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**TO:** Elizabeth Pauli, City Manager  
**FROM:** Jackie Flowers, Director of Utilities/CEO  
Chris Robinson, Power Superintendent/COO  
**COPY:** City Council and City Clerk  
**PRESENTER:** Bill Berry, Rates, Planning, and Analysis Manager, Tacoma Power  
**SUBJECT:** Tacoma Power Long-Range Financial Plan  
**DATE:** October 16, 2018

**SUMMARY:**

Over the past year, Tacoma Power has developed a new Long-Range Financial Plan document (LRFP). The LRFP outlines financial risks and opportunities Tacoma Power is expected to face over the next ten years, and serves as a guide for projecting future financial performance required to maintain low rates while preserving the utility's financial strength and flexibility. The first two years of the LRFP serve as the basis for Tacoma Power's proposed 2019/2020 revenue requirement, and the two percent system average rate increases proposed to go into effect on April 1, 2019, and April 1, 2020.

**BACKGROUND:**

The LRFP has been shared with the Public Utility Board over the last year, and the Board is aware of the assumptions within the LRFP. Tacoma Power is working to finalize the LRFP and will make it available to stakeholders on the Tacoma Public Utilities investor website. Tacoma Power intends to update the LRFP annually to provide policymakers, customers, and other stakeholders with helpful information about the utility's financial status, projected rates, and potential risks.

**ISSUE:**

Tacoma Power is reviewing a draft LRFP with the City Council in conjunction with the 2019/2020 Tacoma Power rate and budget approval process.

**ALTERNATIVES:**

This is an information briefing only. There are no alternatives presented.

**FISCAL IMPACT:**

This is an information briefing only. There is no fiscal impact.

**RECOMMENDATION:**

This is an information briefing only. There is no recommendation.