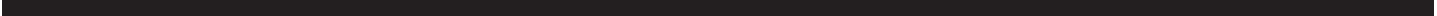

MARCH

TACOMA POWER

2016

**FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

MONIQUE TRUDNOWSKI

Secretary

WOODROW JONES

Member

KAREN LARKIN

Member

WILLIAM A. GAINES

Director of Utilities/CEO

CHRIS ROBINSON

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES
CITY OF TACOMA

MANAGEMENT'S DISCUSSION AND ANALYSIS

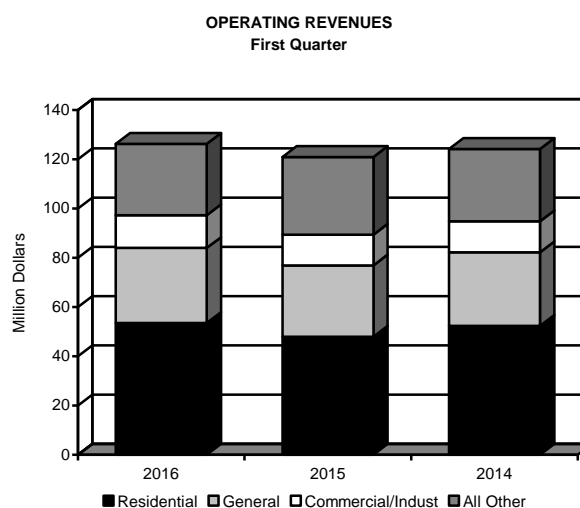
Overview of the Financial Statements

Summary

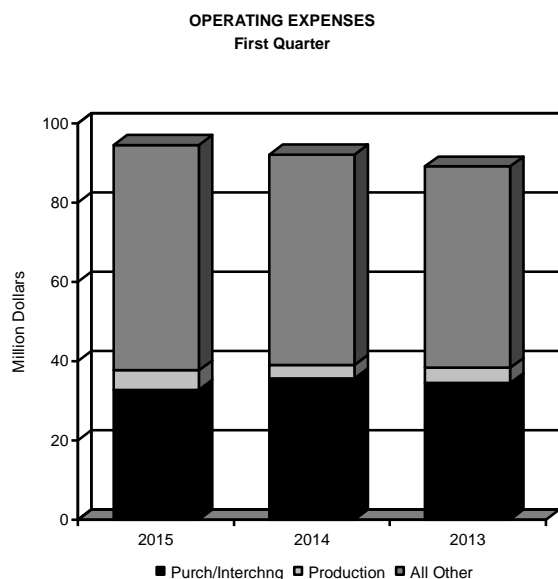
Tacoma Power's operating income at the end of the first quarter of 2016 was \$34.8 million compared to \$26.5 million a year earlier. Operating revenues increased \$5.3 million (4.4%) compared to the prior year. Operating expenses decreased \$3.0 million (3.2%). Non-operating income increased \$3.1 million (59.2%) resulting in net income of \$26.7 million in 2016 compared to \$15.7 million in 2015.

Revenues

In the first quarter of 2016, total electric energy sales increased \$5.3 million compared with the same period a year earlier. Total sales to residential and other customers increased \$5.3 million. Sales were lower in 2015 due to a decrease in volume caused by milder than usual weather. Volume in 2016 has returned to more usual levels. Revenues from commercial, general, and industrial customers increased \$2.4 million also primarily due to an increase in volume. Wholesale energy sales decreased \$2.3 million due to lower prices. Inflows were actually higher, but the increased volume was not enough to offset the lower prices.



Expenses



First quarter 2016 operating expenses were \$91.5 million, down \$3.0 million (3.2%) from 2015.

Purchased power expense decreased by \$1.1 million (3.3%) compared to 2015. Power purchased from BPA decreased \$1.2 million primarily due to \$2.7 million in credits received in 2016 for the Energy Conservation Agreement (ECA), while there were no credits in the first quarter of 2015. Purchases from Grand Coulee Project Hydroelectric Authority increased \$0.3 million. Other portfolio purchases decreased by \$0.5 million partly because of lower prices and also because of increased generation which decreased the volume of purchases.

Transmission expense increased \$1.8 million and Distribution expense increased \$1.6 million. Tacoma Power conducted a review of expenses in 2015 and determined that a large amount of costs that were assigned to administration and general should be reclassified to non-administrative groups. The increases in transmission and distribution expenses are primarily due to reclassifying these expenses effective January 1, 2016.

Conservation and other customer assistance increased \$0.4 million. Amortization of deferred conservation costs increased \$0.2 million. The remainder is primarily due to the reclassification of costs discussed above.

Administration and general expenses decreased \$5.9 million. The credit for capitalized administrative and general costs increased \$0.4 million. The remainder is mainly due to the reclassification of costs discussed above.



William A. Gaines
Director of Utilities/CEO



Andrew Cherullo
Finance Director

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION
Doing Business As

TACOMA POWER

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Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

COMPARATIVE BALANCE SHEET - March 31, 2016 AND March 31, 2015

ASSETS AND DEFERRED OUTFLOWS	<u>2016</u>	<u>2015</u>
UTILITY PLANT		
Electric Plant in Service	\$1,861,255,899	\$1,821,448,439
Less Depreciation and Amortization	(959,208,895)	(907,667,804)
Total	<u>902,047,004</u>	<u>913,780,635</u>
Construction Work in Progress	102,955,044	61,170,503
Net Utility Plant	<u>1,005,002,048</u>	<u>974,951,138</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010B Construction Fund	4,773,624	13,013,622
2013 Construction Fund	34,774,814	33,010,372
2015 Construction Fund	7,210,906	-
Provision for Debt Service	7,938,953	15,564,705
Special Bond Reserves	4,997,639	16,997,639
Wynoochee Reserve--State of Washington	2,548,079	2,524,546
Total Restricted Assets	<u>62,244,015</u>	<u>81,110,884</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	164,473,741	248,010,291
Customers' and Contractors' Deposits	2,989,530	2,971,252
Conservation Loan Fund	3,448,524	3,920,280
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	19,192,023	18,334,284
Accrued Unbilled Revenue	29,427,771	28,750,681
Others	13,414,328	10,426,140
Provision for Uncollectibles	(1,166,529)	(1,277,174)
Materials and Supplies	6,218,262	5,727,066
Prepayments and Other	5,614,931	4,895,144
Total Current Assets	<u>291,612,581</u>	<u>369,757,964</u>
OTHER ASSETS		
Regulatory Asset - Conservation	46,418,253	42,376,771
Net Pension Asset	3,823,476	-
Conservation Loan Fund Receivables	1,464,581	1,260,788
Total Other Assets	<u>51,706,310</u>	<u>43,637,559</u>
Total Assets	<u>1,410,747,005</u>	<u>1,469,639,596</u>
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	9,077,586	-
Unamortized Loss on Refunding Bonds	1,424,952	7,383,557
Total Deferred Outflows	<u>10,502,538</u>	<u>7,383,557</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$1,421,249,543</u>	<u>\$1,477,023,153</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2015 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS

	2016	2015
NET POSITION		
Net Investment in Capital Assets	\$601,837,005	\$522,533,030
Restricted for:		
Wynoochee Reserve - State of Washington	2,548,079	2,524,546
Net Pension Asset	3,823,476	0
Debt Service	3,182,503	9,295,003
Unrestricted	241,190,224	304,100,861
TOTAL NET POSITION	852,581,287	838,453,440
LONG-TERM DEBT		
2005 Electric System Refunding Bonds, Series B ...	-	99,690,000
2010B Electric System Refunding Bonds	147,070,000	147,070,000
2010C Electric System Refunding Bonds	24,185,000	24,185,000
2013A Electric System Rev & Refunding Bonds	151,460,000	164,190,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
Total Bonded Indebtedness	358,335,000	470,755,000
Less: Unamortized Bond Premiums	20,214,029	22,191,037
Net Bonded Indebtedness	378,549,029	492,946,037
Line of Credit	65,250,000	-
Total Long-Term Debt	443,799,029	492,946,037
CURRENT LIABILITIES		
Salaries and Wages Payable	3,347,915	2,535,304
Taxes and Other Payables	13,319,414	13,824,821
Purchases and Transmission of Power Accrued	11,977,939	12,005,186
Interest Payable	4,756,450	6,269,702
Customers' Deposits	2,995,134	2,963,396
Current Portion of Long-Term Debt	12,730,000	37,180,000
Current Accrued Compensated Absences	1,058,072	1,048,309
Total Current Liabilities	50,184,924	75,826,718
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,522,650	9,434,785
Other Long Term Liabilities	13,125,264	12,362,173
Total Long Term Liabilities	22,647,914	21,796,958
TOTAL LIABILITIES	516,631,867	590,569,713
DEFERRED INFLOWS		
Deferred Inflow for Pensions	4,036,389	-
Rate Stabilization	48,000,000	48,000,000
Total Deferred Inflows	52,036,389	48,000,000
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$1,421,249,543	\$1,477,023,153

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
March 31, 2016 AND March 31, 2015

	March 2016	March 2015
OPERATING REVENUES		
Sales of Electric Energy	\$39,194,297	\$33,637,029
Other Operating Revenues	1,393,775	1,298,435
Click! Network Operating Revenues	2,229,038	2,368,922
Total Operating Revenue	42,817,110	37,304,386
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,211,426	1,444,038
Other Production Expense	460,111	348,354
Total Expense Power Produced	2,671,537	1,792,392
Purchased Power	8,476,910	11,430,713
Total Production Expense	11,148,447	13,223,105
Transmission Expense	2,795,514	2,034,543
Distribution Expense	2,758,291	2,013,208
Click! Network Commercial Operations Expense .	2,333,012	2,140,176
Customer Accounts Expense (CIS)	1,134,903	1,101,019
Conservation and Other Customer Assistance ...	1,046,546	939,839
Taxes	2,808,234	2,283,031
Depreciation	4,628,046	4,963,025
Administrative and General	2,016,211	4,227,026
Total Operating Expenses	30,669,204	32,924,972
OPERATING INCOME (LOSS)	12,147,906	4,379,414
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	210,955	253,385
Contribution to Family Need	(40,000)	(40,000)
Other Net Non-Op Revenues and Deductions	(22,868)	120,034
Interest on Long-Term Debt	(1,636,174)	(2,089,901)
Amort. of Debt Related Costs	(25,294)	(62,735)
Interest Charged to Construction	381,498	225,864
Total Non-Operating Revenues (Expenses) ..	(1,131,883)	(1,593,353)
Net Income (Loss) Before Capital Contributions and Transfers	11,016,023	2,786,061
Capital Contributions		
Cash	457,310	158,593
Donated Fixed Assets	33,873	3,445
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(3,428,748)	(2,093,620)
CHANGE IN NET POSITION	8,408,011	1,184,032
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - March 31		

YEAR TO DATE		2016 OVER	PERCENT CHANGE
March 31, 2016	March 31, 2015	(UNDER) 2015	
\$114,900,239	\$109,598,044	\$5,302,195	4.8%
4,675,006	4,431,426	243,580	5.5%
6,692,058	6,923,410	(231,352)	-3.3%
<u>126,267,303</u>	<u>120,952,880</u>	<u>5,314,423</u>	4.4%
4,092,070	3,950,452	141,618	3.6%
1,256,939	1,027,280	229,659	22.4%
<u>5,349,009</u>	<u>4,977,732</u>	<u>371,277</u>	7.5%
31,615,854	32,705,938	(1,090,084)	-3.3%
<u>36,964,863</u>	<u>37,683,670</u>	<u>(718,807)</u>	-1.9%
7,916,125	6,067,917	1,848,208	30.5%
8,087,256	6,459,164	1,628,092	25.2%
6,432,141	6,338,397	93,744	1.5%
3,361,346	3,130,628	230,718	7.4%
2,977,400	2,624,856	352,544	13.4%
5,699,441	5,215,065	484,376	9.3%
13,904,493	14,932,490	(1,027,997)	-6.9%
6,108,362	11,983,274	(5,874,912)	-49.0%
<u>91,451,427</u>	<u>94,435,461</u>	<u>(2,984,034)</u>	-3.2%
<u>34,815,876</u>	<u>26,517,419</u>	<u>8,298,457</u>	31.3%
1,371,936	508,152	863,784	170.0%
(120,000)	(120,000)	-	0.0%
428,057	144,726	283,331	195.8%
(4,832,513)	(6,269,702)	1,437,189	-22.9%
(75,878)	(188,199)	112,321	-59.7%
1,074,796	649,771	425,025	65.4%
<u>(2,153,602)</u>	<u>(5,275,252)</u>	<u>3,121,650</u>	59.2%
32,662,274	21,242,167	11,420,107	53.8%
1,563,167	1,335,355	227,812	17.1%
33,873	3,445	30,428	883.3%
988,660	988,660	-	0.0%
<u>(8,599,984)</u>	<u>(7,919,248)</u>	<u>(680,736)</u>	8.6%
26,647,990	15,650,379	10,997,611	70.3%
<u>825,933,297</u>	<u>822,803,061</u>	<u>3,130,236</u>	0.4%
<u>852,581,287</u>	<u>838,453,440</u>	<u>14,127,847</u>	

