

**Business of the City Council  
 City of Ruston, WA**

**Subject: Ordinance #1566 – Update  
 Electrical Utility Rates**

**Dept. Origin: Ruston Power/Mayor’s  
 Office**

**Prepared by: Jennifer Robertson  
 City Attorney**

**For Agenda of: February 21, 2023**

**Exhibits: Ordinance #1566**

**Proposed Council Action:**

This is on for First Reading. Unless directed  
 Otherwise, this matter will return for Second  
 Reading and Adoption on March 7, 2023.

**Concurred by Mayor:**

Initial & Date

**Approved/form by City Atty:**

JSR/2-16-23

**Approved by \_\_\_\_\_ Director:**

**Approved by Department Head:**

**INFORMATION / BACKGROUND**

The City of Ruston is entitled to operate its own electrical utility to sell power to its residents<sup>1</sup> and to set the rates for such electrical utility.<sup>2</sup> The City is experiencing higher costs to operate the electric utility based on the rates charged by its electricity provider (City of Tacoma). The City of Ruston last increased rates in 2019 (effective 2020). Since that time Tacoma has increased its rates by 3.5 percent in 2023 and another 3.9 percent for 2024 which Ruston is passing along to its customers.

An increase is proposed for both fixed rates in the amount of 9 percent to account for inflation since the last update. These fixed fees help pay for infrastructure and to replenish depleted reserves. The kWh rates (consumption rates) are being increased for 2023 in the amount of 3.5% and by 3.9% for 2024 to keep up with the rate increases imposed by Tacoma. The first step of this rate increase is proposed to take effect on March 21, 2023 with the second step taking effect on March 21, 2024.

**Consumption Charges**

Customer Class	Current kWh	Effective 3/21/2023	Effective 3/21/2024
Regular Rates (kWh)	\$0.1076	\$0.1114	\$0.1157
Low Income/Disabled	\$0.0768	\$0.0795	\$0.0826

<sup>1</sup> RCW 35.92.050.

<sup>2</sup> RCW 35.84.010.

**Fixed Charges**

Customer Class	Current Minimum Charge	Effective 3/21/2023
Regular Rates	\$22.25	\$24.25
Low Income/Disabled	\$18.11	\$19.74

**FISCAL CONSIDERATION**

This increase will ensure that the City recovers the increased cost of purchasing electrical power from Tacoma Power as well as recovering the costs of operating this utility system. The new rates will help ensure that the City’s electrical utility will continue to be fiscally sound and have the resources needed to replace and refurbish the capital infrastructure and maintain high quality operations.

**RECOMMENDATION / MOTION**

This is on for First Reading. Unless directed otherwise this will return for Second Reading and Adoption on March 7, 2023.

**ORDINANCE NO. 1566**

**AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, RELATING TO ELECTRIC UTILITY RATES, AMENDING RUSTON MUNICIPAL CODE SECTIONS 18.01.010 AND 18.01.015 TO INCREASE FIXED RATES FOR ALL CUSTOMERS BY 9 PERCENT TO ACCOUNT FOR INFLATION, INCREASING CONSUMPTION RATES BY 3.5 PERCENT FOR 2023 AND 3.9 PERCENT FOR 2024 TO RECOVER INCREASES IMPOSED BY THE CITY OF TACOMA ON RUSTON POWER, MAKING THE FIRST STEP OF THE NEW RATES EFFECTIVE MARCH 21, 2023 AND THE SECOND STEP EFFECTIVE MARCH 21, 2024, PROVIDING FOR SEVERABILITY AND CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE.**

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**WHEREAS**, the City of Ruston is permitted to provide its residents with electrical power in accordance with RCW 35.92.050; and

**WHEREAS**, the City of Ruston is entitled to set the rates for such electrical utility in accordance with RCW 35.84.010; and

**WHEREAS**, on July 5, 2022, the City Council adopted Ordinance 1558 which amended Chapter 18.01 of the Ruston Municipal Code (“RMC”) to update the City’s Electrical Utility Rates with a two-step increase; and

**WHEREAS**, these increases were for the purpose of passing on rate increases from the City’s electricity provider, Tacoma Power and ensuring the continued financial stability of the City’s electrical utility; and

**WHEREAS**, since that time, costs have continued to increase necessitating a rate increase to cover the expenses of operating the electrical utility; and

**WHEREAS**, Tacoma has adopted a two-step increase its electrical rates since that time,

with a 3.5 percent increase for 2023 and a 3.9 percent increase for 2024, for a cumulative increase in the amount of 7.4 percent, which have not been passed along to Ruston customers; and

**WHEREAS**, in response, the City finds it necessary and appropriate to increase both the fixed charge and the kilowatt hour charges by 3.5 percent effective March 21, 2023, to keep pace with Tacoma’s increases and to adopt a 3.9 percent increase for 2024 to pass through Tacoma’s increases; and

