
AUGUST

TACOMA POWER

2013

**FINANCIAL
REPORT**



Public Utility Board

DAVID NELSON

Chair

WOODROW JONES

Vice-Chair

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Member

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Director of Utilities/CEO

THEODORE C. COATES

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES
CITY OF TACOMA

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

STATEMENTS OF NET POSITION - August 31, 2013 AND August 31, 2012

ASSETS	2013	2012 (As Restated)
UTILITY PLANT		
Electric Plant in Service	\$1,705,553,590	\$1,652,951,986
Less Depreciation and Amortization	(820,320,428)	(771,528,904)
Total	885,233,162	881,423,082
Construction Work in Progress	69,437,407	65,991,873
Net Utility Plant	954,670,569	947,414,955
 NON-UTILITY PROPERTY	 182,051	 182,051
 RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2002 T&D Major Project Fund	990,540	1,143,023
2004 Construction Fund	-	339,155
2005 Construction Fund	6,518,877	6,669,857
2010A Construction Fund	-	13,570
2010B Construction Fund	31,853,942	68,998,401
2010C Construction Fund	-	2,551,113
2013 Construction Fund	87,241,165	-
Provision for Debt Service	24,192,459	23,814,504
Special Bond Reserves	16,997,639	16,997,639
Wynoochee Reserve--State of Washington	2,491,158	2,462,875
Total Restricted Assets	170,285,780	122,990,137
 CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	194,635,990	224,458,928
Customers' and Contractors' Deposits	2,816,413	2,921,335
Conservation Loan Fund	4,853,229	4,815,411
Rate Stabilization Fund	48,000,000	36,000,000
Receivables:		
Customers	14,249,802	15,226,201
Accrued Unbilled Revenue	27,765,060	23,149,258
Others	11,403,998	8,967,382
Provision for Uncollectibles	(2,558,457)	(2,724,274)
Materials and Supplies	6,720,443	7,595,322
Prepayments and Other	3,583,366	2,675,949
Total Current Assets	311,469,844	323,085,512
 OTHER ASSETS		
Conservation Loan Fund Receivables	1,362,130	1,580,666
 Total Assets	 1,437,970,374	 1,395,253,321
 Deferred Outflows		
Regulatory Asset - Conservation	36,631,547	27,936,063
Unamortized Loss on Refunding Bonds	17,945,318	7,363,386
Total Deferred Outflows	54,576,865	35,299,449
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 \$1,492,547,239	 \$1,430,552,770

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2012 Annual Report.

NET POSITION AND LIABILITIES	2013	2012 (As Restated)
NET POSITION		
Net Investment in Capital Assets	\$655,059,612	\$498,802,180
Restricted for:		
Wynoochee Reserve - State of Washington	2,491,158	2,462,875
Debt Service	18,863,332	19,190,000
Unrestricted	122,009,949	265,866,452
TOTAL NET POSITION	<u>798,424,051</u>	<u>786,321,507</u>
LONG-TERM DEBT		
2004 Electric System Revenue Bonds	-	47,970,000
2005 Electric System Revenue Bonds, Series A	130,000	93,060,000
2005 Electric System Refunding Bonds, Series B ...	122,135,000	149,595,000
2007 Electric System Refunding Bonds	21,300,000	52,770,000
2010A Electric System Refunding Bonds	8,000,000	16,000,000
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	181,610,000	-
2013B Electric System Rev & Refunding Bonds	35,620,000	-
Total Bonded Indebtedness	<u>540,050,000</u>	<u>530,650,000</u>
Less: Unamortized Bond Discounts/Premiums	25,775,534	3,303,112
Net Bonded Indebtedness	<u>565,825,534</u>	<u>533,953,112</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	1,700,442	1,650,082
Taxes and Other Payables	10,844,080	9,115,511
Purchases and Transmission of Power Accrued	10,229,031	9,246,240
Interest Payable	5,329,127	4,624,504
Customers' Deposits	2,740,197	2,869,014
Current Portion of Long-Term Debt	28,295,000	28,785,000
Current Accrued Compensated Absences	966,845	935,763
Total Current Liabilities	<u>60,104,722</u>	<u>57,226,114</u>
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	8,701,604	8,421,869
Other Deferred Credits	11,491,328	8,630,168
Total Long Term Liabilities	<u>20,192,932</u>	<u>17,052,037</u>
TOTAL LIABILITIES	<u>646,123,188</u>	<u>608,231,263</u>
DEFERRED INFLOWS		
Rate Stabilization	<u>48,000,000</u>	<u>36,000,000</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$1,492,547,239</u></u>	<u><u>\$1,430,552,770</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
August 31, 2013 AND August 31, 2012