These statements should be read in conjunction with the Management Discussion and Analysis in the March 2016 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
March 31, 2016 AND March 31, 2015

	<u>For the month of</u> <u>March 2016</u>	<u>For the month of</u> <u>March 2015</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$18,445,510	\$15,042,555
Commercial	3,060,824	2,526,858
General	10,752,684	9,797,748
Contract Industrial	1,653,487	1,705,102
Public Street and Highway Lighting	49,646	187,657
Sales to Other Electric Utilities	31,398	27,456
Total Sales to Customers	<u>33,993,549</u>	<u>29,287,376</u>
Bulk Power Sales	5,200,748	4,349,653
Total Sales of Electric Energy	<u>39,194,297</u>	<u>33,637,029</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	108,364	95,678
Wheeling	866,213	812,519
Service Fees and Other	419,198	390,238
Telecommunications Revenue	2,229,038	2,368,922
Total Other Operating Revenues	<u>3,622,813</u>	<u>3,667,357</u>
 TOTAL OPERATING REVENUES	 <u>\$42,817,110</u>	 <u>\$37,304,386</u>

BILLINGS (Number of Months Billed)

Residential	186,459	163,429
Commercial	19,213	16,877
General	3,150	2,874
Contract Industrial	2	2
Public Streets and Highway Lighting	1,221	1,062
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 <u>210,046</u>	 <u>184,245</u>

YEAR TO DATE		2015 OVER	
March 31, 2016	March 31, 2015	(UNDER) 2014	PERCENT CHANGE
\$53,492,476	\$47,948,817	\$5,543,659	11.6%
8,245,377	7,381,299	864,078	11.7%
30,470,711	28,901,954	1,568,757	5.4%
5,041,423	5,097,913	(56,490)	-1.1%
131,623	414,805	(283,182)	-68.3%
105,512	98,240	7,272	7.4%
97,487,122	89,843,028	7,644,094	8.5%
17,413,117	19,755,016	(2,341,899)	-11.9%
114,900,239	109,598,044	5,302,195	4.8%
825,956	758,939	67,017	8.8%
2,582,669	2,475,761	106,908	4.3%
1,266,381	1,196,726	69,655	5.8%
6,692,058	6,923,410	(231,352)	-3.3%
11,367,064	11,354,836	12,228	0.1%
\$126,267,303	\$120,952,880	\$5,314,423	4.4%
474,813	460,888	13,925	3.0%
47,486	46,258	1,228	2.7%
7,994	7,864	130	1.7%
6	6	-	0.0%
2,914	2,772	142	5.1%
3	3	-	0.0%
533,216	517,791	15,425	3.0%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - March 31, 2016 AND March 31, 2015

	For the month of Mar 2016	For the month of Mar 2015
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	43,467,000	24,348,000
Generated - Alder	34,088,000	14,642,000
TOTAL NISQUALLY	77,555,000	38,990,000
Generated - Cushman No. 1	20,062,000	5,810,000
Generated - Cushman No. 2	35,279,000	8,896,000
TOTAL CUSHMAN	55,341,000	14,706,000
Generated - Mossyrock	141,450,000	58,278,000
Generated - Mayfield	95,004,000	41,460,000
TOTAL COWLITZ	236,454,000	99,738,000
Generated - Wynoochee	6,398,000	1,174,000
Generated - Hood Street	269,000	379,200
Tacoma's Share of Priest Rapids	2,757,000	2,838,000
Tacoma's Share of GCPHA	6,239,000	2,684,000
TOTAL KWH GENERATED - TACOMA SYSTEM	385,013,000	160,509,200
Purchased Power		
BPA Slice Contract	236,319,000	240,028,000
BPA Block Contract	155,082,000	163,116,000
Interchange Net	(335,820,000)	(145,056,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	440,594,000	418,597,200
Losses	4,537,877	3,094,935
Baldi Replacement	227,492	175,098
Ketron	24,866	25,488
NT PC Mutuals Schedules	(3,048,000)	(2,759,000)
PC Mutual Inadvertent	324,266	290,414
TACOMA SYSTEM FIRM LOAD	442,660,501	419,424,135
Maximum Kilowatts (System Firm Load)	781,921	819,112
Average Kilowatts (System Firm Load)	594,974	563,742
PIERCE COUNTY MUTUAL LOAD	136,409,000	126,874,000
KWH BILLED		
Residential Sales	223,925,845	183,581,821
Commercial Sales	36,211,775	29,634,070
General	181,295,986	165,429,828
Contract Industrial	38,406,540	40,308,180
Public Street and Highway Lighting	1,100,364	4,439,271
Sales to Other Electric Utilities	472,500	519,300
TOTAL FIRM	481,413,010	423,912,470
Bulk Power Sales	353,477,000	177,702,000
TOTAL KWH BILLED	834,890,010	601,614,470

