



TACOMA PUBLIC UTILITY BOARD

3628 South 35th Street
Tacoma, Washington 98409-3192

October 2, 2018

To: Mayor Woodards and Tacoma City Council Members
Chair Jones and Public Utility Board Members

Tacoma Power requests approval by the Public Utility Board and the City Council for rate adjustments effective April 1, 2019, and April 1, 2020. The proposed rate increases are designed to generate additional revenue required to pay budgeted expenses and meet financial metrics (debt service coverage and liquidity).

In preparation for this request, Tacoma Power has sought public input through public presentations at Neighborhood Council and City Council meetings in Tacoma and other communities served by Tacoma Power. A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Tacoma Power looks to recover through the proposed rate adjustments approximately \$21.9 million in additional revenues over the Rate Period (April 1, 2019 through March 31, 2021). A public hearing by the Public Utility Board is scheduled for October 10, 2018, and the first reading by the City Council is scheduled for November 13, 2018.

Proposed Increase in Revenue Requirement by Class			
Rate Class			Rate Increase (two-step, levelized)
Residential	A		0.9%
Small General	B		0.7%
General	G		4.0%
High Voltage General	HVG		3.1%
Contract Industrial	CP		2.2%
Street Lighting	H-1		4.0%
Traffic Signals	H-1		0.0%
Private Off-Street Lighting	H-2		4.0%

Tacoma Power is also proposing an ordinance to add a new rate schedule: Schedule FC—Electric Vehicle Fast Charging. Schedule FC is a pilot tariff for publically-available direct-current (DC) stations for the rapid charging of electric vehicles. This tariff is in alignment with City Council Resolution No. 40016 in support of electrification of transportation.

Finally, Tacoma Power is proposing to update Tacoma Power and Tacoma Water's Electric Rate and Financial Policies to improve alignment between the two operating Divisions.

We request your approval of the proposed rate adjustments in TMC 12.06, the proposed fast-charge pilot rate, and the proposed changes to the Electric Rate and Financial Policy.

Sincerely,



Jackie Flowers
Director of Utilities