost.

(b) The amount calculated in (a) shall be multiplied by the number of months in the rate period.

- (c) The amount in (b) shall be divided by the estimated number of fixture-months to be billed during the rate period.
- (d) The amount in (c) shall be adjusted to reflect in difference between actual and estimated expenses and recoveries during the biennium during which the fixtures were installed.

12.06.300 Private off-street lighting service – Schedule H-2. Effective April ~~16~~, ~~2015~~2017 through March 31, 2018.

A. Availability. Available for ~~high pressure sodium~~ outdoor lighting service along private street and roadways, over parking lots, and for general area lighting of private property, but excluding public streets within the City of Tacoma.

B. Character of Service.

1. Lighting under this schedule shall be limited to the hours of darkness when street and highway lights are normally in use. The hours of use shall be regulated by a photoelectric control.
2. Tacoma Power will install, own, and maintain the equipment.
3. Energy will be provided on an unmetered basis.

C. Monthly Rate.

1. High Pressure Sodium Lamps:

Lamp Rating (Watts/Lamp)	Type	Rental Charge
100-Watt	Sodium Vapor	\$12.95
200-Watt	Sodium Vapor	\$16.43
400-Watt	Sodium Vapor	\$26.28 30.44

2. All Other Lamps:

<u>Lamp Rating (Watts-Equivalent/Lamp)</u>	<u>Rental Charge</u>
<u>0-200 Watt Equivalent</u>	<u>\$14.69</u>
<u>201-400 Watt Equivalent</u>	<u>\$30.44</u>
<u>401-800 Watt Equivalent</u>	<u>\$46.19</u>
<u>801-1000 Watt Equivalent</u>	<u>\$61.94</u>
<u>1001-1500 Watt Equivalent</u>	<u>\$77.69</u>

All lamps not listed above: Energy charge for lamp installations not listed in the above tabulations shall be at the rate of \$36.92, \$18.81, and \$12.35 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

3. Additional Equipment: Fixtures will be installed on existing poles. ~~However, a~~Additional poles, wires, and accessories required for a lighting installation may be installed at applicant expense. ~~will be charged for in addition to the "Rental Charge."~~ A maximum of three poles will be allowed at a cost of \$624.23 per pole. Ancillary materials will be an additional expense. The customer shall pay the entire installation cost prior to installation.

~~on any one installation. The customer shall pay the entire installation cost of \$624.23 per pole at the time of installation.~~

4. For customers billed under low-income senior and/or low-income disabled discount residential service, Rate Schedule A-2, a discount will be provided by reducing the monthly bill by 30 percent.

D. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 8; passed Mar. 22, 2005; Ord. 27058 § 8; passed Mar. 18, 2003; Ord. 26848 § 17; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 15; passed Mar. 21, 1995; Ord. 25460 § 11; passed Mar. 22, 1994; Ord. 25076 § 8; passed Mar. 24, 1992; Ord. 24584 § 14, passed Mar. 20, 1990; Ord. 24280 § 2; passed Feb. 28, 1989; Ord. 24050 § 12; passed Mar. 29, 1988; Ord. 23372 § 9; passed Apr. 16, 1985; Ord. 22878 § 9; passed Mar. 1, 1983; Ord. 22460 § 10; passed Jul. 7, 1981; Ord. 21105 § 1; passed Jul. 5, 1977; Ord. 20267 § 16; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971).

12.06.370 Renewable Energy Program.

A. Availability: Available to all customers taking permanent retail metered service to purchase qualified alternative energy resources to purchase on a voluntary basis.

B. Applicability: In compliance with RCW 19.29A.090, Tacoma Power is offering its customers the option to purchase Tacoma Power supplied renewable energy credits. Customer participation is strictly on a voluntary basis. Customers may voluntarily begin or terminate their participation at any time by notifying Tacoma Power of their choice.

C. Rate: The Renewable Energy Premium per kWh of renewable energy purchased under this rate schedule is:

Renewable Energy Premium: \$0.012000 per kWh

D. General Provisions: Base rates and other terms of electric service shall be governed by the rate schedule under which the customer takes primary services. This Renewable Energy Premium rate does not include electric service or electric power. Charges specified under this Renewable Energy Premium Rate Schedule are in addition to the charges specified in the rate schedule under which the customer takes its primary electricity service. The voluntary Renewable Energy program payments, less the costs of program administration, marketing, and renewable energy education, ("Net Renewable Energy Program Revenue"), will be used to purchase qualified alternative energy resources. Subject to the provisions of the ordinances authorizing issuance of Tacoma Power revenue obligations, Tacoma Power shall make available from its budgeted funds, for the purchase or development of new qualified alternative energy resources, an amount equal to the Net Renewable Energy Program Revenue allocated to existing Tacoma Power qualified alternative energy resources.

AMENDED U-10917 EXHIBIT "A-2"

Amending Chapter 12.06 TMC (all additions and amendments effective April 1, 2018)

Chapter 12.06

ELECTRIC ENERGY – REGULATIONS AND RATES¹

Amended and Added Sections:

- 12.06.140 Tampering and injury to City equipment.
- 12.06.160 Residential service – Schedule A-1. Effective April 16, ~~2017~~2018.
- 12.06.170 Small general service – Schedule B. Effective April 16, ~~2017~~2018.
- 12.06.215 General service – Schedule G. Effective April 16, ~~2017~~2018.
- 12.06.225 High voltage general service – Schedule HVG. Effective April 16, ~~2017~~2018.
- 12.06.260 Contract industrial service – Schedule CP. Effective April 16, ~~2017~~2018.
- 12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 16, ~~2017~~2018.
- 12.06.295 Street lighting service – Schedule H-3. Effective April 16, ~~2017~~2018.
- 12.06.300 Private off-street lighting service – Schedule H-2. Effective April 16, ~~2017~~2018.

12.06.160 Residential service – Schedule A-1. Effective April 16, ~~2017, through March 31, 2018.~~

A. Availability. Available for domestic purposes in residences, apartments, duplex houses and multiple family dwellings.

B. Applicability. To single residences, individually metered apartments and per apartment for collectively metered apartments.

C. Monthly Rate. The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$~~0.042437-045351~~ per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

3. Customer Charge: \$~~13-506.50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~14-003.50~~ per month, or any fraction thereof, for collectively metered apartments.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$~~0.042437-045351~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~13-506.50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~14-003.50~~ per month, or any fraction thereof, for collectively metered apartments.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$~~0.042437-045351~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: \$~~13-506.50~~ per month, or any fraction thereof, for all but collectively metered apartments; \$~~14-003.50~~ per month, or any fraction thereof, for collectively metered apartments.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$~~0.042437-045351~~ per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

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

(3) Customer Charge: ~~\$13~~16.50 per month, or any fraction thereof, for all but collectively metered apartments; ~~\$14.03~~5.50 per month, or any fraction thereof, for collectively metered apartments.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.042437~~045351 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: ~~\$13~~16.50 per month, or any fraction thereof, for all but collectively metered apartments; ~~\$14.03~~5.50 per month, or any fraction thereof, for collectively metered apartments.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.042437~~045351 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034435 per kWh.

(3) Customer Charge: ~~\$13~~16.50 per month, or any fraction thereof, for all but collectively metered apartments; ~~\$14.00~~3.50 per month, or any fraction thereof, for collectively metered apartments.