YEAR TO DATE		2016 OVER (UNDER)	PERCENT CHANGE
Mar 31 2016	Mar 31 2015	2015	
135,542,000	111,789,000	23,753,000	21.2%
98,814,000	73,903,000	24,911,000	33.7%
<u>234,356,000</u>	<u>185,692,000</u>	<u>48,664,000</u>	26.2%
67,676,000	30,528,000	37,148,000	121.7%
119,431,000	46,846,000	72,585,000	154.9%
<u>187,107,000</u>	<u>77,374,000</u>	<u>109,733,000</u>	141.8%
433,459,000	304,770,000	128,689,000	42.2%
296,304,000	206,662,000	89,642,000	43.4%
<u>729,763,000</u>	<u>511,432,000</u>	<u>218,331,000</u>	42.7%
19,546,000	1,174,000.00	18,372,000	0.0%
973,100	979,800	(6,700)	-0.7%
7,214,000	8,317,000	(1,103,000)	-13.3%
6,239,000	2,684,000	3,555,000	0.0%
1,185,198,100	787,652,800	397,545,300	50.5%
598,598,000	720,852,000	(122,254,000)	-17.0%
448,354,000	471,583,000	(23,229,000)	-4.9%
(875,656,000)	(688,714,000)	(186,942,000)	-27.1%
<u>1,356,494,100</u>	<u>1,291,373,800</u>	<u>65,120,300</u>	5.0%
12,451,651	9,266,565	3,185,086	34.4%
762,776	865,211	(102,435)	-11.8%
79,829	87,286	(7,457)	-8.5%
(9,474,000)	(8,876,000)	(598,000)	-6.7%
1,194,405	595,529	598,876	0.0%
<u>1,361,508,761</u>	<u>1,293,312,391</u>	<u>68,196,370</u>	5.3%
436,375,000	402,037,000	34,338,000	8.5%
659,203,794	586,293,616	72,910,178	12.4%
96,738,144	86,537,870	10,200,274	11.8%
523,176,630	502,738,370	20,438,260	4.1%
90,651,310	120,258,896	(29,607,586)	-24.6%
2,968,799	9,775,035	(6,806,236)	-69.6%
1,875,600	1,882,800	(7,200)	-0.4%
<u>1,374,614,277</u>	<u>1,307,486,587</u>	<u>67,127,690</u>	5.1%
907,302,000	750,999,000	156,303,000	20.8%
<u>2,281,916,277</u>	<u>2,058,485,587</u>	<u>223,430,690</u>	10.9%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

STATEMENTS OF CASH FLOWS

	YEAR TO DATE	
	March 31, 2016	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash from Customers	\$125,495,469	\$128,679,778
Cash Paid to Suppliers	(47,946,644)	(57,823,217)
Cash Paid to Employees	(29,871,521)	(25,274,268)
Taxes Paid	(4,718,773)	(5,419,916)
Conservation Loans	(41,544)	616,681
Net Cash from Operating Activities	42,916,987	40,779,058
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer Out for Gross Earnings Tax	(8,599,984)	(7,919,248)
Transfer to Family Need Fund	(120,000)	(120,000)
Net Cash from Non-Capital Financing Activities ..	(8,719,984)	(8,039,248)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures	(14,986,998)	(10,345,138)
Proceeds from Long-Term Debt	15,000,000	-
Principal Payments on Long-Term Debt	(14,735,000)	(32,115,000)
Interest Paid	(9,956,694)	(13,313,205)
BABs and CREBs Interest Subsidies	988,660	988,660
Contributions in Aid of Construction	1,563,167	1,335,355
Net Cash from Capital and Related Financing Activities	(22,126,865)	(53,449,328)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,371,936	508,152
Other Net Non-Op Revenues and Deductions	428,058	144,727
Net Cash from Investing Activities	1,799,994	652,879
Net Increase Change in Cash and Equity in Pooled Investments	13,870,132	(20,056,639)
Cash and Equity in Pooled Investments at January 1 ..	267,285,678	404,069,346
Cash and Equity in Pooled Investments at March 31....	281,155,810	\$384,012,707

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2015 Annual Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

STATEMENTS OF CASH FLOWS

	March 31, 2016	March 31, 2015
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:		
Net Operating Income	\$34,815,877	\$26,517,419
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	13,904,493	14,932,490
Amortization of Regulatory Assets	1,623,085	1,391,562
Cash provided from changes in operating assets and liabilities:		
Accounts Receivable and Unbilled Revenue	(771,835)	7,726,900
Conservation Loans Receivable	(41,544)	616,681
Interfund Receivables	1,484,313	2,509,436
Inventory, Materials and Supplies, and Other	242,454	130,924
Taxes and Other Payables	(7,037,355)	(7,403,403)
Purchased Power Payable	(35,539)	445,002
Salaries and Wages Payable	1,918,568	(2,014,584)
Customers' Deposits	(113,674)	66,128
Regulatory Assets - Conservation	(1,747,415)	(1,169,087)
Interfund Payables	(1,324,441)	(2,970,410)
Total Adjustments	8,101,110	14,261,639
Net Cash from Operating Activities	\$42,916,987	\$40,779,058
Reconciliation of Cash and Equity in Pooled Investments to Balance Sheet:		
Cash and Equity in Pooled Investments in Special Funds	\$62,244,015	\$81,110,884
Cash and Equity in Pooled Investments in Operating Funds.....	218,911,795	302,901,823
Cash and Equity in Pooled Investments at March 31	\$281,155,810	\$384,012,707

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
CLICK! NETWORK
COMMERCIAL OPERATIONS