	For the month of August 2013	For the month of August 2012 (As Restated)
OPERATING REVENUES		
Sales of Electric Energy	\$25,485,748	\$27,090,347
Other Operating Revenues	1,432,080	1,692,756
Click! Network Operating Revenues	2,257,064	2,133,645
Total Operating Revenue	29,174,892	30,916,748
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	1,524,527	1,885,473
Other Production Expense	319,026	308,689
Total Expense Power Produced	1,843,553	2,194,162
Purchased Power	10,251,805	9,326,555
Total Production Expense	12,095,358	11,520,717
Transmission Expense	2,079,449	1,896,293
Distribution Expense	2,557,598	2,841,299
Click! Network Commercial Operations Expense .	1,879,005	1,335,862
Customer Accounts Expense (CIS)	811,392	991,722
Conservation and Other Customer Assistance ...	812,725	731,273
Taxes	1,341,705	1,418,760
Depreciation	4,696,439	4,827,427
Administrative and General	4,129,527	2,969,082
Total Operating Expenses	30,403,198	28,532,435
OPERATING INCOME (LOSS)	(1,228,306)	2,384,313
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	196,432	676,220
Contribution to Family Need	(75,000)	(37,500)
Other Net Non-Op Revenues and Deductions	(16,934)	52,636
Interest on Long-Term Debt	(2,279,069)	(2,312,252)
Amort. of Debt Related Costs	(284,829)	16,329
Interest Charged to Construction	441,859	328,080
Total Non-Operating Revenues (Expenses) ..	(2,017,541)	(1,276,487)
Net Income (Loss) Before Capital Contributions and Transfers	(3,245,847)	1,107,826
Capital Contributions		
Cash	442,153	572,012
Donated Fixed Assets	100,895	-
Grants	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,103,200)	(2,163,389)
Transfers from (to) Other Funds	(14,299)	-
CHANGE IN NET POSITION	(\$4,490,745)	(\$153,998)
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - August 31		

YEAR TO DATE		2013	
August 31, 2013	August 31, 2012 (As Restated)	OVER (UNDER) 2012	PERCENT CHANGE
\$250,921,199	\$242,554,629	\$8,366,570	3.4%
11,818,692	11,271,516	547,176	4.9%
17,177,532	16,382,378	795,154	4.9%
<u>279,917,423</u>	<u>270,208,523</u>	<u>9,708,900</u>	3.6%
10,473,165	12,435,661	(1,962,496)	-15.8%
2,402,211	2,196,288	205,923	9.4%
<u>12,875,376</u>	<u>14,631,949</u>	<u>(1,756,573)</u>	-12.0%
85,308,290	75,037,655	10,270,635	13.7%
98,183,666	89,669,604	8,514,062	9.5%
16,369,119	15,149,607	1,219,512	8.0%
17,300,884	20,948,619	(3,647,735)	-17.4%
12,723,724	12,058,454	665,270	5.5%
6,202,261	7,034,013	(831,752)	-11.8%
6,067,525	4,449,824	1,617,701	36.4%
12,287,768	11,587,671	700,097	6.0%
37,527,629	38,903,918	(1,376,289)	-3.5%
26,778,609	24,783,100	1,995,509	8.1%
<u>233,441,185</u>	<u>224,584,810</u>	<u>8,856,375</u>	3.9%
46,476,238	45,623,713	852,525	1.9%
715,676	2,158,259	(1,442,583)	-66.8%
(600,000)	(300,000)	(300,000)	100.0%
(577,892)	674,177	(1,252,069)	-185.7%
(17,472,883)	(18,498,004)	1,025,121	-5.5%
(376,122)	130,648	(506,770)	-387.9%
2,373,868	3,153,803	(779,935)	-24.7%
<u>(15,937,353)</u>	<u>(12,681,117)</u>	<u>(3,256,236)</u>	-25.7%
30,538,885	32,942,596	(2,403,711)	-7.3%
3,626,364	3,413,556	212,808	6.2%
141,649	58,220	83,429	143.3%
-	196,968	(196,968)	-100.0%
2,464,399	2,636,426	(172,027)	-6.5%
(17,419,217)	(16,773,020)	(646,197)	3.9%
<u>(134,512)</u>	<u>902,261</u>	<u>(1,036,773)</u>	-114.9%
19,217,566	23,377,000	(4,159,434)	-17.8%
779,206,485	762,944,507	16,261,978	2.1%
<u>\$798,424,051</u>	<u>\$786,321,507</u>	<u>\$12,102,544</u>	1.5%

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2013 Financial Report.

CITY OF TACOMA, WASHINGTON

TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
August 31, 2013 AND August 31, 2012

	<u>For the month of</u> <u>August 2013</u>	<u>For the month of</u> <u>August 2012</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$8,735,672	\$9,136,916
Commercial	1,836,264	2,009,168
General	8,889,595	9,389,970
Contract Industrial	1,790,678	1,636,803
Public Street and Highway Lighting	101,829	99,550
Sales to Other Electric Utilities	20,830	18,535
Total Sales to Customers	<u>21,374,868</u>	<u>22,290,942</u>
Bulk Power Sales	4,110,880	4,799,405
Total Sales of Electric Energy	<u>25,485,748</u>	<u>27,090,347</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	466,015	499,193
Wheeling	647,275	824,615
Service Fees and Other	318,790	368,948
Telecommunications Revenue	2,257,064	2,133,645
Total Other Operating Revenues	<u>3,689,144</u>	<u>3,826,401</u>
 TOTAL OPERATING REVENUES	 <u>\$29,174,892</u>	 <u>\$30,916,748</u>
 BILLINGS (Number of Months Billed)		
Residential	152,193	165,069
Commercial	14,353	16,110
General	2,762	3,192
Contract Industrial	2	2
Public Streets and Highway Lighting	704	698
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 <u>170,015</u>	 <u>185,072</u>

