



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director, Tacoma Public Utilities (TPU);
Scott Dewhirst, Superintendent, Tacoma Water
Chris Robinson, Superintendent, Tacoma Power
Dale W. King, Superintendent, Tacoma Rail
COPY: Government Performance and Finance Committee (GPFC);
Andy Cherullo, Director, Finance;
Ted Richardson, Senior Management Fellow, City Manager’s Office
PRESENTER: Jim Sant, Deputy Director, Tacoma Public Utilities
Jodi Collins, Assistant Division Manager, Tacoma Water;
Ying Hall, Power Section Manager, Tacoma Power
Daniel McCabe, Chief Information/Financial Officer, Tacoma Rail
SUBJECT: TPU Rate and Financial Policies/Strategic Directives
DATE: June 7, 2022

PRESENTATION TYPE: Informational Briefing

SUMMARY:

The Public Utility Board’s Strategic Directives provide policy guidance for TPU’s rate-making process. TPU’s Rate and Financial Policies are aligned with the Strategic Directives and outline objectives and guiding principles when setting rates, including financial metrics and targets. Staff have identified updates for modernizing existing language and highlighting important areas of focus within the policies.

BACKGROUND:

Tacoma Water, Tacoma Power, and Tacoma Rail review the rate and financial policies on a biennial basis as part of the rate-making process to ensure that the policy is sound and reflective of management and Public Utility Board directives and priorities.

ISSUE:

The GPFC requires a foundational understanding of the rate-making process and principles to better inform forthcoming utility budget and rate proposals. Subsequent presentations will provide additional foundational information for this purpose.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.