



TO: Elizabeth Pauli, City Manager
FROM: Jackie Flowers, Director of Utilities, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Proposed Rate Ordinance –revise TMC Chapters 12.01 and 12.06A regarding electric inspection, permitting and pole reconnection fees.
DATE: November 15, 2022

SUMMARY AND PURPOSE:

Tacoma Power requests approval by the City Council to revise Tacoma Municipal Code (TMC) Chapters 12.01 Utility Charges and 12.06A Electrical Code.

BACKGROUND:

This Department’s Recommendation is Based On: TMC Chapter 12.06A covers Tacoma Power’s rates, terms, and conditions on electric installation, inspection, and permits. TMC 12.06A.250 specifies fees for inspections and permits under various circumstances for different types of customers. TMC 12.06A.260 outlines penalty fees and fee adjustments under various circumstances. Those fees have not been updated since 2005. Tacoma Power proposes to update the fees to accurately reflect the current cost of providing the services, as well as to make minor adjustments to ordinance language. Tacoma Power also proposes a change to pole reconnection fees resulting from delinquency cut-offs in TMC 12.01.010 to reflect the actual cost. The pole reconnection fees have not been updated since 1985.

The proposed revision includes other minor adjustments to ordinance language. Tacoma Power proposes to delete TMC 12.06A.135 Metering Installations and Labeling because all the requirements are already covered by the Tacoma Public Utilities’ (TPU) standard C-MR-0005. Tacoma Power proposes to make minor modifications to the language in TMC 12.06A.230 Permit to owner – conditions to remove an unnecessary hurdle for permit application. The revised language will no longer require an owner to submit an affidavit and therefore will not need a notary witness. In addition, Tacoma Power proposes to strike out a sentence in TMC 12.06A.380 Classification of occupancies and wiring methods to remove the minimum requirement of 200 ampere service capacity. This allows customers to utilize smaller services when allowed by the National Electric Code. It will prevent customers from having to oversize their service capacity and reduce their costs.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The updated fees will be published on the Tacoma Power Rates Schedule website and in the Tacoma Municipal Code.

Tacoma Power has informed the Master Builders Association of Tacoma and Pierce County.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

The updated fees will increase equity by removing the uncovered cost of inspections from general retail rates. When fees are out-of-date, the general retail customer base absorbs the difference between the collected fee revenue and the actual cost of providing the service. This update to fees will minimize cross-subsidization and reduce general upward pressure on rates.

Explain how your legislation will affect the selected indicator(s).

Most inspection and permitting activities are requested from homeowners remodeling their houses, commercial developers, or commercial and industrial customers who want to modify their electric systems. The fee increases are not expected to cause financial hardship on those customers. However, if fees are not raised, regular residential and small commercial customers will bear the cost of these activities. Similarly, the updated fee for a pole or underground reconnection from delinquency cut-offs should reflect the actual cost of the service. It will prevent such costs from having to be absorbed by general customers.

The other two minor modifications to ordinance languages intend to remove redundant requirements and remove obstacles in permit applications.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Continue the current inspection, permitting, and reconnection fees.	No action is needed.	Electric customers who do not use the services will end up subsidizing customers who use the services.
2. Do not change language in TMC 12.06A.135		The requirements are redundant to TPU standard.
3. Do not change language in TMC 12.06A.230		Applicants will need to go through an additional step to apply for permit.

EVALUATION AND FOLLOW UP:

Tacoma Power will continue to evaluate the cost of providing the specific inspection and permitting activities. The updated cost evaluation will be incorporated in the next rate-setting process.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power requests approval by the City Council to revise Tacoma Municipal Code Chapters 12.01 Utility Charges and 12.06A Electrical Code.

FISCAL IMPACT:

Tacoma Power will receive increased revenue of approximately \$500,000 annually from inspection and permitting activities.



Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 4700-Power			\$500,000
2.			
TOTAL			\$500,000

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

YES

Both the expense of and the revenue from inspection, permitting and reconnection services are included in this biennium’s budget. This update of fees will result in a better match of revenue and expense.

Are there financial costs or other impacts of not implementing the legislation?

YES

The existing inspection, permitting and reconnection fees have not been updated in over a decade. If the new legislation is not implemented, general customers who do not incur the service costs would subsidize customers who use the services.

Will the legislation have an ongoing/recurring fiscal impact?

YES

If adopted, the legislation will establish higher fees to properly offset incurred costs.

Will the legislation change the City’s FTE/personnel counts?

NO

No additional personnel needed.

ATTACHMENTS:

- Proposed Amendments to TMC Chapters 12.01 and 12.06A