OPERATIONAL SUMMARY - MARCH 31, 2016

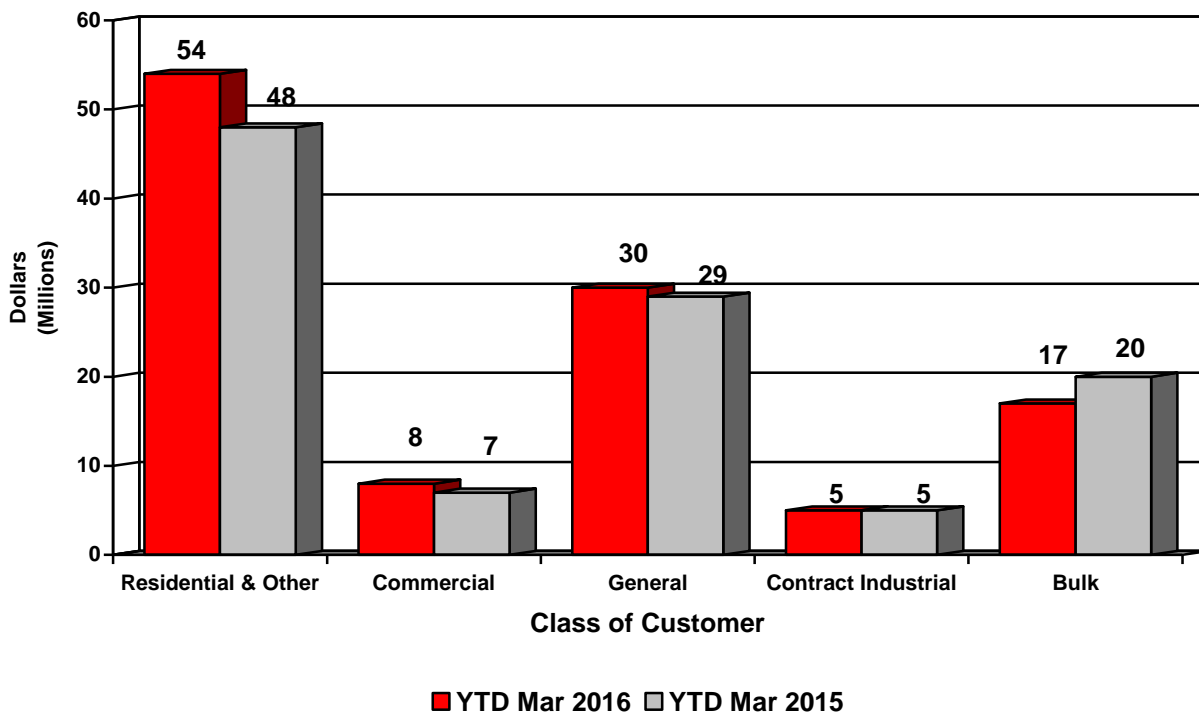
	<u>MARCH</u> 2016	<u>MARCH</u> 2015
TELECOMMUNICATIONS REVENUE		
CATV	\$1,520,759	\$1,713,001
Broadband	98,139	92,386
ISP	584,567	535,470
Interdepartmental	25,573	28,065
Total Operating Revenue	<u>2,229,038</u>	<u>2,368,922</u>
 TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	316,504	286,616
General Expense	63,536	30,520
Contract Services	1,120,234	1,101,792
IS & Intergovernmental Services	131,868	104,078
Fleet Services	166	958
Capitalized A & G Expense	(720)	(3,767)
Total Admin. & Sales Expense	<u>1,631,588</u>	<u>1,520,197</u>
 Operations & Maintenance Expense ...		
Salaries & Wages Expense	511,571	482,240
General Expense	30,240	34,487
Contract Services	136,325	67,505
IS & Intergovernmental Services	2,738	3,406
Fleet Services	30,690	47,137
New Connect Capital	(10,139)	(14,796)
Total Oper. & Maint. Expense	<u>701,425</u>	<u>619,979</u>
 Total Telecommunications Expense .	2,333,012	2,140,176
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	(103,974)	228,746
 Taxes	303,140	319,769
Depreciation and Amortization	224,562	354,531
	<u>527,702</u>	<u>674,300</u>
 NET OPERATING REVENUES (EXPENSES)	<u>(631,676)</u>	<u>(445,554)</u>

YEAR TO DATE			
MARCH 31 2016	MARCH 31 2015	2016/2015 VARIANCE	PERCENT CHANGE
\$4,576,327	\$4,991,516	(\$415,189)	-8.3%
302,224	282,656	19,568	6.9%
1,736,789	1,588,185	148,604	9.4%
76,718	61,053	15,665	25.7%
<u>6,692,058</u>	<u>6,923,410</u>	<u>(231,352)</u>	-3.3%
838,316	848,395	(10,079)	-1.2%
154,904	126,800	28,104	22.2%
3,293,785	3,306,433	(12,648)	-0.4%
359,366	328,360	31,006	9.4%
597	1,443	(846)	-58.6%
(1,710)	(21,102)	19,392	91.9%
<u>4,645,258</u>	<u>4,590,329</u>	<u>54,929</u>	1.2%
1,426,193	1,453,373	(27,180)	-1.9%
80,895	95,824	(14,929)	-15.6%
213,019	105,399	107,620	102.1%
7,482	10,378	(2,896)	-27.9%
88,983	121,610	(32,627)	-26.8%
(29,689)	(38,516)	8,827	22.9%
<u>1,786,883</u>	<u>1,748,068</u>	<u>38,815</u>	2.2%
6,432,141	6,338,397	93,744	1.5%
259,917	585,013	(325,096)	-55.6%
900,354	951,150	(50,796)	-5.3%
683,618	1,069,431	(385,813)	-36.1%
<u>1,583,972</u>	<u>2,020,581</u>	<u>(436,609)</u>	
<u>(1,324,055)</u>	<u>(1,435,568)</u>	<u>111,513</u>	7.8%

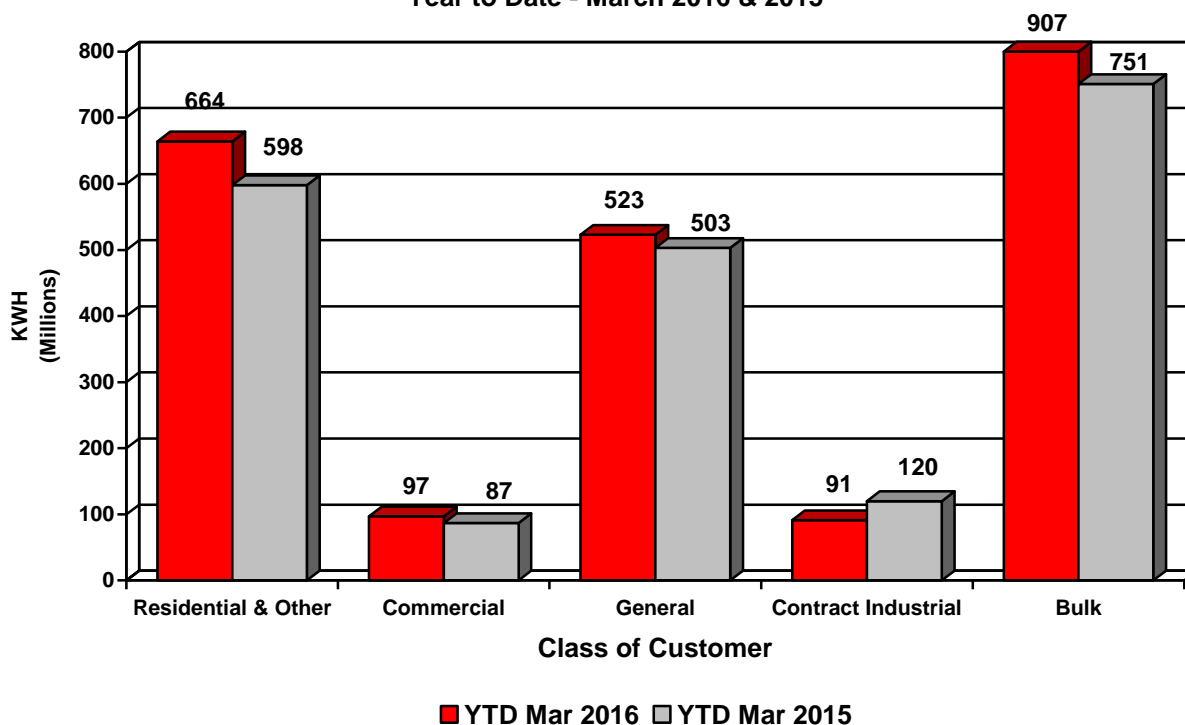
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Supplemental Data

