



TACOMA PUBLIC UTILITIES
 3628 South 35th Street
 Tacoma, Washington 98409-3192

February 13, 2015

To: Mayor Strickland and Tacoma City Council Members
 Public Utility Board

Tacoma Power and Tacoma Water request approval by the Public Utility Board and the City Council for a rate increase effective April 1, 2015. Tacoma Water also requests a second-step rate increase effective January 1, 2016. The proposed rate increases are designed to recover budgeted revenue requirements.

In preparation for this request, Tacoma Power and Tacoma Water have sought public input through public presentations at Neighborhood Council and City Council meetings in communities served by Tacoma Power and Tacoma Water. A public hearing was held by the Public Utility Board on February 11, 2015 and the first reading by the City Council is scheduled for March 3, 2015.

Tacoma Power looks to recover revenues of approximately \$15.8 million, which were included in the approved 2015/2016 Budget to be collected from an adjustment in the electric rates. The approximate overall adjustment in rates is a one-time increase of 3% for the system as a whole.

Proposed Increase in Revenue Requirement by Class	
Rate Class	Rate Increase (2015 only)
Residential	2.7%
Small General	3.5%
General	3.9%
High Voltage General	2.1%
Contract Industrial	1.7%
Street Lighting and Traffic Signals	3.7%
Private Off-Street Lighting	2.5%

Tacoma Water looks to recover additional anticipated revenues of approximately \$7.5 million, which were included in the approved 2015/2016 Budget to be collected from an adjustment in the water rates. The approximate overall adjustments in rates are two steps of 4% per year for the system as a whole.

Proposed Increase in Revenue Requirement by Class		
Rate Class	Rate Increase	
	2015	2016
Residential	4.1%	4.5%
Irrigation	5.0%	5.5%
Commercial General Service	4.7%	5.2%
Large Volume Commercial & Industrial	2.9%	3.1%
Wholesale	0.0%	0.0%
Private Fire Protection	0.0%	0.0%
Public Fire-Inside City of Tacoma	1.1%	1.3%
Public Fire-Outside City of Tacoma	0.0%	0.0%
RockTenn	8.3%	4.0%

We request your approval of the proposed rate adjustments.

Sincerely,

William A. Gaines
 Director of Utilities/CEO

