



Tacoma Power's Customer Charge Hike:

The wrong approach for families, for energy-saving, for consumer fairness

Tacoma Power is proposing to **more than double** the fixed monthly charge you have to pay before you even flip on a light switch. Under the proposal being considered by Tacoma City Council, you'll see your monthly fixed charge jump from \$10.50 to **\$16.25 this year** and then to **\$22 a month next year** – a 110% increase over two years.

Reaching into families' wallets for bigger payments every month – regardless of how much electricity a household uses – has been tried by utilities all over the country. But because it's unfair to people with low incomes and those who use less energy, and discourages energy efficiency and investments in solar, regulators are rejecting big fixed customer charge hikes.

What are fixed charges?

There are two kinds of charges on your Tacoma Power residential electric bill: charges based on the *amount* of electricity you use in kilowatts per hour and a "fixed charge" that you have to pay before the meter starts running. Tacoma Power wants to increase your fixed customer charge to \$22 a month by April 2018.

Why are fixed charge increases bad for consumers?

Lower energy users get hit hard. Based on available information, low energy use homes would see a much higher percentage increase in their monthly electric bill compared to heaviest energy use homes – approximately *four times* higher.

Low income customers bear a disproportionate burden. Fixed fee increases consume a larger share of the incomes of those who are least able to pay.

You lose some of your ability to control your electric bill. When you have to pay more each month regardless of how much electricity you use, you're not as able to control your family's energy costs. High fixed charges also discourage investments in energy efficiency and home solar by reducing the amount of money you're able to save.

Regulators are rejecting big fixed charge increases

Last year commissions around the country rejected or reduced 85% of proposals for fixed customer charge increases. The average approved residential fixed charge was \$10.19 a month – about the same as Tacoma Power’s current fixed charge but less than half of what TPU is proposing. Meanwhile, other large public utilities in Washington have fixed customer charges of between \$5 and \$12. Snohomish PUD has a \$15 minimum bill, but that includes some energy use.

What should Tacoma Power do instead?

The need for a rate increase isn’t in dispute. However, Tacoma Power should consider changing the energy rate, which will give customers the ability to lower their bills if they use less electricity. To reduce the impact on low-income customers who use a lot of electricity, Tacoma Power should expand their well-regarded weatherization and bill assistance programs to cover more customers in need.

What you can do

If you’re a Tacoma Power customer, tell your city council member you’re opposed to a doubling of your fixed fees for electricity. Reach out to council members directly or testify at city council. The proposed fee increase is scheduled to be considered at the March 7 and March 21 meetings.

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