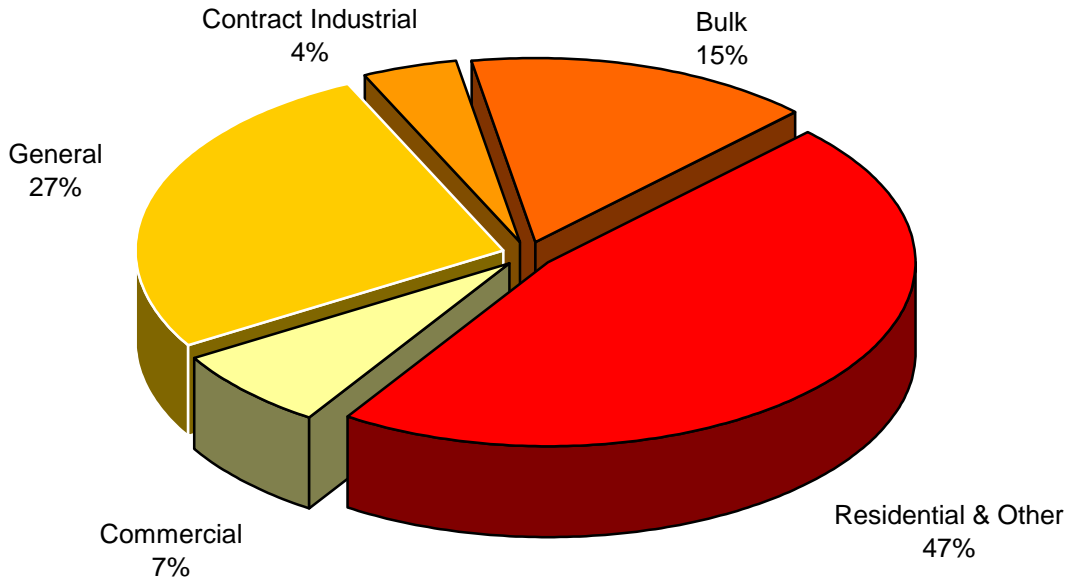
SALES OF ELECTRIC ENERGY
Year to Date - March 2016 & 2015



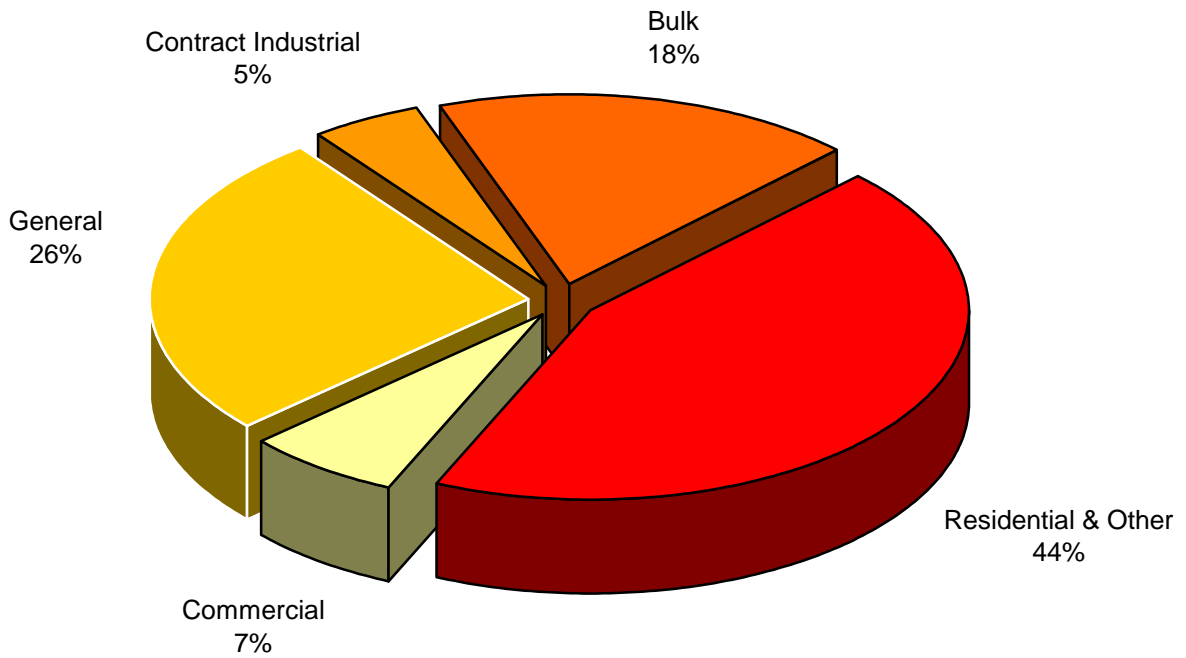
TOTAL POWER BILLED
Year to Date - March 2016 & 2015



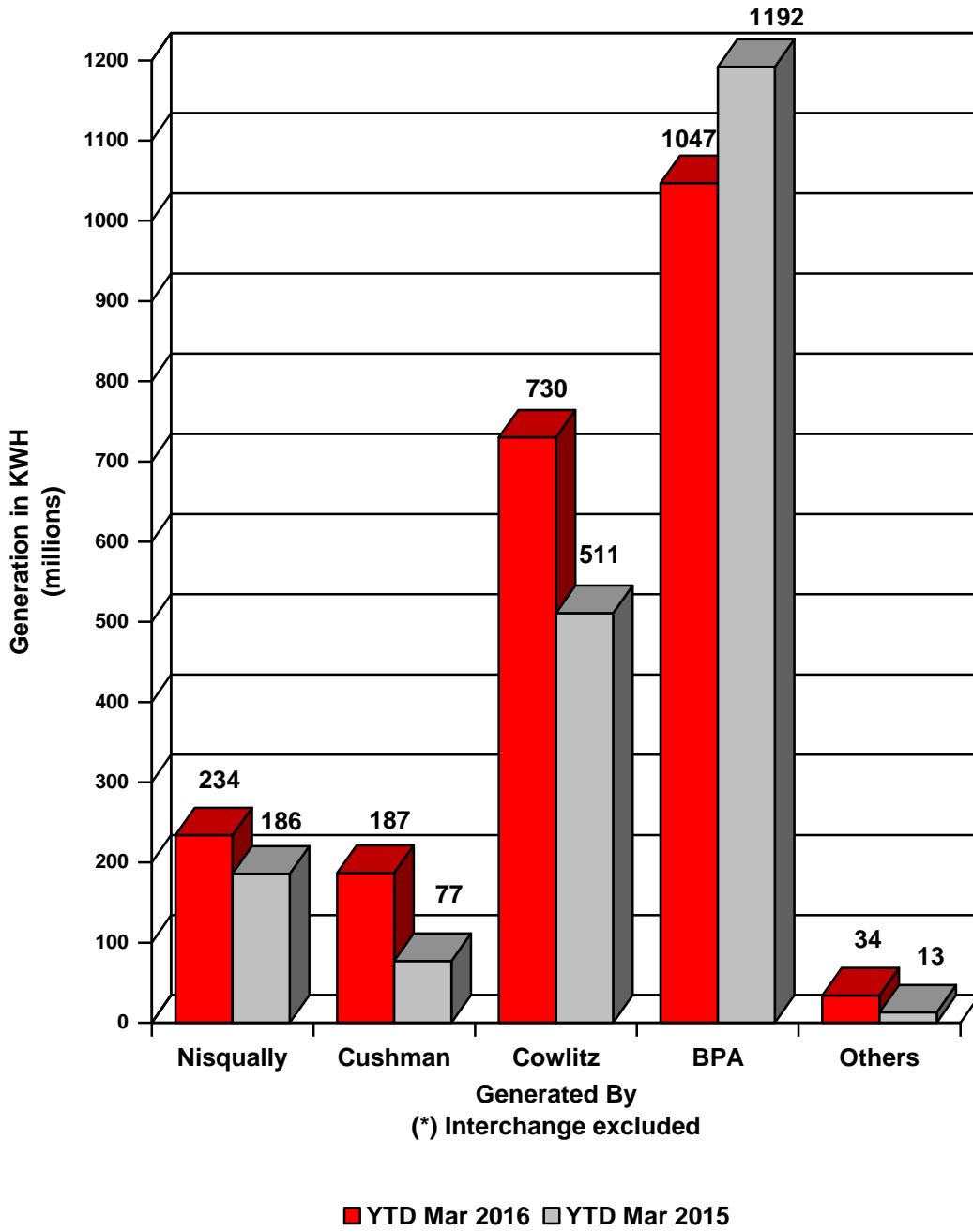
SALES OF ELECTRIC ENERGY
Year to Date - March 2016 (\$114,900,239)



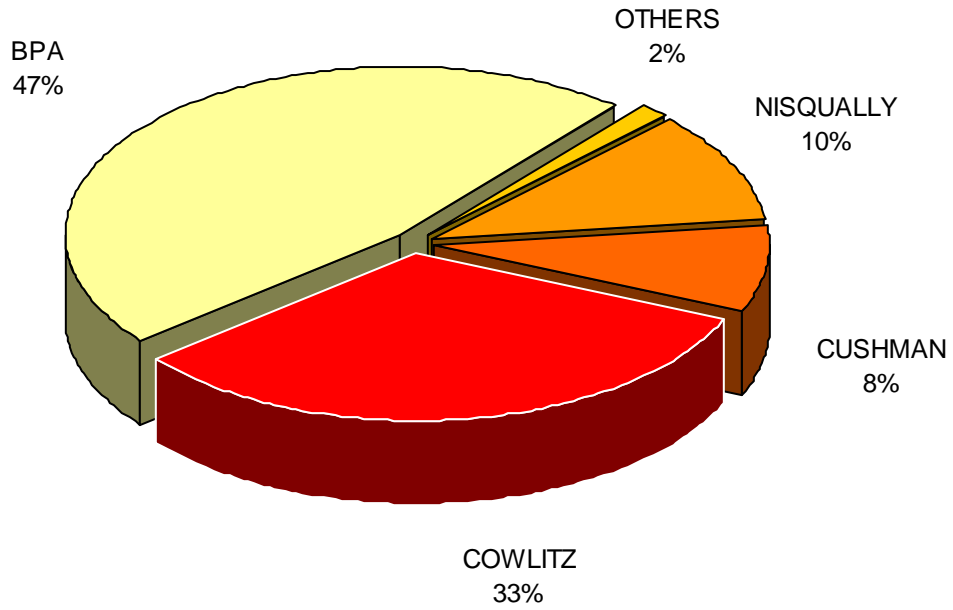
SALES OF ELECTRIC ENERGY
Year to Date - March 2015 (\$109,598,044)



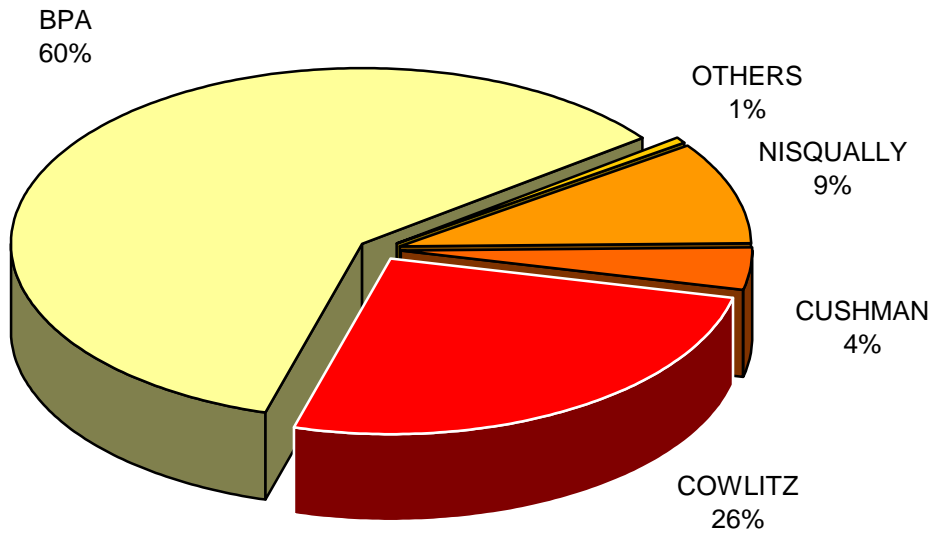
POWER SOURCES (*)
Year to Date March 2016 & 2015