YEAR TO DATE		2013 OVER (UNDER) 2012	PERCENT CHANGE
August 31, 2013	August 31, 2012		
\$103,221,792	\$100,459,507	\$2,762,285	2.7%
16,934,264	16,191,661	742,603	4.6%
72,725,834	69,952,968	2,772,866	4.0%
13,225,521	12,614,355	611,166	4.8%
901,662	796,885	104,777	13.1%
211,284	200,532	10,752	5.4%
<u>207,220,357</u>	<u>200,215,908</u>	<u>7,004,449</u>	<u>3.5%</u>
<u>43,700,842</u>	<u>42,338,721</u>	<u>1,362,121</u>	<u>3.2%</u>
<u>250,921,199</u>	<u>242,554,629</u>	<u>8,366,570</u>	<u>3.4%</u>
2,138,592	2,200,081	(61,489)	-2.8%
6,574,739	5,950,734	624,005	10.5%
3,105,361	3,120,701	(15,340)	-0.5%
17,177,532	16,382,378	795,154	4.9%
<u>28,996,224</u>	<u>27,653,894</u>	<u>1,342,330</u>	<u>4.9%</u>
<u>\$279,917,423</u>	<u>\$270,208,523</u>	<u>\$9,708,900</u>	<u>3.6%</u>
1,227,087	1,220,208	6,879	0.6%
122,838	122,559	279	0.2%
22,093	22,555	(462)	-2.0%
16	16	-	0.0%
7,076	6,954	122	1.8%
8	8	-	0.0%
<u>1,379,118</u>	<u>1,372,300</u>	<u>6,818</u>	<u>0.5%</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - August 31, 2013 AND August 31, 2012

	For the month of August 2013	For the month of August 2012
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	19,783,400	22,075,000
Generated - Alder	12,254,000	14,292,000
TOTAL NISQUALLY	32,037,400	36,367,000
Generated - Cushman No. 1	3,015,000	3,558,000
Generated - Cushman No. 2	3,501,000	3,439,000
TOTAL CUSHMAN	6,516,000	6,997,000
Generated - Mossyrook	55,379,000	69,781,000
Generated - Mayfield	30,173,000	36,477,000
TOTAL COWLITZ	85,552,000	106,258,000
Generated - Wynoochee	1,452,000	1,177,000
Generated - Hood Street	367,200	463,400
Grant Net Actual	(501,000)	-
Tacoma's Share of Priest Rapids	2,797,000	3,838,000
Tacoma's Share of GCPHA	39,997,000	43,798,000
TOTAL KWH GENERATED - TACOMA SYSTEM	168,217,600	198,898,400
Purchased Power		
BPA Slice Contract	164,781,000	224,397,000
BPA Block Contract	109,883,000	107,714,000
Interchange Net	(81,606,000)	(167,858,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	361,275,600	363,151,400
Losses	2,821,061	5,761,860
Baldi Replacement	10,719	11,162
Ketron	14,887	17,378
NT PC Mutuals Schedules	(2,380,000)	(1,817,000)
PC Mutual Inadvertent	448,699	2,347,714
TACOMA SYSTEM FIRM LOAD	362,190,966	369,472,514
Maximum Kilowatts (System Firm Load)	594,705	631,923
Average Kilowatts (System Firm Load)	486,816	496,603
PIERCE COUNTY MUTUAL LOAD	95,762,000	96,432,000
KWH BILLED		
Residential Sales	105,841,723	114,690,219
Commercial Sales	22,298,163	25,497,181
General	158,221,895	173,946,885
Contract Industrial	46,227,000	43,970,340
Public Street and Highway Lighting	2,465,376	2,496,884
Sales to Other Electric Utilities	442,100	376,200
TOTAL FIRM	335,496,257	360,977,709
Bulk Power Sales	111,595,000	179,569,000
TOTAL KWH BILLED	447,091,257	540,546,709

YEAR TO DATE		2013 OVER (UNDER)	PERCENT CHANGE
August 31 2013	August 31 2012	2012	
232,646,200	296,362,400	(63,716,200)	-22.4%
144,271,000	193,238,000	(48,967,000)	-26.2%
<u>376,917,200</u>	<u>489,600,400</u>	<u>(112,683,200)</u>	-23.9%
51,475,000	41,644,000	9,831,000	27.2%
72,410,000	46,490,000	25,920,000	60.1%
<u>123,885,000</u>	<u>88,134,000</u>	<u>35,751,000</u>	44.7%
659,571,000	962,431,000	(302,860,000)	-32.3%
448,291,000	620,609,000	(172,318,000)	-28.4%
<u>1,107,862,000</u>	<u>1,583,040,000</u>	<u>(475,178,000)</u>	-30.8%
15,631,000	19,879,000	(4,248,000)	-24.2%
2,758,300	2,964,000	(205,700)	-4.4%
<u>(2,799,000)</u>	<u>(124,000)</u>	<u>(2,675,000)</u>	0.0%
25,694,000	26,747,000	(1,053,000)	-0.1%
215,307,000	212,892,000	2,415,000	3.7%
1,865,255,500	2,423,132,400	(557,876,900)	-23.7%
1,580,062,000	1,917,215,000	(337,153,000)	-16.4%
1,055,828,000	1,034,991,000	20,837,000	2.0%
<u>(1,238,866,000)</u>	<u>(2,083,976,000)</u>	<u>845,110,000</u>	39.6%
3,262,279,500	3,291,362,400	(29,082,900)	-0.9%
27,123,429	26,296,664	826,765	18.3%
328,620	1,265,270	(936,650)	-74.7%
186,961	223,122	(36,161)	-16.4%
<u>(22,463,000)</u>	<u>(17,977,000)</u>	<u>(4,486,000)</u>	24.3%
7,246,590	5,082,377	2,164,213	0.0%
<u>3,276,302,100</u>	<u>3,306,252,833</u>	<u>(29,950,733)</u>	-0.8%
954,770,000	1,016,830,000	(62,060,000)	-6.7%
1,333,826,978	1,371,988,529	(38,161,551)	-2.3%
212,383,645	214,002,234	(1,618,589)	0.8%
1,345,187,012	1,360,011,809	(14,824,797)	0.1%
334,128,132	339,882,491	(5,754,359)	-2.7%
22,177,610	20,583,183	1,594,427	9.0%
4,440,800	4,383,000	57,800	-0.2%
<u>3,252,144,177</u>	<u>3,310,851,246</u>	<u>(58,707,069)</u>	-1.1%
1,682,109,000	2,322,753,000	(640,644,000)	-26.7%
<u>4,934,253,177</u>	<u>5,633,604,246</u>	<u>(699,351,069)</u>	-11.9%

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

OPERATIONAL SUMMARY - AUGUST 31, 2013

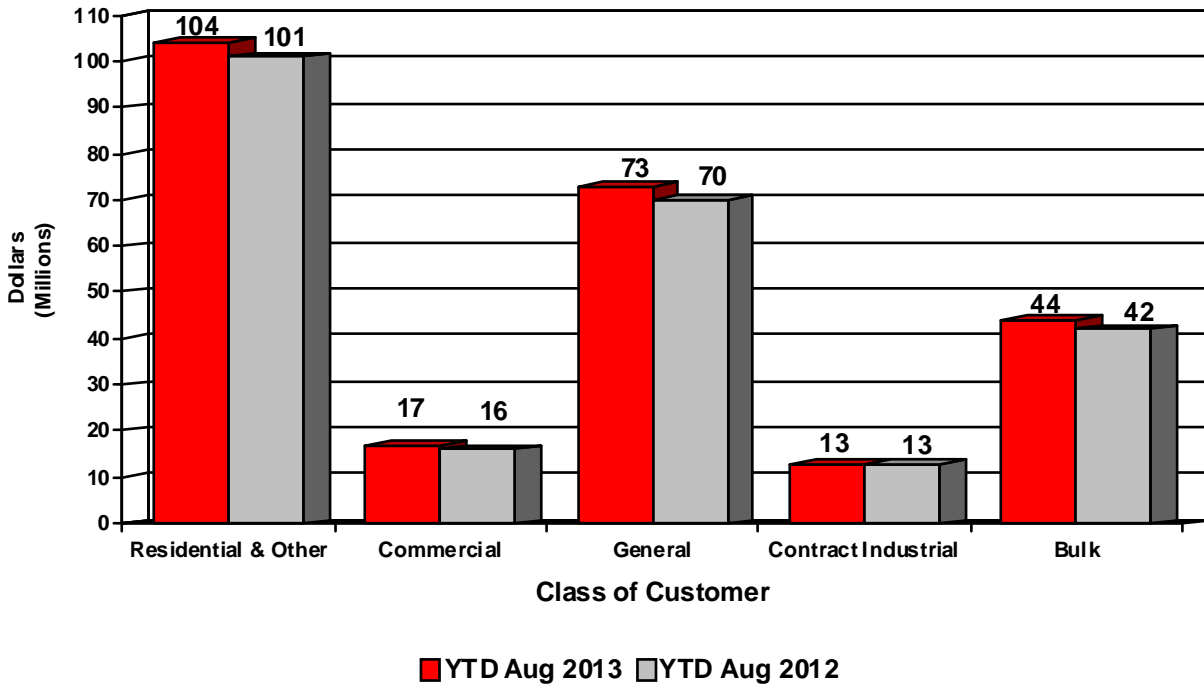
	<u>AUGUST 2013</u>	<u>AUGUST 2012</u>
TELECOMMUNICATIONS REVENUE		
CATV	\$1,682,952	\$1,584,533
Broadband	102,737	126,623
ISP	451,534	418,189
Interdepartmental	19,841	4,300
Total Operating Revenue	<u>2,257,064</u>	<u>2,133,645</u>
 TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	259,916	264,402
General Expense	57,650	32,727
Contract Services	1,226,748	726,605
IS & Intergovernmental Services	46,402	59,294
Fleet Services	1,151	591
Capitalized A & G Expense	(5,840)	(20,068)
Total Admin. & Sales Expense	<u>1,586,027</u>	<u>1,063,551</u>
 Operations & Maintenance Expense ...		
Salaries & Wages Expense	216,904	242,247
General Expense	22,572	12,758
Contract Services	38,539	12,286
IS & Intergovernmental Services	2,550	2,602
Fleet Services	12,413	17,903
New Connect Capital	-	(15,485)
Total Oper. & Maint. Expense	<u>292,978</u>	<u>272,311</u>
 Total Telecommunications Expense .	1,879,005	1,335,862
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	378,059	797,783
 Taxes	317,636	317,467
Depreciation and Amortization	<u>436,154</u>	<u>488,756</u>
 NET OPERATING REVENUES (EXPENSES)	<u><u>(375,731)</u></u>	<u><u>(8,440)</u></u>

YEAR TO DATE			
AUGUST 31 2013	AUGUST 31 2012	2013/2012 VARIANCE	PERCENT CHANGE
\$12,709,319	\$12,111,116	\$598,203	4.9%
754,088	929,402	(175,314)	-18.9%
3,552,681	3,261,079	291,602	8.9%
161,444	80,781	80,663	99.9%
<u>17,177,532</u>	<u>16,382,378</u>	<u>795,154</u>	4.9%
1,962,588	1,874,201	88,387	4.7%
350,223	313,187	37,036	11.8%
8,120,912	7,718,785	402,127	5.2%
376,255	400,804	(24,549)	-6.1%
8,927	3,426	5,501	160.6%
(89,902)	(177,112)	87,210	-49.2%
<u>10,729,003</u>	<u>10,133,291</u>	<u>595,712</u>	5.9%
1,646,870	1,687,858	(40,988)	-2.4%
122,793	111,701	11,092	9.9%
130,125	143,413	(13,288)	-9.3%
18,140	19,028	(888)	-4.7%
99,685	96,453	3,232	3.4%
(22,892)	(133,290)	110,398	-82.8%
<u>1,994,721</u>	<u>1,925,163</u>	<u>69,558</u>	3.6%
12,723,724	12,058,454	665,270	5.5%
4,453,808	4,323,924	129,884	3.0%
2,564,475	2,394,058	170,417	7.1%
<u>3,464,431</u>	<u>3,910,625</u>	<u>(446,194)</u>	-11.4%
<u>(1,575,098)</u>	<u>(1,980,759)</u>	<u>405,661</u>	-20.5%

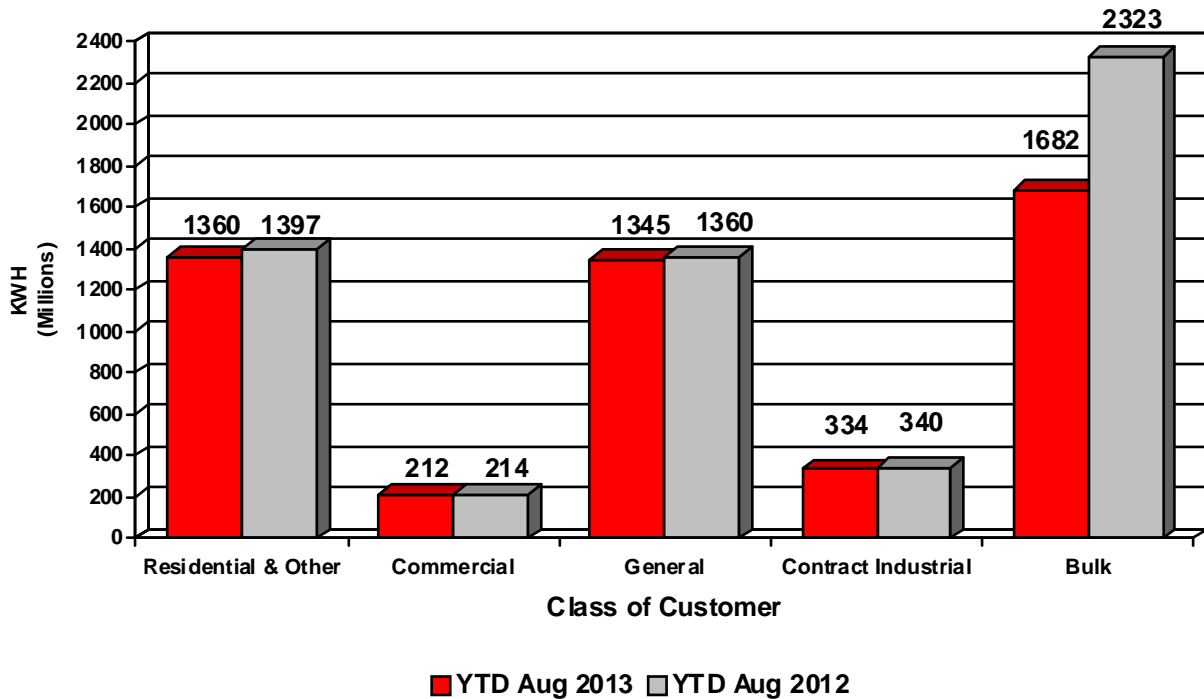
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Supplemental Data

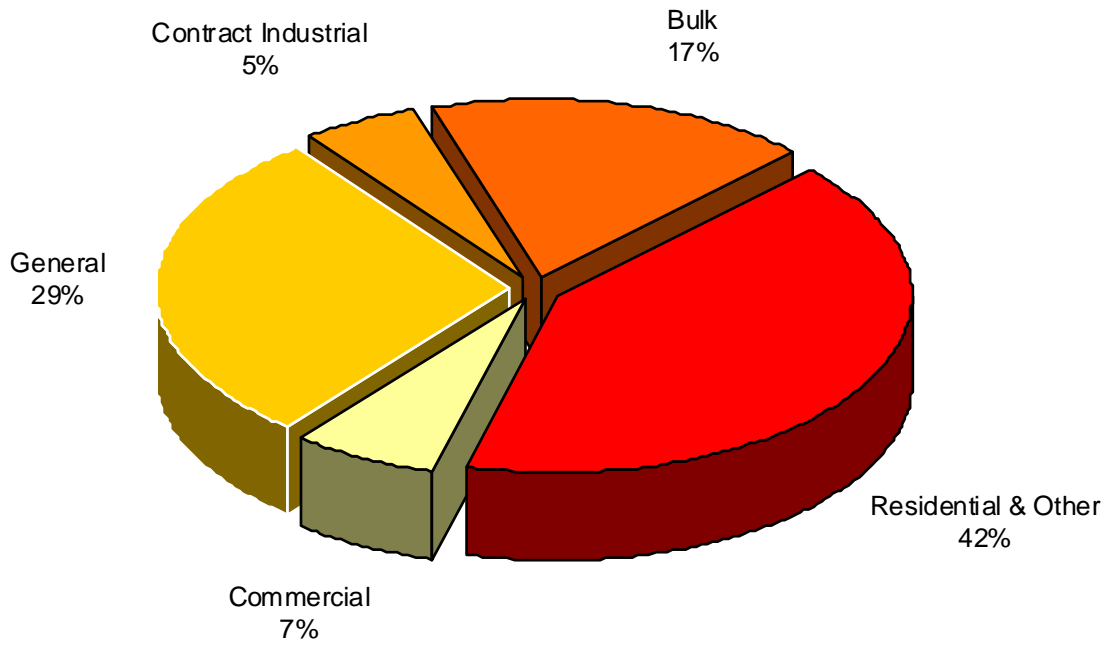
SALES OF ELECTRIC ENERGY
Year to Date - August 2013 & 2012



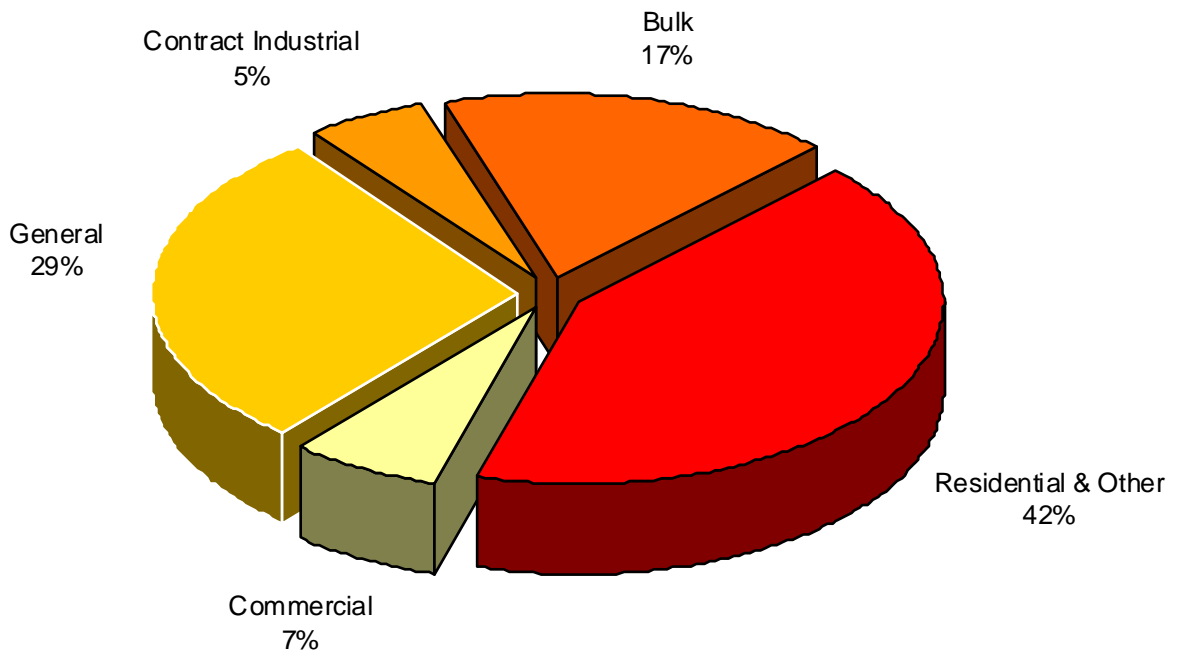
TOTAL POWER BILLED
Year to Date - August 2013 & 2012



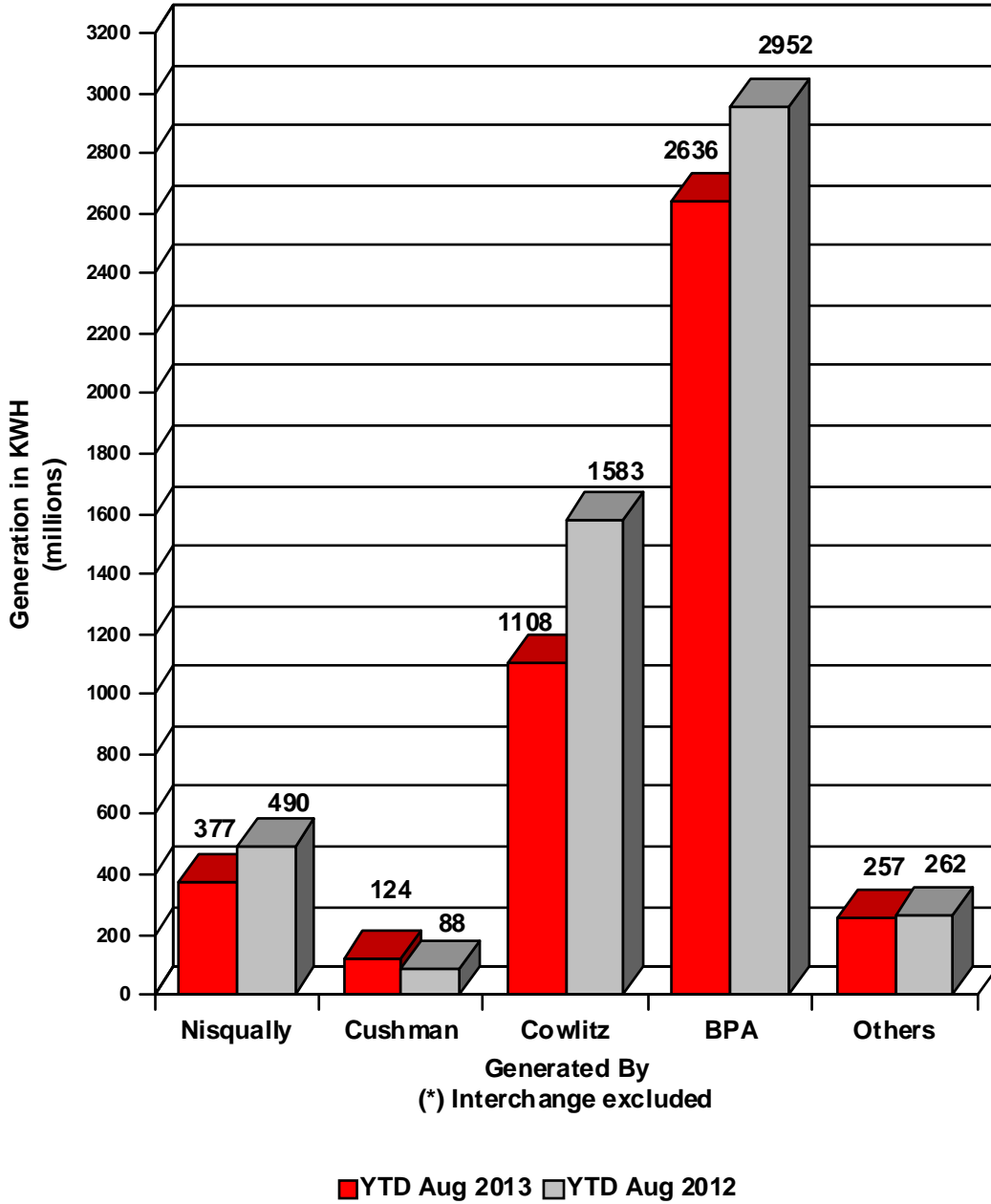
SALES OF ELECTRIC ENERGY
Year to Date - August 2013 (\$250,921,199)



