



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Chris Robinson, Tacoma Power Superintendent
Ying Hall, Power Section Manager
MEETING DATE: June 29, 2022
DATE: June 15, 2022

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input checked="" type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input checked="" type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input checked="" type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input type="checkbox"/> SD14 – Resource Planning |

SUMMARY:

Tacoma Power is requesting approval of proposed updates to the Electric Rate and Financial Policy to highlight long-term financial planning, gradualism, equity, affordability and climate change as areas of focus.

BACKGROUND:

The Electric Rate and 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 policy was last updated in September 2018.

Power rates staff conducts regular quantitative and qualitative reviews of the Electric Rate and Financial Policy to ensure that the policy is sound and is reflective of management and Public Utility Board directives and priorities. During this review, staff found that although the current policy is valid, there is opportunity to modernize existing language and highlight important areas of focus including long-term financial planning, gradualism, equity, affordability and climate change.

We are asking for the Board's support to add and update language to the Electric Rate and Financial Policy in support of the areas of focus listed above. The Government Performance and Finance Committee was briefed on June 7, 2022 on the proposed updates. They will be included in the budget and rates materials for City Council approval in November.



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ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

There are no direct impacts to expenditures and revenues related to this request

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS: List any attachments (contracts, policies, agreements, etc.).

Red-lined version of the Electric Rate and Financial Policy, proposed version of the Electric Rate and Financial Policy with updates

CONTACT:

Primary Contact: Ying Hall, Power Section Manager

Supervisor's Name: Chris Robinson, Tacoma Power Superintendent

Presenter (if different from primary contact):

Additional staff requiring a Zoom presentation link: