



RESOLUTION NO. 39329

1 A RESOLUTION relating to the Department of Public Utilities; authorizing the
2 Beltline Division, d.b.a. Tacoma Rail, to update the Rail Rate Policy and
3 reissue the TMBL 8807 and TMBL 6004 series freight tariffs, with an
4 effective date of January 1, 2016, to ensure reliable rail services at cost of
5 service rates.

6 WHEREAS the City of Tacoma, Department of Public Utilities, Beltline
7 Division's (d.b.a. "Tacoma Rail"), Rail Rate Policy ("Rail Rate Policy") provides
8 direction for planning decisions and ensures that Tacoma Rail provides reliable
9 and competitively priced service to these customers, and

10 WHEREAS the last Rail Rate Policy update was January 2007, and the
11 current Rail Rate Policy is outdated and requires policy enhancements, and

12 WHEREAS changing the debt service coverage ratio to 1.5 has already
13 been maintained via its 2007 Senior Lien Bond, which allows Tacoma Rail to be
14 more fiscally attractive to borrowing opportunities, and

15 WHEREAS the Rail Rate Policy update also adds grants as a financing
16 vehicle and provides direction concerning cost of service fuel surcharge practices,
17 and

18 WHEREAS Tacoma Rail's Freight Tariff TMBL 8807 series was last
19 updated in 2012 and defines line haul and miscellaneous switching charges
20 allocated to the movement of railcars, and

21 WHEREAS line haul rates are typically charged to the BNSF or Union
22 Pacific unless the industry served or shipper elects to pay the fees themselves,
23 and

24
25
26



1 WHEREAS the proposed changes to Freight Tariff TMBL 8807 series
2 includes US Oil and Targa Sound Terminal unit train rates, and

3 WHEREAS these cost of service rates are \$210.00 and \$295.00 per
4 loaded railcar, respectively, and

5 WHEREAS unit trains as defined by the tariff are trains of more than
6 90 railcars consisting of a single commodity and destined to a single facility, and

7 WHEREAS Tacoma Rail's Freight Tariff TMBL 6004 series was last
8 updated in 2012, and

9 WHEREAS the new tariff includes an additional straight demurrage plan
10 and provides clarification to demurrage practices, and

11 WHEREAS the demurrage rate of \$50 per day remains the same, and

12 WHEREAS, on November 18, 2015, the Public Utility Board approved the
13 proposed revisions, and

14 WHEREAS it is in the best public interest and prudent utility management
15 to approve the proposed revisions; Now, Therefore,

16 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

17 Section 1. That the proposed revisions to the Rail Rate Policy are approved.

18 Section 2. The proposed revisions to Tacoma Rail Freight Tariff TMBL 8807-E
19 are approved and reissued as TMBL 8807-F effective January 1, 2016.

20 Section 3. The proposed revisions to Tacoma Rail Demurrage Tariff TMBL
21 6004-A are approved and reissued as TMBL 6004-B effective January 1, 2016.

22
23
24
25
26



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Section 4. The publication of TMBL 8807-E and TMBL 6004-B is approved.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Chief Deputy City Attorney

Requested by Public Utility Board

Resolution No. U-10827