D. Service Conditions.

1. Where load conditions warrant, three-phase electric service may be made available by prior written agreement.

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 1; passed Mar. 22, 2005; Ord. 27150 § 1; passed Oct. 7, 2003; Ord. 27058 § 1; passed Mar. 18, 2003; Ord. 26848 § 9; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 9; passed Mar. 21, 1995; Ord. 25460 § 4; passed Mar. 22, 1994; Ord. 25076 § 1; passed Mar. 24, 1992; Ord. 24584 § 1; passed Mar. 20, 1990; Ord. 24050 § 1; passed Mar. 29, 1988; Ord. 23703 § 1; passed Sept. 23, 1986; Ord. 23473 § 1; passed Sept. 24, 1985; Ord. 23372 § 1; passed Apr. 16, 1985; Ord. 23277 § 1; passed Oct. 23, 1984; Ord. 23093 § 1; passed Dec. 27, 1983; Ord. 23061 § 1; passed Nov. 22, 1983; Ord. 22951 § 1; passed Jul. 5, 1983; Ord. 22878 § 1; passed Mar. 1, 1983; Ord. 22460 § 1; passed Jul. 7, 1981; Ord. 21917 § 1; passed Dec. 11, 1979; Ord. 21566 § 1; passed Dec. 19, 1978; Ord. 20267 § 4; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.170 Small general service – Schedule B. Effective April 16, 2017, through March 31, 2018.

A. Availability. For nonresidential lighting, heating, and incidental power uses where a demand meter may be installed. Also for nonresidential incidental power uses where a meter is not installed. 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: All energy measured in kilowatt-hours at ~~\$0.043549~~044616 per kWh.

2. Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

3. Customer Charge: ~~\$2022.75~~50 per month or any fraction thereof for all but unmetered services; ~~\$4617.40~~50 per month or any fraction thereof for unmetered services.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at ~~\$0.043549~~044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: ~~\$2022.75~~50 per month or any fraction thereof for all but unmetered services; ~~\$4617.40~~50 per month or any fraction thereof for unmetered services.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.043549-044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$2022.75-50 per month or any fraction thereof for all but unmetered services; \$1617.10-50 per month or any fraction thereof for unmetered services.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.043549-044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$2022.75-50 per month or any fraction thereof for all but unmetered services; \$1617.10-50 per month or any fraction thereof for unmetered services.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.043549-044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$220.75-50 per month or any fraction thereof for all but unmetered services; \$1617.10-50 per month or any fraction thereof for unmetered services.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.043549-044616 per kWh.

(2) Delivery: All energy delivered in kilowatt-hours at \$0.034587 per kWh.

(3) Customer Charge: \$220.750 per month or any fraction thereof for all but unmetered services; \$176.5+0 per month or any fraction thereof for unmetered services.

C. Service Conditions.

1. The maximum allowable total connected motor rating is 7.5 horsepower (5.6 kilowatts) exclusive of motors of 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.

(Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27604 § 1; passed Apr. 17, 2007: Ord. 27332 § 3; passed Mar. 22, 2005: Ord. 27150 § 2; passed Oct. 7, 2003: Ord. 27058 § 3; passed Mar. 18, 2003: Ord. 26848 § 11; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 10; passed Mar. 21, 1995: Ord. 25460 § 6; passed Mar. 22, 1994: Ord. 25076 § 3; passed Mar. 24, 1992: Ord. 24584 § 3; passed Mar. 20, 1990: Ord. 24050 § 2; passed Mar. 29, 1988: Ord. 23372 § 2; passed Apr. 16, 1985: Ord. 22951 § 2; passed Jul. 5, 1983: Ord. 22878 § 2; passed Mar. 1, 1983: Ord. 22460 § 2; passed Jul. 7, 1981: Ord. 21917 § 2; passed Dec. 11, 1979: Ord. 21566 § 2; passed Dec. 19, 1978: Ord. 20267 § 5; passed Dec. 17, 1974: Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.215 General service – Schedule G. Effective April 16, 2017, thru March 31, 2018.

A. Availability. For general power use where a demand meter is installed, for standby capacity to customers generating all or a part of their electric power requirements, and for intermittent use. The customer's actual demand as determined by Tacoma Power must exceed 50 kilovolt amperes or total connected load as estimated by Tacoma Power must exceed 65 kilowatts upon initial service energization.

For customers providing all their own transformation from Tacoma Power's distribution system voltage, a discount for transformer investment and maintenance will be provided by reducing the monthly bill by 0.8 percent. For customers metered on the primary side of a transformer, a discount for transformer losses will be provided by reducing the monthly bill by 1 percent. These discount percentages are additive, and not compounded.

B. Monthly Rate. The sum of the following energy, delivery, and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
2. Delivery: All kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
3. Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

4. Exceptions:

(a) Within the City of Fife:

- (1) Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
- (3) Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

(b) Within the City of Fircrest:

- (1) Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
- (3) Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

(c) Within the City of Lakewood:

- (1) Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
- (3) Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

(d) Within the City of Steilacoom:

- (1) Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
- (2) Delivery: All kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
- (3) Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

(e) Within the City of University Place:

- (1) Energy: All energy measured in kilowatt-hours at \$~~0.042964~~0.044813 per kWh.
- (2) Delivery: All Kilowatts of Billing Demand delivered at \$~~7.918.35~~ per kW.
- (3) Customer Charge: \$~~63.00~~76.00 per month or any fraction thereof.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The Billing Demand shall be the highest of:

1. The highest measured demand for the month adjusted for power factor;
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor; or
3. 100 percent of the standby capacity.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

D. Standby Capacity. That amount of power requested by written application or estimated by the Director to be made continuously available for exclusive use of the customer.

E. Service Conditions.

1. At the option of Tacoma Power, primary metering may be installed where the service transformers aggregate 500 kVA or more.

2. At the option of Tacoma Power, a customer may be transferred to a non-demand metered rate if the customer's actual demand has not exceeded 50 kilovolt amperes 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.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 4; passed Mar. 22, 2005; Ord. 27150 § 3; passed Oct. 7, 2003; Ord. 27058 § 4; passed Mar. 18, 2003; Ord. 26848 § 12; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 11; passed Mar. 21, 1995; Ord. 25460 § 7; passed Mar. 22, 1994; Ord. 25076 § 4; passed Mar. 24, 1992; Ord. 24584 § 7; passed Mar. 20, 1990; Ord. 24050 § 5; passed Mar. 29, 1988)

12.06.225 High voltage general service – Schedule HVG. Effective April 16, 2017, thru March 31, 2018.

A. Availability. For general power use where a demand meter is installed and where a customer served does not require the use of Tacoma Power's distribution facilities other than substation transformation. Customers over 8 Megawatts who do not have a Power Service Agreement (Contract) with Tacoma Power will take service under TMC 12.06.215 General Service. A Power Service Agreement (Contract) with Tacoma Power is required for customers who begin taking service under TMC 12.06.225 High voltage general service after April 16, 2017. For customers who provide all of their own transformation from Tacoma Power's transmission system voltage, a credit of 24.00 percent will be applicable to the delivery charge.

High voltage general service customers shall be billed the following rates under Subsection 12.06.225.B (a two-step rate increase effective April 16, 2017 and April 1, 2018) unless the Customer files by April 21, 2017, a written notice in a form approved by Tacoma Power that irrevocably elects to be billed under the alternative rates under Subsection 12.06.225.C (a one-step rate increase effective April 16, 2017 with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date).

B. Monthly Rate: The sum of the following energy, delivery and customer charges:

1. Energy: All energy measured in kilowatt-hours at \$0.~~038295~~041691 per kWh.

2. Delivery: All kilowatts of Billing Demand delivered at \$4.~~514.75~~ per kW.

3. Customer Charge: \$~~850.00~~1,490.00 per month or any fraction thereof.

4. Exceptions:

(a) Within the City of Fife:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~038295~~041691 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~514.75~~ per kW.

(3) Customer Charge: \$~~850.00~~1,490.00 per month or any fraction thereof.

(b) Within the City of Fircrest:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~038295~~041691 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~514.75~~ per kW.

(3) Customer Charge: \$~~850.00~~1,490.00 per month or any fraction thereof.