**WHEREAS**, on February 21, 2023 the City Council held first reading of this Ordinance; and

**WHEREAS**, on March 7, 2023, the Council adopted this Ordinance during its regular meeting at second reading; **NOW, THEREFORE**

**THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS FOLLOWS:**

**Section 1.** Section 18.01.010 of the Ruston Municipal Code Section is hereby amended to read as follows:

**18.01.010 - Rates.**

Electric power shall be sold by meter to all persons in the City of Ruston who desire the same at the following rates:

- (a) Residential/Commercial Rate.
  - (1) Customer charge (minimum charge): ~~\$22.25~~ \$24.25 per month or any fraction thereof starting on ~~August 1, 2022~~ March 21, 2023;
  - (2) Energy charge: ~~\$0.1076~~ \$0.1114 per KWh for all kilowatt hours, beginning ~~August 1, 2022~~ March 21, 2023 and \$0.1157 per KWh for all kilowatt hours, beginning on March 21, 2024.
  - (3) Reconnect fee: \$50.00.
- (b) Utility Bill Late Charge.
  - (1) A late charge of \$15.00 will be added to the unpaid balance of each utility bill on the fifteenth day of the month in which such balance is due.

- (2) All late charges shall be apportioned between the utility funds as determined by the Mayor.
- (3) An additional \$15.00 fee will be charged for each shut-off notice doorhanger that is delivered to the customer's service location due to failure to make timely payment after assessment of the late charge. This is in addition to the \$15.00 late fee already assessed in (b)(1) above.

**Section 2.** Section 18.01.015 of the Ruston Municipal Code Section is hereby amended to read as follows:

**18.01.015 - Senior/disabled low-income residential rates.\***

- (a) Definitions.
  - (1) "Senior" shall mean a natural person who is 62 years of age or older.
  - (2) "Disabled" shall mean a natural person who meets one or more of the following qualifications: (i) qualifies for permanent special parking privileges under RCW 46.19.010, (ii) a blind person as defined in RCW 74.18.020, or (iii) a disabled, handicapped, or incapacitated person as defined under any other existing State or Federal program.
  - (3) "Low income" shall mean a natural person whose total income, including his or her spouse or cotenant, does not exceed the amount specified in RCW 84.36.381(5)(a) or as it may be amended from time to time or who is eligible for "low-income energy assistance" in accordance with 42 U.S.C. § 8624(C)(1) or as it may be amended from time to time.
- (b) In order to qualify as a "senior low-income" or "disabled low-income" the qualifying natural person must meet both the definition of "low income" and the definition of either "senior" or "disabled" as described above. Furthermore, this section is only applicable if the qualifying person or the spouse of that person is billed by the City for electrical services.
- (c) Eligibility shall be certified by the Utility Clerk.
- (d) Senior-Disabled Low-Income Residential Rates.
  - (1) Customer charge (minimum charge): ~~\$18.11~~ \$19.74 per month or any fraction thereof starting on ~~August 1, 2022~~ March 21, 2023;
  - (2) Energy charge: ~~\$0.0768~~ \$0.0795 per KWh for all kilowatt hours beginning on ~~August 1, 2022~~ March 21, 2023 and \$0.0826 per KWh for all kilowatt hours, beginning on March 21, 2024.
  - (3) Reconnect fee: \$15.00.
- (e) Utility Bill Late Charge. A late charge of \$10.00 will be added to the unpaid balance of each utility bill on the fifteenth day of the month in which such balance is due.
- (f) In addition to the above reduced rates for persons qualifying as senior/disabled low-income, any residential customer who qualifies as "low income" shall be permitted to opt for a "budget billing plan" whether he or she pays reduced rates or not. The budget billing plan shall provide

the customer with equal monthly payments that will cover the annualized cost of electricity to the property. This plan may be established at any time of year. The amount of the budget billing payment will be established by the Utility Clerk based upon historical averages for the property address and may be adjusted from time to time to account for actual use.

**Section 3. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

**Section 4. Corrections.** Upon the approval of the city attorney, the city clerk and/or code publisher is authorized to make any necessary technical corrections to this Ordinance, including but not limited to the correction of scrivener's/clerical errors, references, Ordinance numbering, section/subsection numbers, and any reference thereto.

**Section 5. Publication.** This Ordinance shall be published by an approved summary consisting of the title.

**Section 6. Effective Date.** A summary of this Ordinance, consisting of its Title, shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after the date of publication. The first step of the new electrical utility rates set forth in this Ordinance shall take effect on March 21, 2023 with the second step taking effect March 21, 2024.

**ADOPTED** by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 7th day of March, 2023.

**APPROVED** by the Mayor this 7th day of March, 2023.

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Bruce Hopkins, Mayor

**ATTEST/AUTHENTICATED:**

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Judy Grams, City Clerk

**APPROVED AS TO FORM:**

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Office of the City Attorney

FILED WITH THE CITY CLERK: \_\_\_\_\_

PASSED BY THE CITY COUNCIL: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

ORDINANCE NUMBER: 1566