POWER SOURCES (*)
Year to Date - March 2016

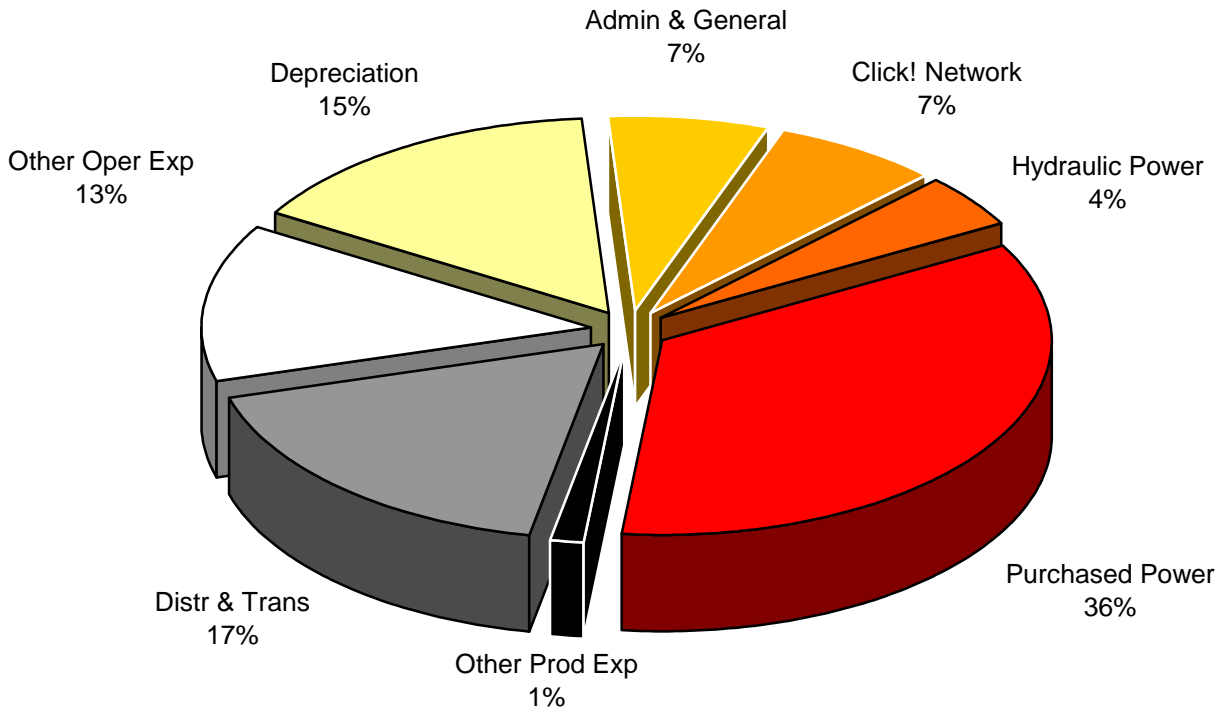


POWER SOURCES (*)
Year to Date - March 2015

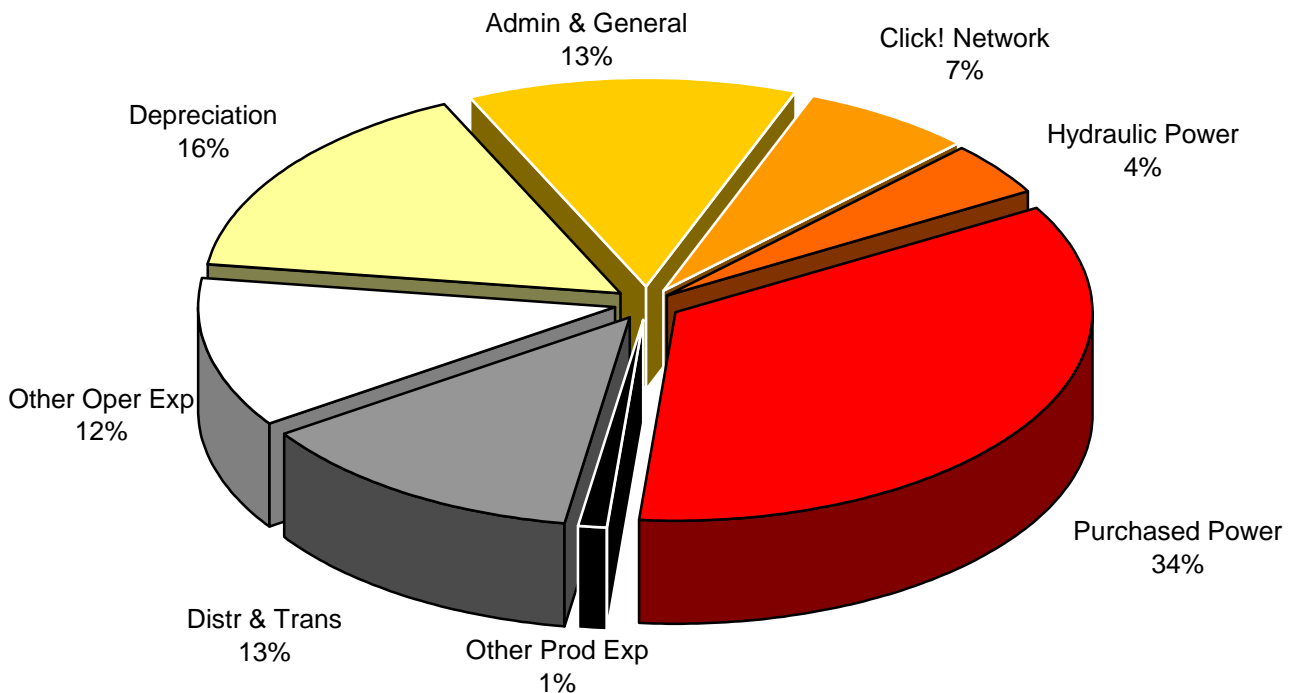


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - March 2016 (\$91,451,427)



TOTAL OPERATING EXPENSES *
Year to Date - March 2015 (\$94,435,461)



* City Gross Earnings Taxes are not included in Total Operating Expenses.



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