(c) Within the City of Lakewood:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~038295~~041691 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.~~514.75~~ per kW.

(3) Customer Charge: \$~~850.00~~1,490.00 per month or any fraction thereof.

(d) Within the City of Steilacoom:

(1) Energy: All energy measured in kilowatt-hours at \$0.~~038295~~041691 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.514.75 per kW.

(3) Customer Charge: ~~\$850.00~~1,490.00 per month or any fraction thereof.

(e) Within the City of University Place:

(1) Energy: All energy measured in kilowatt-hours at \$0.038295-041691 per kWh.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.514.75 per kW.

(3) Customer Charge: ~~\$850.00~~1,490.00 per month or any fraction thereof.

C. Monthly Rate (a one-step rate increase effective April 16, 2017 with a second default rate increase effective April 1, 2019, unless superseded prior to the effective date

	Effective 4/16/17	Effective 4/1/19 unless superseded prior to effective date
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
Exceptions:		
<u>Within the City of Fife</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of Fircrest</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of Lakewood</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of Steilacoom</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00
<u>Within the City of University Place</u>		
Energy	\$0.039987	\$0.041691
Delivery	\$4.63	\$4.75
Customer Charge	\$1,175.00	\$1,490.00

D. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly. The billing demand shall be the higher of:

1. The highest measured demand for the month adjusted for power factor, or
2. 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor.

For purposes of the determination of Billing Demand in subsection 2 above, the 11 months of history shall be carried forward from the customer's previous account(s).

E. Service Conditions.

1. Power factor provision applicable.
2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A; passed Feb. 26, 2013; Ord. 27976 Ex. A; passed Mar. 29, 2011; Ord. 27332 § 5; passed Mar. 22, 2005; Ord. 27150 § 4; passed Oct. 7, 2003; Ord. 27058 § 5; passed Mar. 18, 2003; Ord. 26848 § 13; passed Sept. 18, 2001)

12.06.260 Contract industrial service – Schedule CP. Effective April 16, 2017, thru March 31, 2018.

A. Availability. For major industrial power use upon the execution of a written Power Service Agreement (Contract) with Tacoma Power, which shall require among other conditions:

1. A minimum Contract Demand (as set forth in the Contract) of not less than 8,000 kilowatts;
2. Delivery of power at one primary voltage;
3. Metering at primary voltage but in no case at less than nominal 4,160 volts;
4. Power factor adjustment to 95 percent lagging or better; and
5. Service is subject to curtailment and certain notice provisions are applicable.

B. Monthly Rate. The sum of the following power service, delivery, customer and other charges:

1. Power Service Charges:

(a) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at ~~\$0.030675~~ 033038 per kWh.

(b) Demand: All kilowatts of Billing Demand delivered at \$4.33 per kW.

(c) Minimum Charge: The Demand Charge.

(d) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge =
(MWh + Losses) x (THI + Tx) x 120%.

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(e) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge =
MW x 300% x DC

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

2. Delivery: All kilowatts of Billing Demand delivered at \$4.00 per kW.

3. Customer Charge: ~~\$1,870.00~~2,980.00 per month or any fraction thereof.

4. Exceptions:

(a) Within the City of Fife:

(1) Power Service Charges:

(i) Energy: All Contract Energy (as set forth in the Contract) measured in kilowatt-hours at ~~\$0.030675~~0.033038 per kWh.

(ii) Demand: All kilowatts of Billing Demand delivered at \$4.33 per kW.

(iii) Minimum Charge: The Demand Charge.

(iv) Contract Energy Overrun: All energy measured in excess of the Contract Energy (as set forth in the Contract) is subject to a Contract Energy Overrun charge, pursuant to the following formula:

Contract Energy Overrun Charge =
(MWh + Losses) x (THI + Tx) x 124.1319%

Where: MWh = the aggregate MWh over the day the customer's total measured daily load was above the Contract Energy amount; Losses = MWh x 1.9%; THI = the highest hourly price observed on the Tacoma Hourly Index within the day of overrun; Tx = applicable BPA or successor organization, transmission rate in \$ per MWh.

(v) Contract Demand Overrun: A Contract Demand Overrun charge shall be imposed when the total measured demand (highest 30-minute integrated demand) exceeds the Contract Demand (as set forth in the Contract). Said charge is pursuant to the following formula:

Contract Demand Overrun Charge =
MW x 300% x DC

Where: MW = MW of metered Demand in excess of the Contract Demand; DC = Demand Charge.

(2) Delivery: All kilowatts of Billing Demand delivered at \$4.00 per kW.

(3) Customer Charge: ~~\$1,870~~2,980.00 per month or any fraction thereof.

C. Billing Demand. Determined by means of a demand meter, 30-minute interval, reset monthly.

1. The Billing Demand shall be the highest of:

(a) The highest measured demand for the month, adjusted for power factor;

(b) 60 percent of the highest measured demand occurring during any of the preceding 11 months after adjustment for power factor;

(c) A demand level equal to the Contract Energy, in average megawatt (as set forth in the Contract); or

(d) 60 percent of the highest Contract Demand (as set forth in the Contract) during any of the preceding 11 months.

D. Service Conditions.

1. Power factor provision applicable; and

2. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy and delivery services shall apply. (Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 6; passed Mar. 22, 2005; Ord. 27150 § 5; passed Oct. 7, 2003; Ord. 27058 § 6; passed Mar. 18, 2003; Ord. 26848 § 14; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 12; passed Mar. 21, 1995; Ord. 25460 § 8; passed Mar. 22, 1994; Ord. 25076 § 5; passed Mar. 24, 1992; Ord. 24584 § 11; passed Mar. 20, 1990; Ord. 24050 § 8; passed Mar. 29, 1988; Ord. 23372 § 7; passed Apr. 16, 1985; Ord. 22951 § 7; passed Jul. 5, 1983; Ord. 22878 § 7; passed Mar. 1, 1983; Ord. 22460 § 7; passed Jul. 7, 1981; Ord. 21917 § 7; passed Dec. 11, 1979; Ord. 21566 § 7; passed Dec. 19, 1978; Ord. 20267 § 13; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971)

12.06.290 Street lighting and traffic signal service – Schedule H-1. Effective April 16, 2017 thru March 31, 2018.

A. Availability: Available for:

1. Public street lighting service where the lighting system is in operation during hours of darkness and where the street light system and equipment is owned by the customer, or there have been other suitable prior written arrangements agreed to by Tacoma Power and the applicant; and
2. Traffic controllers, signal lights, warning lights, danger lights, pedestrian lights and similar uses, where the traffic control system and equipment is owned and maintained by the customer.

B. Monthly Rate: Rates stated herein are for (1) unmetered installations [items 1 and 2] where charges are per fixture and shall be applied to the number of installed units on the system as determined by Tacoma Power at the time the billing is rendered, and (2) metered installations [item 3].

1. Street Lighting Units (Unmetered):

(a) Incandescent Lamps:

Nominal Wattage	Energy Charge Per Unit
Up to 150 Watts	\$2.91 3.10
151-220 Watts	\$4.27 4.55
221-320 Watts	\$6.20 6.61
321-520 Watts	\$10.08 10.74
521 & Over Watts	\$15.90 16.94

(b) High Intensity Discharge Lamps:

Energy Charge Per Unit			
Nominal Wattage	Continuous	Dusk to Dawn	Dusk to 2:20 a.m.
50 Watts	\$2.30 <u>\$2.15</u>	\$1.24 <u>\$1.16</u>	\$0.78 <u>\$0.73</u>
70 Watts	\$3.21 <u>\$3.02</u>	\$1.74 <u>\$1.63</u>	\$1.09 <u>\$1.03</u>
100 Watts	\$4.59 <u>\$4.31</u>	\$2.48 <u>\$2.33</u>	\$1.56 <u>\$1.47</u>
150 Watts	\$6.89 <u>\$6.46</u>	\$3.72 <u>\$3.49</u>	\$2.34 <u>\$2.20</u>
175 Watts	\$8.03 <u>\$7.54</u>	\$4.34 <u>\$4.07</u>	\$2.73 <u>\$2.56</u>
200 Watts	\$9.18 <u>\$8.62</u>	\$4.96 <u>\$4.65</u>	\$3.12 <u>\$2.93</u>
250 Watts	\$11.48 <u>\$10.77</u>	\$6.20 <u>\$5.82</u>	\$3.90 <u>\$3.66</u>
310 Watts	\$14.23 <u>\$13.35</u>	\$7.69 <u>\$7.21</u>	\$4.84 <u>\$4.54</u>
400 Watts	\$18.36 <u>\$17.23</u>	\$9.92 <u>\$9.31</u>	\$6.24 <u>\$5.86</u>
700 Watts	\$32.13 <u>\$30.16</u>	\$17.35 <u>\$16.29</u>	\$10.93 <u>\$10.26</u>
1000 Watts	\$42.08 <u>\$39.49</u>	\$22.73 <u>\$21.33</u>	\$14.31 <u>\$13.43</u>
1500 Watts	\$68.85 <u>\$64.62</u>	\$37.19 <u>\$34.90</u>	\$23.42 <u>\$21.98</u>

(c) At the discretion of Tacoma Power, all lamps may be charged the following equivalent rate: Energy charge for lamp installations at the rate of ~~\$35.90~~\$38.25, ~~\$19.39~~\$20.66, and ~~\$12.21~~\$13.01 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Traffic Control Units (Unmetered):

(a)

Unit Type	Energy Charge Per Unit
(1) Red - Amber - Green	
Controllers	\$2.29 <u>\$2.78</u>
Heads	\$4.21 <u>\$3.47</u>
(2) Flashing	
Controllers	\$1.15 <u>\$1.39</u>
Heads	\$2.10 <u>\$1.73</u>

(1) Incandescent Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch Bulb	<u>\$2.31</u>	<u>\$0.13</u>	<u>\$1.77</u>	<u>\$2.10</u>		
	<u>\$1.91</u>	<u>\$0.10</u>	<u>\$1.46</u>	<u>\$1.73</u>		
12 Inch Bulb	<u>\$5.65</u>	<u>\$0.31</u>	<u>\$4.31</u>	<u>\$5.13</u>		
	<u>\$4.66</u>	<u>\$0.25</u>	<u>\$3.56</u>	<u>\$4.23</u>		
Pedestrian Head					<u>\$1.732.10</u>	<u>\$1.732.10</u>

(2) Light Emitting Diodes (LED) Lamps:

Unit Type	Energy Charge Per Unit					
	Red	Amber	Green	Flashing	Walk	Wait
8 Inch LED	<u>\$0.27</u>	<u>\$0.02</u>	<u>\$0.18</u>	<u>\$0.25</u>		
	<u>\$0.23</u>	<u>\$0.02</u>	<u>\$0.15</u>	<u>\$0.21</u>		
12 Inch LED	<u>\$0.43</u>	<u>\$0.02</u>	<u>\$0.36</u>	<u>\$0.39</u>		
	<u>\$0.36</u>	<u>\$0.02</u>	<u>\$0.30</u>	<u>\$0.32</u>		
Pedestrian Head					<u>\$0.21</u> <u>25</u>	<u>\$0.212</u> <u>5</u>

(3) Neon Lamps:

Unit Type	Energy Charge Per Unit	
	Walk	Wait
Pedestrian Head	<u>\$0.4921</u>	<u>\$0.7483</u>

(4) Controllers:

Unit Type	Energy Charge Per Unit
Traffic	<u>\$2.2978</u>
Flashing	<u>\$1.4539</u>

(5) All lamps or controllers not listed above: Energy charge for lamp or controller installations not listed in the above tabulations shall be calculated by multiplying the unit wattage (in kW) x 730 hours x percent active x \$0.050993-054960 per kWh per month.

3. Street Lighting and Traffic Control Units (Metered): The sum of the following energy, delivery and customer charges:

- (a) Energy: All energy measured in kilowatt-hours at \$0.034278-035690 per kWh.
- (b) Delivery: All energy delivered in kilowatt-hours at \$0.013281-014961 per kWh.
- (c) Customer Charge: ~~\$8.10~~10.00 per month or any fraction thereof.

C. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015: Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013: Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011: Ord. 27604 § 2; passed Apr. 27, 2007: Ord. 27332 § 7; passed Mar. 22, 2005: Ord. 27058 § 7; passed Mar. 18, 2003: Ord. 26848 § 16; passed Sept. 18, 2001: Ord. 26628 § 1; passed May 16, 2000: Ord. 25681 § 14; passed Mar. 21, 1995: Ord. 25460 § 10; passed Mar. 22, 1994: Ord. 25076 § 7; passed Mar. 24, 1992: Ord. 24584 § 13; passed Mar. 20, 1990: Ord. 24280 § 1; passed Feb. 28, 1989: Ord. 24050 § 11; passed Mar. 29, 1988: Ord. 23372 § 8; passed Apr. 16, 1985: Ord. 22951 § 8; passed Jul. 5, 1983: Ord. 22878 § 8; passed Mar. 3, 1983: Ord. 22460 § 9; passed Jul. 7, 1981: Ord. 21917 § 9; passed Dec. 11, 1979: Ord. 21566 § 9; passed Dec. 19, 1978: Ord. 20808 § 1; passed Jul. 13, 1976: Ord. 20267 § 15; passed Dec. 17, 1974: Ord. 19714 § 1; passed Dec. 12, 1972)

12.06.295 Street Lighting Service – Schedule H-3. Effective April 16, 2017 thru March 31, 2018.

A. For the purpose of this section, the following definitions apply:

1. “Jurisdiction” shall mean a city, town, county, or other political subdivision of the state of Washington within the Tacoma Power service territory.
2. “Service Point” shall have the same meaning as defined in the Tacoma Power Customer Service Policies (as authorized under TMC 12.06.330), which is the point where the customer’s service conductors are connected to Tacoma Power’s service utility conductors.
3. “Street Lighting Service” shall mean lighting service supplied by Tacoma Power, where Tacoma Power owns the streetlight fixtures and provides power to the Service Point during the duration of the service.
4. “Capital Recovery Period” shall mean the time period over which Tacoma Power will levy a charge equal to the amortized value of the investment cost for the streetlight fixtures. Unless an alternative time period is mutually determined in writing between Tacoma Power and the Jurisdiction, this period will be 15 years. Streetlight fixtures remain the property of Tacoma Power after the Capital Recovery Period unless a Transfer of Ownership Charge has been paid.
5. “Transfer of Ownership Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests ownership of the fixtures. The charge is determined by costs of equipment, installation, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
6. “Termination Charge” shall mean a charge levied when an unamortized balance remains and the Jurisdiction requests termination of Street Lighting Service. The charge is determined by costs of equipment, installation, removal, disposal, Capital Recovery Period, and Utility Financing Cost minus payments made to date for the specific fixtures.
7. “Utility Financing Cost” shall mean the current cost of capital financing to Tacoma Power, as determined solely by Tacoma Power.

B. Schedule H-3 Availability.

1. To qualify for Street Lighting Service under the Schedule H-3, the Jurisdiction must agree to convert a minimum of 300 Jurisdiction streetlights.
2. For service under Schedule H-3, a Jurisdiction must submit a request in writing to Tacoma Power. Tacoma Power reserves the right to delay provision of service under Schedule H-3 for up to two years after the request date.

