



TO: Elizabeth Pauli, City Manager
FROM: Matt Hubbard, Power Engineer, Tacoma Public Utilities
Jackie Flowers, Utilities Director, Tacoma Public Utilities
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance to Adopt Revisions to TMC Chapters 12.01 and 12.06 in Support of the Advanced Metering Project/ First Reading December 8, 2020
DATE: November 6, 2020

SUMMARY AND PURPOSE:

Tacoma Public Utilities requests a resolution to adopt proposed revisions to the Tacoma Municipal Code, Chapters 12.01 and 12.06. These revisions support implementation of the Advanced Metering Infrastructure Project, and include the addition of an advanced metering opt-out fee and associated fee discount, language specifying that PrePay customers will receive statements instead of invoices, and language specifying that remote meter disconnections, connections, and reconnections will not be charged a fee.

BACKGROUND:

Tacoma Public Utilities (TPU) plans to deploy Advanced Metering Infrastructure (AMI) across its entire water and electric service territories, replacing or upgrading all non-communicating power and water meters with advanced two-way communicating technology. Advanced metering is a foundational element of Tacoma Public Utilities' Utility Modernization Strategy and will deliver customers new key benefits over time related to their power and water usage. Advanced metering technology will capture interval data, enable two-way communications, include remote capabilities, and provide advanced outage/issue detection and verification. Advanced metering will modernize utility operations and be a cornerstone to deliver customers improved services and benefits.

As a transformative initiative, the Advanced Metering Project has and continues to require a significant effort across TPU to implement the new processes, applications, technologies, and integrations needed to fully enable the functions and features of the solution. As part of this initiative, TPU has reviewed existing utility policies, procedures, and practices for essential changes required to implement advanced metering or to make other essential updates as needed.

Proposed revisions to the Tacoma Municipal Code, Title 12-Utilities (attached, with explanatory comments) include changes to Chapters 12.01 and 12.06 in the following sections:

- **12.01.010 B:** The word "Fees" is added to the section title and language is added for the recommended \$15.00 AMI Opt-Out service fee and discount, to be charged each billing cycle for opt-out customers. The fee is based on TPU's costs to provide opt-out service. Opt-Out of AMI is a voluntary option for customers.
- **12.01.010 B and C:** Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely (without a field visit).
- **12.06.110 A:** Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date.



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The Advanced Metering Project will provide new benefits to residential and commercial utility customers. Before commencing on the project, market research was conducted across all customer groups and showed strong interest in new, modernized benefits, such as a web portal to view granular daily/hourly usage data, alert notifications, PrePay, and monthly billing. In addition, TPU continues ongoing community outreach with Tacoma’s Neighborhood Council Meetings, the Black Collective, Neighborhood Block Groups, Community Organizations (such as the Sunrise Rotary Club), Franchise Cities, Pierce County, and the Joint Municipal Action Committee.

ALTERNATIVES:

The alternative to this recommendation would be to **make no code changes**. Impacts of this alternative are that:

- An opt-out fee for Advanced Metering Infrastructure would not be implemented, and revenue would not be collected to directly offset TPU’s estimated cost of providing customers an opt-out option.
- Disconnection, connection, and reconnection fees would continue to be charged as they are today, regardless if the action is performed remotely or manually (e.g. with or without a field visit).
- The TMC would not accurately reflect that PrePay customers will receive statements instead of invoices.

EVALUATION AND FOLLOW UP:

As the Advanced Meter program progresses, TPU will review necessary policy/code changes to ensure consistency between the TMC and TPU’s new operational state. Recommended code revisions will be brought forward as needed.

STAFF/SPONSOR RECOMMENDATION:

TPU recommends adoption of the proposed revisions to the Tacoma Municipal Code Title 12 – Utilities. It is recommended that the proposed revisions be effective 1/1/2021.

These revisions include changes to Chapters 12.01 and 12.06 in the following sections:

- **12.01.010 B:** The word “Fees” is added to the section title, to clarify this section includes both adjustments and fees.

Language is added for the recommended \$15.00 AMI Opt-Out service fee, to be charged each billing cycle for opt-out customers (e.g. monthly). Specification is added regarding a fee discount percentage and that low-income senior and/or disabled Discount Rate Program customers are eligible to receive that program’s discount on the fee. The fee is based on TPU’s costs to provide opt-out service and shall be effective January 1st, 2021. Opt-Out of Advanced Metering Infrastructure is a voluntary option for customers.

- **12.01.010 B and C:** Language is added specifying there will not be a disconnection, connection, or reconnection fee charged to the customer if the action may ordinarily be performed remotely (without a field visit). Remote meter disconnection and reconnection is a benefit enabled by Advanced Metering Infrastructure.



Historically, TPU did not charge remote meter disconnection and reconnection fees for PayGo (TPU's pilot prepayment program) and the utility recommends to continue this practice for PrePay going forward (TPU's upcoming prepayment program). Expanding this to all meters with remote capability provides consistency and is also cost of service based, with new automated processes minimizing/eliminating manual office procedures and field visits.

The primary benefit is to residential electric customers, with a small percentage of water meters also having remote disconnection/reconnection capability (not planned for wide use; approximately 200 bellwether water meters primarily to collect pressure/temperature in addition to usage).

- **12.06.110 A:** Language is added to clarify that PrePay customers will receive a statement, not an invoice, and that a PrePay statement itemizes activity during the previous billing period and does not have a due date. This aligns to the TPU Customer Services Policy regarding PrePay statements (section 4.2.2).

FISCAL IMPACT:

Following the effective date of the recommended revisions:

- A new Advanced Metering Infrastructure Opt-Out fee will be charged each billing cycle (for voluntary, participating opt-out customers) and
- Disconnection, connection, and reconnection fees will not be charged if the action may ordinarily be performed remotely.

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?

N/A – No impact is expected to the 2019-2020 biennium budget.

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

YES

Other impacts if not implemented:

- Customers may not immediately or fully benefit from Advanced Metering Infrastructure (e.g. disconnect, connection, and reconnection fees would continue to be charged as they are today).
- Select sections of TMC Title 12 – Utilities would not reflect the updated operational state of TPU following the implementation of advanced meters.
- Additional technical software and application work may be required to modify planned fee structures.



City of Tacoma

City Council Action Memorandum

Will the legislation have an ongoing/recurring fiscal impact?

YES
Yes, fee related revenue changes continue to be reviewed and planned for as advanced meters are deployed to customers.

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

No

ATTACHMENTS:

Proposed Tacoma Municipal Code Revisions and Explanatory Comments