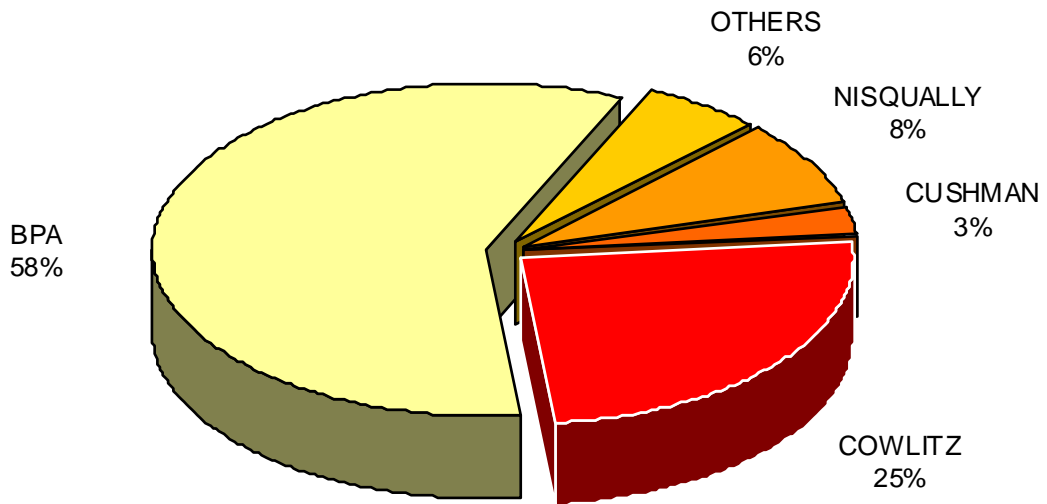
SALES OF ELECTRIC ENERGY
Year to Date - August 2012 (\$242,554,629)



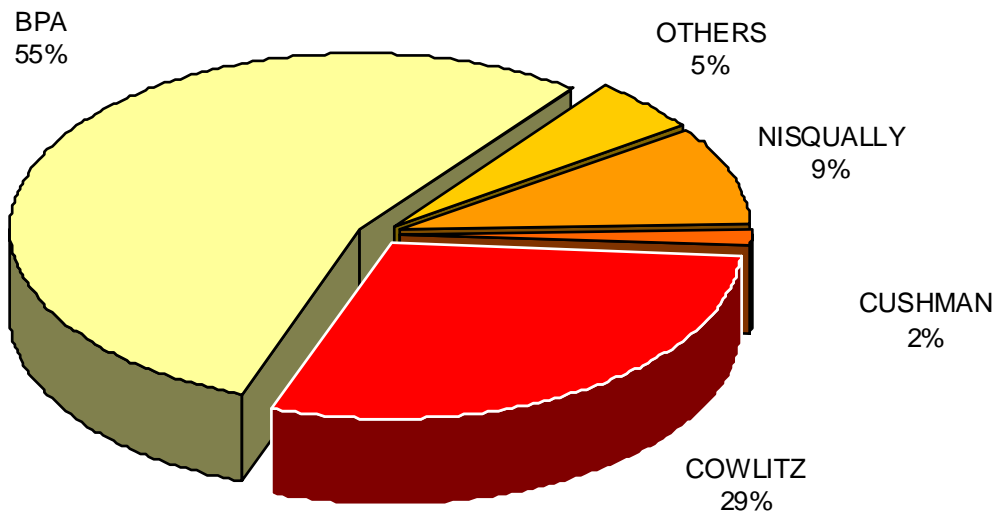
POWER SOURCES (*) Year to Date August 2013 & 2012