C. Service Conditions.

1. Monthly Rate: Rates stated herein are charged per fixture installed.
2. Streetlight Fixtures: Streetlight fixtures provided under the Schedule H-3 are owned by Tacoma Power unless the Transfer of Ownership provisions in this section are completed. Under the Schedule H-3, Tacoma Power will provide replacement streetlight fixtures as fixtures become inoperable.
3. Transfer of Ownership: A Jurisdiction may request in writing to purchase and transfer the ownership of and responsibility for a portion or all of a Jurisdiction’s streetlight fixtures under this Schedule H-3 at any time. Transfer of ownership shall occur after the Jurisdiction has paid a Transfer of Ownership Charge. Until the Transfer of

Ownership Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3. After transfer of ownership, service will be billed under the Schedule H-1 for non-Tacoma Power owned streetlight fixtures.

4. Termination: A Jurisdiction may request in writing to terminate Schedule H-3 Street Lighting Service for a portion or all of Tacoma Power owned streetlight fixtures at any time. In the event of termination, the Jurisdiction shall pay the Termination Charge. Until the Termination Charge payment is received by Tacoma Power, the Jurisdiction will be billed and must pay for service under the Schedule H-3.

5. Fixture Specifications: Tacoma Power will provide fixtures that meet the Jurisdiction Traffic Engineer's specifications. Tacoma Power may solicit input from the Jurisdiction on other fixture features, requirements, and options but retains final authority for fixture selection and purchase. Tacoma Power will purchase only such lighting fixture options as are directly related to Street Lighting Service. Non-streetlight related options that are determined by Tacoma Power to be compatible with the streetlight fixture are allowed. The Jurisdiction will be solely responsible for installation, operation, maintenance, and all costs associated with non-streetlight related options. The Jurisdiction shall notify Tacoma Power of the type, quantity, location, and energy requirements of all non-streetlight related options installed.

6. Liability: The Jurisdiction is wholly responsible for all illumination engineering to meet roadway lighting specifications and the operation of all non-streetlight related options. By accepting Street Lighting Service under Schedule H-3, the Jurisdiction agrees to hold Tacoma Power harmless from any claim for damages associated with the streetlight fixtures provided under this Schedule H-3.

7. Installation: Tacoma Power may authorize the Jurisdiction to install some or all streetlight fixtures covered under this Schedule H-3. If the Jurisdiction elects to perform such installations, the cost shall be at the expense of the Jurisdiction.

8. Service Point: Schedule H-3 will be available to provide Street Lighting Service to customer Service Points with existing streetlight fixtures only.

9. Poles and Circuits: The Jurisdiction that owns the poles and circuits associated with light service under Schedule H-3 shall be responsible for the appropriate maintenance of said poles and circuits. The Jurisdiction is responsible for the safe operation of the poles, circuits, and light fixtures. Tacoma Power reserves the right to refuse or discontinue service under Schedule H-3 if Tacoma Power determines a pole or circuit is inadequate to provide safe Street Lighting Service. In the event a Schedule H-3 streetlight fixture must be discontinued due to an unsafe condition, the Jurisdiction shall remedy the condition immediately or follow the Termination provision above.

10. Maintenance and Repair: The Jurisdiction is responsible for performing, at its sole expense, all maintenance and repair activities associated with the streetlight fixture provided by Tacoma Power under this Schedule H-3. Maintenance and repair includes, but is not limited to, labor and equipment. In the event a Schedule H-3 streetlight fixture fails, the Jurisdiction shall return the failed streetlight fixture to Tacoma Power for replacement. If the Jurisdiction damages a streetlight fixture while performing maintenance, the Jurisdiction will be responsible for the cost to repair or replace the streetlight fixture.

11. Energy: Tacoma Power will provide energy for the streetlight fixture up to the Jurisdiction provided Service Point.

12. Additional Rules: Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

D. Monthly Rates: The sum of the following energy and capital recovery charges:

1. Energy: Energy charge for lamp installations shall be at the rate of ~~\$35.90~~38.25, ~~\$19.39~~20.66, and ~~\$12.21~~13.01 per month per kilowatt of total connected load for Continuous, Dusk to Dawn, and Dusk to 2:20 a.m. lamps, respectively.

2. Capital Recovery Charge: For the biennium during which the fixtures shall be installed, the Capital Recovery Charge shall be calculated as follows:

(a) The monthly amount required to achieve full expense recovery from the Jurisdiction over the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and estimated installation cost.

(b) The amount calculated in a) shall be multiplied by the number of months in the rate period.

(c) The amount in b) shall be divided by the estimated number of fixture-months to be billed during the rate period.

Accounting records shall be kept that record the differences between actual and estimated installation cost, and actual and estimated fixture-months billed. For biennia subsequent to that in which the fixtures are installed, the Capital Recovery Charge shall be calculated as follows:

(a) The amount required to be recovered from the Jurisdiction each month of the Capital Recovery Period shall be a net present value calculation based on the Utility Financing Cost and actual installation cost.

(b) The amount calculated in (a) shall be multiplied by the number of months in the rate period.

(c) The amount in (b) shall be divided by the estimated number of fixture-months to be billed during the rate period.

(d) The amount in (c) shall be adjusted to reflect in difference between actual and estimated expenses and recoveries during the biennium during which the fixtures were installed.

12.06.300 Private off-street lighting service – Schedule H-2. Effective April 16, 2017 thru March 31, 2018.

A. Availability. Available for outdoor lighting service along private street and roadways, over parking lots, and for general area lighting of private property, but excluding public streets within the City of Tacoma.

B. Character of Service.

1. Lighting under this schedule shall be limited to the hours of darkness when street and highway lights are normally in use. The hours of use shall be regulated by a photoelectric control.

2. Tacoma Power will install, own, and maintain the equipment.

3. Energy will be provided on an unmetered basis.

C. Monthly Rate.

1. High Pressure Sodium Lamps:

Lamp Rating (Watts/Lamp)	Type	Rental Charge
100-Watt	Sodium Vapor	<u>\$ 12.95</u> \$12.95
200-Watt	Sodium Vapor	<u>\$ 16.66</u> \$16.43
400-Watt	Sodium Vapor	<u>\$ 33.32</u> \$30.44

2. All Other Lamps:

Lamp Rating (Watts-Equivalent/Lamp)	Rental Charge
0-200 Watt Equivalent	\$14.69 <u>81</u>
201-400 Watt Equivalent	\$30.44 <u>33.32</u>
401-800 Watt Equivalent	\$46.19 <u>51.84</u>
801-1000 Watt Equivalent	\$61.94 <u>70.35</u>
1001-1500 Watt Equivalent	\$77.69 <u>88.87</u>

3. Additional Equipment: Fixtures will be installed on existing poles. Additional poles required for a lighting installation may be installed at applicant expense. A maximum of three poles will be allowed at a cost of \$624.23 per pole. Ancillary materials will be an additional expense. The customer shall pay the entire installation cost prior to installation.

4. For customers billed under low-income senior and/or low-income disabled discount residential service, Rate Schedule A-2, a discount will be provided by reducing the monthly bill by 30 percent.

D. Service Conditions. Applicable provisions of the Tacoma Municipal Code, General Provisions, and Customer Service Policies governing the sale of electric energy shall apply.

