



Initiative #3: Rate redesign/Revenue Recovery

INITIATIVE INFORMATION

Business Unit/Division	Financial Services						
Initiative Executive Sponsor	Paula Laschober						
Initiative Project Manager	Kirsty Grainger						
Legally mandated/Required?	No						
(\$000's)	2019	2020	2021	2022	2023	2024	Total
O&M \$ Amount							
CIP \$ Amount							
Total \$ Request	0	0	0	0	0	0	0
FTEs Added	0	0	0	0	0	0	0

INITIATIVE SUMMARY

- a) Description: Amend and create new rate policies and structures that progressively respond to industry changes and challenges. Restructure rates to reflect true cost of service, improve bill transparency, and combat revenue volatility exacerbated by declining retail demand for electricity. Research and implement new rate options to support targeted conservation, electric vehicle adoption and green power objectives, charge for premium services such as network and underground delivery, and facilitate integration with evolving energy markets.
- b) Component(s) of initiative: Topics for study shall include:
 - a. Rate unbundling: should bills separate delivery from energy charges on bills
 - b. Fixed charges: what is the ideal balance between per-day, per-kWh, per-kW, etc. charges?
 - c. Distributed generation: what policies should apply to customer-generators? (net metering, value of solar)
 - d. Seasonal or time of use rates: should the utility offer time of use or seasonally changing rates, and to which customer groups?
 - e. Customer classification: Are the current customer classifications ideal given upcoming changes to metering. Should the number of non-residential classes be reduced? Should residential be separated by single/multi family?

- f. Special rates and charges for premium services and products: Should special rates or charges be applied to customers who receive a higher level of service than typical? For example, outlying network areas (First Hill, UW), undergrounded areas, etc. Also, are there premium services (e.g. community solar, zero carbon) that the utility should offer customers (at a premium rate)?
 - g. Electric vehicle charging rates: What EV charging rates should be offered?
- c) Business Value: Policy changes could improve customer service by providing more transparent utility bills and potentially offering new services/options. Some rate policies would improve revenue stability, others would focus cost collection, reducing cost burden for other rate payers.

2019 – 2024 INITIATIVE MILESTONES AND DELIVERABLES

Milestone	Due Date	Deliverables and Comments
Initiative Start	Mid 2018	
Study policies	2018-2019	Set up schedule and workplan with Review Panel to study and discuss rate options
Set policies	12/31/2019	Review Panel Letter of Policy Recommendation and Rate Policy Resolution
Enact policies in rates (begin)	6/30/2020	Rate Ordinance setting rates for 2021-2022 that reflect new policies
Initiative Complete	12/31/2020	

SOCIAL EQUITY

Rate redesign impacts will be analyzed against customer classes, including our Utility Discount Program customers to ensure no disproportionate impacts.

METRICS FOR SUCCESS AND METHOD FOR MEASUREMENT

2021-2022 rates reflect a revised set of policies