POWER SOURCES (*)
Year to Date - August 2013

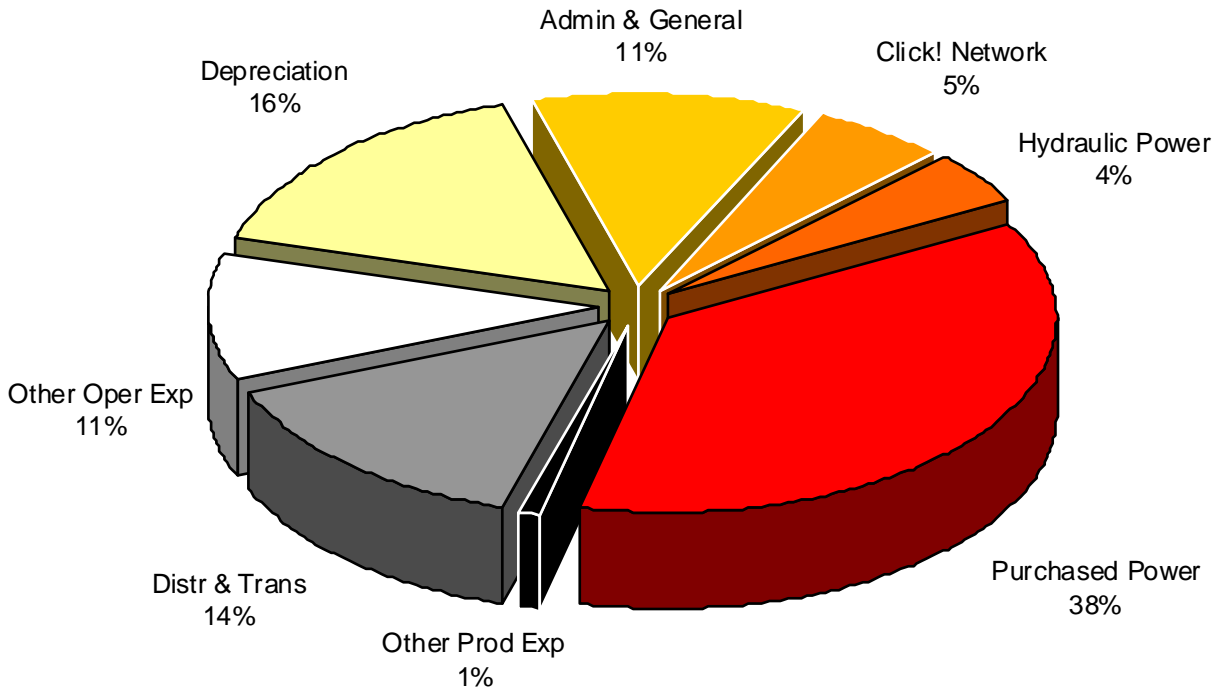


POWER SOURCES (*)
Year to Date - August 2012

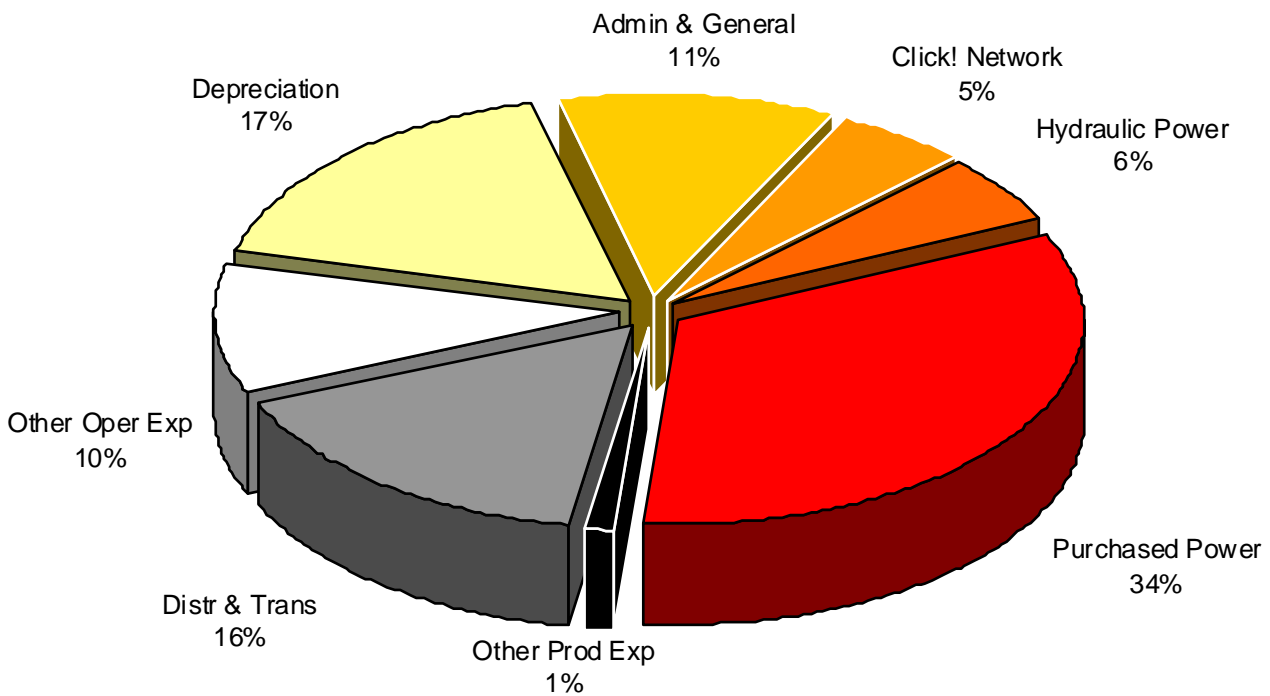


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - August 2013 (\$233,441,185)



TOTAL OPERATING EXPENSES *
Year to Date - August 2012 (\$224,584,810)



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



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