(Ord. 28285 Ex. A; passed Mar. 17, 2015; Ord. 28134 Ex. A and Ex. B; passed Feb. 26, 2013; Ord. 27976 Ex. A and Ex. B; passed Mar. 29, 2011; Ord. 27332 § 8; passed Mar. 22, 2005; Ord. 27058 § 8; passed Mar. 18, 2003; Ord. 26848 § 17; passed Sept. 18, 2001; Ord. 26628 § 1; passed May 16, 2000; Ord. 25681 § 15; passed Mar. 21, 1995; Ord. 25460 § 11; passed Mar. 22, 1994; Ord. 25076 § 8; passed Mar. 24, 1992; Ord. 24584 § 14, passed Mar. 20, 1990; Ord. 24280 § 2; passed Feb. 28, 1989; Ord. 24050 § 12; passed Mar. 29, 1988; Ord. 23372 § 9; passed Apr. 16, 1985; Ord. 22878 § 9; passed Mar. 1, 1983; Ord. 22460 § 10; passed Jul. 7, 1981; Ord. 21105 § 1; passed Jul. 5, 1977; Ord. 20267 § 16; passed Dec. 17, 1974; Ord. 19320 § 2; passed Apr. 6, 1971).

TACOMA POWER

ELECTRIC RATE & FINANCIAL POLICY

April 14, ~~2015~~2017

TACOMA POWER

TABLE OF CONTENTS

	<u>Page No.</u>
EXECUTIVE SUMMARY	2
ELECTRIC RATE & FINANCIAL POLICY	
Mission Statement	3
Purpose	3
I. Rate Setting Objectives	
A. Serving Customer Needs in a Competitive Electric Industry	3
B. Recovery of Tacoma Power Costs	3
C. Cost Analysis for Tacoma Power Services	3
D. Review of Major Commitments	4
E. Cost-Based Rates	4
F. Exceptions to Cost-Based Rates	4
G. Low-Income Customers	4
H. Rate & Financial Policy Revisions	4
I. Public Involvement	4
II. Rate Review Process	
A. Traditional Retail Electric Services	5
B. Non-Traditional Retail Electric Services	5
III. Rate Setting Policies	
A. Policies Applicable to All Tacoma Power Services	6
B. Policies Applicable to Traditional Electric Service	6
C. Policies Applicable to Non-Traditional Energy-Related Services	6
IV. Financial Targets and Rate Setting Practices	
A. Assumptions and Criteria for Rate Setting	7
B. Rate Setting for Traditional Retail Electric Services	8
V. Rate Stabilization Fund	
A. Description	10
B. Guidelines	10
GLOSSARY	11

TACOMA POWER

EXECUTIVE SUMMARY

The Electric Rate & Financial Policy gives direction to future short-term and long-term planning decisions and helps ensure that reliable service is provided to all customers at the lowest possible cost consistent with prudent utility management.

This booklet contains the Electric Rate & Financial Policy which results from review and revision of the Electric Rate Policy adopted in 1984 and revised in 1989, 1991, 1993, 1994, 1996, 2003, 2005, 2007, 2013, ~~and~~ 2015, [and 2017](#). The 1996 changes were extensive and incorporated language which provided Tacoma Power flexibility to compete in a rapidly changing economic environment. The 2005 change modifies the projected cash balances from 45 to 63 days. The 2007 changes modify the projected cash balances from 63 to 90 days and modify the language concerning planned debt service coverage. The 2013 changes added a language pertaining to the Rate Stabilization Fund. The 2015 changes added guidance for using long and short-term debt to finance capital projects, additional clarification pertaining to financial metrics, and additional language pertaining to the Rate Stabilization Fund. [The 2017 changes modify the New Large Load policy.](#)

TACOMA POWER

ELECTRIC RATE & FINANCIAL POLICY

MISSION STATEMENT: Tacoma Power is an innovative, citizen-owned electric utility that generates, transmits and distributes electricity and provides energy and telecommunications services in an increasingly competitive marketplace.

We are committed to provide high-value, competitively priced products and services to our customers through the quality of our employees and the responsiveness that results from local ownership.

We will continue to serve our customers in Tacoma and neighboring communities and serve new markets to benefit both existing and new customers.

PURPOSE: The Electric Rate & Financial Policy provides direction and guidance in the development of the rates and prices for Tacoma Power services as well as the structure of financing to support sound financial planning and practices. The policy guides prudent decision-making and planning on matters that affect the quality, cost and competitiveness of Tacoma Power services. It is the intent of this policy to provide an enhanced level of service to our customers and demonstrate to credit rating agencies, investors, and capital markets that Tacoma Power is well-managed and prepared to meet all financial and rate-related obligations.

I. Rate Setting Objectives

A. Serving Customer Needs in a Competitive Electric Industry

Tacoma Power services, including rates and prices for those services, will be designed to meet customer needs and respond to increasing competition in the electric utility industry. Tacoma Power will seek to both unbundle and offer a greater variety of services to its customers who desire to make more of their own choices. Services or rates designed to meet the needs of one group of customers will be accomplished without negative impacts to other Tacoma Power customers.

B. Recovery of Tacoma Power Costs

Costs that Tacoma Power incurs to provide services will be recovered through the rates and prices it charges to its customers.

C. Cost Analysis for Tacoma Power Services

Regular reviews will be performed to determine the adequacy of rates, and a full revenue requirements study will be performed every two years.

TACOMA POWER

To the extent practicable, short-run and long-run costs will be identified for all Tacoma Power services, including services provided at cost-based rates and services sold at flexible or market-based prices.

D. Review of Major Commitments

Capital investments and other commitments that would significantly affect costs, rates or prices for Tacoma Power services will be evaluated and documented before commitments are made. Such evaluations will address known, as well as potential or uncertain, incremental impacts on costs and revenues. Impacts on Tacoma Power competitiveness will also be assessed.

E. Cost-Based Rates

Rates charged to each class of customer will generally be set to reflect the costs of providing their service. This includes any taxes levied by the various jurisdictions that Tacoma Power serves.

F. Exceptions to Cost-Based Rates

Exceptions to cost-based rates for Tacoma Power services will be made only in circumstances where customers have access to competing providers for the service, or as otherwise authorized by the Public Utility Board.

G. Low-Income Customers

The needs of low-income electric customers will be considered when establishing rate levels.

H. Electric Rate & Financial Policy Revisions

Any decision to revise electric rate or financial policies will be done in an orderly fashion and formalized by resolution.

I. Public Involvement

Tacoma Power will provide information and gather citizen input to its rate setting process.

TACOMA POWER

II. Rate Review Process

A. Traditional Retail Electric Services

The rate review process shall consist of the following four interrelated, yet distinct, steps for traditional retail electric services.

1. Review of Electric Rate & Financial Policy

The Public Utility Board will review the existing Electric Rate & Financial Policy well in advance of consideration of each general rate adjustment. Any required changes must be formalized by Board and Council resolutions.

2. Revenue Requirements Analysis

A Revenue Requirements Analysis will be accomplished to study the projected revenue, expenses and capital improvements for the period to be covered by the rate change.

3. Cost-Of-Service and Cost Allocation

A cost-of-service study will be accomplished to determine the cost of serving each customer class and will be used to allocate class responsibility for the projected expenses of the system.

4. Rate Design

Rate schedules will be developed for each customer class to recover the revenue requirements determined in the cost-of-service procedure.

B. Non-Traditional Retail Electric Services

The rate review process will include estimates of costs and revenues associated with non-traditional services that may be offered during the general rate period and will reflect the policies incorporated in Section III.C. Rates for new non-traditional energy-related services, including unbundled and non-portfolio services, may be set at times other than the general rate setting process.

TACOMA POWER

III. Rate Setting Policies

A. Policies Applicable to All Tacoma Power Services

All Tacoma Power services, including rates and prices, will be designed to:

1. Meet a broadening range of customer needs;
2. Enhance competitiveness of Tacoma Power services;
3. Recover all costs of service;
4. Satisfy statutory and regulatory requirements; and
5. Maintain Tacoma Power's financial strength as illustrated in the rating criteria for AA-category utilities.

