



## AMENDED RESOLUTION NO. U-11210

1 A RESOLUTION relating to amending Chapter 12.06 of the Tacoma Municipal  
Code ("TMC") regarding rate adjustments, which are effective January 1,  
2021, April 1, 2021 and April 1, 2022.

2 WHEREAS the City of Tacoma, Department of Public Utilities, Light  
3 Division (d.b.a. "Tacoma Power"), has requested proposed rate adjustments for  
4 Chapter 12.06 in Title 12 ("Utilities") of the Tacoma Municipal Code ("TMC"), ,  
5  
6 and

7 WHEREAS the utility has experienced general inflationary increases in  
8 operating and capital expenses such as personnel, assessments and  
9 technology upgrades, and  
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11 WHEREAS Tacoma Power's revenue requirement analysis for the  
12 twenty-four month Rate Period (April 1, 2021 through March 31, 2023),  
13 indicates a need to increase revenue, and

14 WHEREAS the proposed rate increases are also designed to meet  
15 financial metrics (debt coverage and liquidity) and avoid future rate shocks, and  
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17 WHEREAS this proposal is in alignment with industry ratemaking  
18 standards and best practices as well as Utility Board Strategic Directives of  
19 Financial Sustainability (SD-2), Rates (SD-3), and supports Tacoma Power's  
20 Long-Range Financial Plan, and  
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22 WHEREAS Utility Board Strategic Directive SD-3 notes that the utility  
23 "values planning gradual and consistent rate changes that are stable and  
24 predictable over the long-term"; while SD-2 directs the utility to produce rate  
25 and financial plans that support an "AA-level bond rating, or better, to facilitate  
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access to lower-cost financing and produce sustainable debt services

1 expenses”, and

2 WHEREAS the requested system-wide average adjustments to Power  
3 rates are two increases, the first of 1.5 percent would be effective April 1, 2021  
4 and the second of 2 percent would be effective April 1, 2022, and the class rate  
5 increases will not differ from the system-average increase as all classes are  
6 proposed to receive the same increase with the increase to be implemented  
7 equally across all rate classes, and distributed proportionately to fixed and  
8 variable rate elements, if applicable, and  
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11 WHEREAS the proposed rate adjustments also include a change to TMC  
12 12.06.165, effective January 1, 2021, which adjusts the definition for the  
13 threshold of maximum annual household income to qualify for the low-income  
14 senior and/or low-income disabled discount residential service, and increases  
15 the amount of discount that is available for customers who qualify for that  
16 service, and  
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18 WHEREAS Tacoma Power has sought public input through virtual public  
19 presentations at Neighborhood Council and City Council meetings in  
20 communities served by Tacoma Power, as well as interested community  
21 organizations, and  
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23 WHEREAS Tacoma Power desires to amend Chapter 12.06 of the  
24 Tacoma Municipal Code, Electric Energy - Regulations and Rates, through  
25 system-wide average adjustments to Power rates of two increases, the first of  
26 1.5 percent effective April 1, 2021 and the second of 2.0 percent effective April



1, 2022, and by adjusting the maximum annual household income to qualify for  
1 the low-income senior and/or low-income disabled discount residential service,  
2 and increasing the amount of discount that is available for customers who  
3 qualify for that service, effective January 1, 2021, and  
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5 WHEREAS revisions to Tacoma Power rates require approval by the  
6 Public Utility Board and Tacoma City Council pursuant to Tacoma City Charter  
7 section 4.11, and

8 WHEREAS the recommended rate adjustments are just, fair and  
9 reasonable, and are in the best interest of the citizens of Tacoma and the  
10 customers of Tacoma Power; Now, Therefore,  
11

12 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

13 Sec. 1. The proposed adjustments to Tacoma Power's rates set forth in  
14 Chapter 12.06 of the Tacoma Municipal Code are hereby approved, with a  
15 system-wide average increase to Power rates of 1.5 percent, effective April 1,  
16 2021 and a system-wide average increase to Power rates of 2 percent effective  
17 April 1, 2022, and by amending TMC 12.06.165, effective January 1, 2021, to  
18 adjust the maximum annual household income to qualify for the low-income  
19 senior and/or low-income disabled discount residential service, and increase  
20 the amount of rate discount that is available for customers who qualify for that  
21 service, and the Council of the City of Tacoma is requested to pass an  
22 ordinance approving such revisions by amending Chapter 12.06 of the Tacoma  
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Municipal Code, in substantially the form as set forth in Attachment A, and in final form to be approved by the City Attorney.

Approved as to form:

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/s/  
Chief Deputy City Attorney

Charlene Jacobs  
Clerk

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Chair  
Christine L. Cooley  
Secretary

Adopted 11-6-2020