B. Policies Applicable to Traditional Electric Services

Traditional Tacoma Power retail electric utility services (e.g., transmission, distribution, portfolio power supply), including rates and prices, will be designed to:

1. Unbundle and set rates or prices for services to facilitate increased customer choice;
2. Set rates or prices for each service at actual cost, except where specifically authorized;
3. Minimize cross-subsidies between services or between classes of customers, except where specifically authorized; and
4. Identify and mitigate cost shifts, stranded costs, or other negative impacts that may result from increased customer choice.

C. Policies Applicable to Non-Traditional Energy-Related Services

Non-traditional Tacoma Power services (e.g., retail energy services, non-portfolio and ancillary power supply services) will be offered with pricing flexibility, subject to the following guidelines. Non-traditional services must:

TACOMA POWER

1. Return positive net benefits to Tacoma Power's traditional retail electric customers;
2. Maximize productive, cost-effective use of Tacoma Power assets and capabilities;
3. Offer lower prices and/or better quality than competing providers;
4. For existing assets or capabilities, seek to recover the fully allocated cost-of-service; and
5. Recover the fully allocated cost of new assets or capabilities added to provide the service.

IV. Financial Targets and Rate Setting Practices

Tacoma Power will endeavor to maintain sound financial metrics that support current and future financing needs, support maintenance or improvement of credit ratings, and minimize the cost of funds and risks associated with borrowing. While this policy includes minimum requirements for liquidity and debt service coverage, it is the goal of Tacoma Power to maintain or improve current debt ratings, and the utility will maintain higher levels of coverage and liquidity as required to achieve this goal.

A. Assumptions and Criteria for Rate Setting

1. Rates will be set at levels to provide projected cash balances equivalent to a minimum of 90 days of current budgeted expenditures. It is recognized, however, that seasonal fluctuations may cause cash balances to be below recommended levels, but rates should be set such that the minimum cash balance in any month does not drop more than 40 percent below the recommended level.
2. Tacoma Power will maintain sufficient liquidity to support Tacoma Power's operational objectives, preserve financial and management flexibility, and plan for maintaining or improving credit ratings. Liquidity measures may include cash, the unused portion of dedicated bank lines, the Rate Stabilization Fund, and other short-term debt agreements.
3. The Utility will maintain a minimum Debt Service Coverage Ratio of approximately 1.5 based on net revenues including surplus power sales consistent with water supply planning noted in subsection [4-5](#)

TACOMA POWER

below or at higher levels consistent with sound financial practice in the electric industry. The Utility will plan to a minimum Debt Service Coverage Ratio of 1.8 based on net revenues including surplus sales estimated using median water availability or at higher levels consistent with sound financial practice in the electric industry.

4. In order to maintain an appropriate Debt to Equity Ratio, the Utility, over time, will finance its capital program in a manner which strives for a balance in the use of revenue and debt. Under normal circumstances, major capital projects will be financed primarily with debt and fifty percent of all other capital requirements will be financed through rate revenues. Any debt financing will not be used for longer than the useful life of the capital project.
5. Water supply planning for surplus power available during the rate adjustment period will be based on water conditions that have historically been exceeded 75 percent of the time.

B. Rate Setting for Traditional Retail Electric Services

1. Revenue Requirements

- a. The projected load forecast for the rate review process shall include the consumption effects of price and local economic and demographic conditions. Projected retail revenues will be based on average weather assumptions.
- b. The level of annual funding for low-income assistance will be determined by the Public Utility Board.
- c. Both the short-term and long-term rate impacts of conservation programs and generating resource development will be considered when establishing current funding levels.

2. Cost-of-Service

- a. An embedded cost-of-service study will be the basis for allocating the cost of providing electricity to the rate classes. Below are listed the only exceptions to cost-of-service principles that will be considered in the rate-making process:

TACOMA POWER

1. A modified electric rate will be considered to help low-income senior or low-income disabled electric customers pay their bills.
 2. A rate surcharge may be considered for new construction and conversions not conforming to existing model conservation standards.
- b. Resource cost classifications between demand and energy will be reflected in the rates in the following ways:
1. Energy and demand classification factors for Tacoma's existing hydro resources will be determined by operating characteristics of the resources.
 2. Power purchases from the Bonneville Power Administration (BPA) will be classified between demand and energy ~~in the same manner as purchased~~based on the new resource rate for BPA.
 3. Demand and energy classification will reflect the incremental value to the Utility at the time of purchase of all new resources and existing resources not covered in 1 or 2 above.
- c. ~~Resource cost of supplying new large single loads.~~Rates for New Large Loads
1. A New Large Load is a new or expanding existing load greater than 8 MW but less than 20 MW within a twelve-month period. Rates for new or expanding existing loads greater than 20 MW within a twelve-month period require a negotiated contract to be approved by the Public Utility Board.
 2. The execution of a written power service contract with Tacoma Power is required for service under the New Large Load designation.
 3. Rates for a New Large Load will be based on:

TACOMA POWER

- a. The energy, demand, delivery, customer, and other charges of Tacoma Power's Contract Power (CP) rate, or its successor rate, plus
- b. a marginal cost adder of 15 percent that will be effective for a period of ten consecutive years from the beginning of service. After ten consecutive years of service, the New Large Load will become a standard Contract Power, or successor rate, customer. The marginal cost adder is based on Tacoma Power's next-resource cost levelized over a ten-year period.
- c. Consideration will be given to other factors including but not limited to load factor, energy usage intensity, and customer creditworthiness. These factors may cause Tacoma Power to customize the rate adder and term to address the specific situation of each New Large Load customer.

~~Rates for new or additional large single loads of 10 average MW or more within a twelve-month period will be designated to recover up to the full additional BPA charges or other power suppliers for that incremental load plus applicable transmission, distribution and customer charges.~~

3. Rate Design

- a. Consideration will be given to simplifying and reducing the number of rate schedules by combining customers of similar usage and cost-of-service characteristics.
- b. Rates should maintain a seasonal differential that reflects any significant differences in cost-of-service between the seasons.
- c. A flat seasonal demand rate will be maintained for all non-residential customer classes.
- d. Each rate schedule will contain a monthly customer charge which will reflect, at a minimum, the administrative and billing costs.

TACOMA POWER

- e. Consideration will be given to rate designs that encourage conservation.
- f. Consideration may be given to rate designs which will reflect existing costs of providing electric service at different times of the day.
- g. The costs and benefits of the current discounted rate for the low-income/senior and low-income/disabled, together with other low-income programs, will be evaluated, along with an analysis of other utility programs that provide assistance to the low-income customer. The low-income rate may be discontinued at the discretion of the Public Utility Board if it is determined that the rate discount is not an effective method of providing assistance to the low-income customers.

V. Rate Stabilization Fund

- A. Tacoma Power will maintain a Rate Stabilization Fund as a means of managing potential volatility in Rates and augmenting reserve policies. Funds are intended to mitigate the need for large changes in rates from one year to the next.

The Fund also may be used as a rate stabilization account for purposes of the ordinances authorizing Tacoma Power debt and provides that amounts withdrawn from the Fund are deducted from revenues in the year they are deposited into the Fund and counted as revenues in the year withdrawn from the Fund. Amounts withdrawn can only be used for purposes mandated in Ordinance #21862 as amended.

- B. General Guidelines for use of the Fund are as follows:
 - 1. At the conclusion of each fiscal year, Tacoma Power will evaluate the adequacy of the amount in the Fund for meeting the forecast difference between critical and adverse water conditions over the next two fiscal years.
 - 2. To the extent the Fund is determined to be inadequate, Tacoma Power will take steps to return the Fund to adequate levels over a period of up to four years, including establishing budgets designed to generate sufficient net revenue to meet all requirements as described below and provide for deposits to the Fund.
 - 3. Prior to depositing amounts into the Fund in a given fiscal year, all obligations related to Operating and Maintenance Expense, Bond

TACOMA POWER

Parity Obligations or other debt, and Gross Earnings Tax must first be met.

4. Deposit must not cause the Current Fund Balance to go below 90 days of expenditures for the fiscal year of deposit.
5. Deposit must not cause the Debt Service Coverage ratio to go below 1.5x for the fiscal year of deposit.
6. Deposit should allow for achievement of metrics for liquidity and debt service coverage consistent with achieving the policy goal of maintaining or improving debt ratings.

TACOMA POWER

GLOSSARY

ANCILLARY SERVICES – Those services, other than power itself, necessary for the transmission and delivery of power.

AVERAGE COST – See EMBEDDED COST.

AVERAGE COST PRICING – A method of pricing electrical service to recover total costs that have been identified with such service, thereby making total revenue equal to total cost.

BACKUP RESERVES – Generation resources (or interrupted customer loads) that are capable, for a sustained period, of replacing the loss of generation resources or of serving unexpectedly high loads. The “sustained period” will generally exceed ten minutes, but may last for hours or weeks.

BONNEVILLE POWER ADMINISTRATION (BPA) – The federal agency responsible for marketing the power produced from federally owned hydroelectric projects in the Pacific Northwest; based in Portland, Oregon.

CHARGE

CUSTOMER CHARGE – An amount to be paid periodically by a customer for electric service that reflects specific customer-related costs incurred for metering, meter reading, billings, etc., exclusive of demand or energy consumption, traceable to the type and number of customers, and not varying with the volume of metered sales.

DEMAND CHARGE – That portion of the charge for electric service based upon the customer’s use of the system’s electric capacity consumed at the time of the system peak or at the time of the customer’s maximum demand and billed on the basis of billing demand under an applicable rate schedule or contract.

ENERGY CHARGE – That portion of the charge for electric service based upon the customer’s electric energy (kWh) consumed and billed under an applicable rate schedule or contract.

HOOK-UP CHARGE – An amount to be paid by the customer in a lump sum, or in installments, for connecting the customer’s facilities to the supplier’s facilities.

CLASS OF SERVICE – A group of customers with similar characteristics which are identified for the purpose of setting a rate for electric service.

TACOMA POWER

CLASSIFICATION – The process of classifying functionalized costs to demand, energy and customer-related components for allocation to the various customer classes by examining the nature of the investment or expense with respect to the manner in which it was incurred.

CONSERVATION – A reduction in energy usage for the purpose of reducing energy consumption.

CONTRACT DEMAND – The amount of power that a supplier of electric service agrees to make continuously available for delivery to a particular consumer and that the consumer agrees to purchase.

CONTRACT POWER CUSTOMER – A customer that purchases power under contract demand and in accordance with the terms of a written contract.

CONTROL AREA – A (usually contiguous) region within the system with metering at all its boundaries, intended to be used as the basis for frequency regulation and balancing of supply and demand in real time.

COST COMPONENTS – The classifications into which operating expenses and capital investment in electric facilities are assigned and known as demand, energy, customer, or direct assignment related costs.

COST-OF-SERVICE STANDARD (COSS) – A rate making standard or pricing concept traditionally used as the primary basis for designing electric rate schedules. This concept attempts to maintain correspondence between utility costs and utility revenues for the various classes of usage and customers served.

COST-OF-SERVICE STUDY (COS) – A study of the costs incurred by the utility in producing, transmitting and distributing electricity to its customers, by customer class, in relation to revenues collected from each class or projected to be collected under existing or proposed rates.

COSTING METHODOLOGY – Use of average cost concepts, marginal cost concepts, or some combination, to allocate costs among customer classes or jurisdictions.

CUSTOMER CLASS – A distinction between users of electrical energy. Customer class is usually defined by usage patterns, usage levels, and conditions of service. Classes are usually categorized generically by customer activity, i.e., residential, commercial, industrial, etc.

DEMAND COSTS – Costs that are related to and vary with power demand (i.e., kW), such as fixed production costs, transmission costs, and a portion of distribution costs.

TACOMA POWER

EMBEDDED COSTS – Embedded costs represent monies already spent for investment in plant and in operating expenses. The terms embedded and fully allocated embedded are synonymous.

FREQUENCY REGULATION – The automatic changing of supply (and, in some cases, demand) as the frequency of a system changes.

FULLY ALLOCATED COSTS – Costs assigned to a product or service such that no cross-subsidy exists for that product or service.

FUNDAMENTAL SERVICES – Services traditionally provided by the local electric utility, i.e., metered electricity service (hook-up, billing and upkeep).

HOOK-UP – Connection of a customer's facilities to the supplier's facilities.

INCREMENTAL VALUE – The avoided cost of acquiring a megawatt-hour of energy and a megawatt of demand.

LONG RUN – A period of time long enough that all inputs to production, including capital, are variable.

MARGINAL COST – The change in total costs associated with a unit change in quantity supplied.

SHORT-RUN MARGINAL COST – The change in total costs when output is increased or decreased by an increment or block of output in a short period of time (e.g., one year), during which system capacity cannot be altered without purchasing power from an outside source.

LONG-RUN MARGINAL COST – The change in total costs when output is increased or decreased by an increment or block of output for an extended period of time (e.g., 10 years), during which system capacity can be altered.

MARGINAL COST CONCEPTS – A rate structure that attempts to reflect costs of incremental resources rather than on an accounted-for basis. Marginal cost concepts can be used in either an average cost pricing or marginal cost pricing methodology.

NON-PORTFOLIO RESOURCES – One or a combination of non-utility owned resources.

NON-TRADITIONAL SERVICE – Goods and services which have normally not been offered by electric utilities. These may include, but are not limited to, ancillary, control area and other power supply services, as well as energy brokering and energy service consulting.

TACOMA POWER

OPERATING RESERVE – Reserve available on short (10-30 minute) notice.

PORTFOLIO RESOURCES – A combination of owned or contractual resources controlled by Tacoma Power.

POWER QUALITY – The description of a condition where electricity is delivered at a specific voltage and frequency with little or no harmonic (i.e., multiples of the stated frequency) distortion.

RATE STRUCTURE – The design and organization of billing charges by customer class to distribute the Revenue Requirement among customer classes and rating periods.

REGULATION – The process of following moment-to-moment variations in load and, thereby, maintaining power system frequency.

REVENUE REQUIREMENT – The amount of revenue a utility must receive to cover the sum of the estimated operation and maintenance expenses, debt service, taxes and, in the case of a publicly-owned, non-profit utility, sufficient additional revenues to provide for the portion of the projected capital budget not provided by long- or short-term borrowing of funds.

SHORT RUN – A period of time of such duration that some inputs to production can be varied and others cannot. For electric utilities, fuel inputs from the utility's generators can be varied over the short run, but new generators cannot be added.

SPINNING RESERVES – Generation resources that are capable of serving load immediately.

SUPPLEMENTAL RESERVES – Generation resources (or interrupted customer loads) that are capable of serving load within a short period, such as ten minutes.

TIME OF DAY PRICING – Pricing of service during periods of the day based on the cost of supplying the service during the various times of the day; the objective being to shift load from the peak period to the off-peak period by providing an economic incentive, thus reducing the requirements for additional high-cost generating capacity.

TIME OF SEASON PRICING – Pricing of service during seasons of the year based on the cost of supplying the service during the various seasons of the year; the objective being to shift load from the peak period to the off-peak period by providing an economic incentive, thus reducing the requirements for additional high-cost generating capacity.

UNBUNDLED SERVICES – Packaged services that do not include all fundamental services.

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VOLTAGE REGULATION – The ability of certain components of the system to adjust some internal parameter(s) to control the voltage at some system location(s).

WORKING CAPITAL – The excess of current assets (primarily cash, marketable securities, and accounts receivable) over current liabilities (primarily wages and salaries and accounts payable).