
JULY

TACOMA POWER

2017

**FINANCIAL
REPORT**



Public Utility Board

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WOODROW JONES
Vice-Chair

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BRYAN FLINT
Member

MARK PATTERSON
Member

WILLIAM A. GAINES
Director of Utilities/CEO

CHRIS ROBINSON
Power Superintendent/COO

ANDREW CHERULLO
Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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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 - July 31, 2017 AND July 31, 2016

ASSETS AND DEFERRED OUTFLOWS	<u>2017</u>	<u>2016</u>
UTILITY PLANT		
Electric Plant in Service	\$2,005,409,250	\$1,908,570,143
Less Depreciation and Amortization	(1,029,658,402)	(976,358,560)
Total	<u>975,750,848</u>	<u>932,211,583</u>
Construction Work in Progress	55,716,611	81,082,052
Net Utility Plant	<u>1,031,467,459</u>	<u>1,013,293,635</u>
 NON-UTILITY PROPERTY	 <u>182,051</u>	 <u>182,051</u>
 RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010B Construction Fund	-	1,199,532
2013 Construction Fund	3	33,646,954
2015 Construction Fund	7,941,406	224,127
Provision for Debt Service	8,284,528	9,011,320
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve--State of Washington	2,581,794	2,555,980
Total Restricted Assets	<u>23,805,370</u>	<u>51,635,552</u>
 CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	177,840,735	157,568,238
Customers' and Contractors' Deposits	2,684,959	2,892,858
Conservation Loan Fund	3,665,864	3,533,736
Rate Stabilization Fund	47,999,676	48,000,000
Receivables:		
Customers	19,066,342	14,664,214
Accrued Unbilled Revenue	28,587,295	29,427,771
Others	10,473,252	8,633,084
Provision for Uncollectibles	(3,111,736)	(1,749,808)
Materials and Supplies	6,957,588	6,416,226
Prepayments and Other	6,384,879	5,518,309
Total Current Assets	<u>300,548,854</u>	<u>274,904,628</u>
 OTHER ASSETS		
Regulatory Asset - Conservation	48,509,764	46,764,943
Net Pension Asset	-	3,823,476
Conservation Loan Fund Receivables	2,590,155	2,655,781
Total Other Assets	<u>51,099,919</u>	<u>53,244,200</u>
 Total Assets	 <u>1,407,103,653</u>	 <u>1,393,260,066</u>
 DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	39,469,454	9,077,586
Unamortized Loss on Refunding Bonds	-	791,640
Total Deferred Outflows	<u>39,469,454</u>	<u>9,869,226</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 <u>\$1,446,573,107</u>	 <u>\$1,403,129,292</u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2016 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>2017</u>	<u>2016</u>
NET POSITION		
Net Investment in Capital Assets	\$587,855,188	\$598,338,683
Restricted for:		
Wynoochee Reserve - State of Washington	2,581,794	2,555,980
Debt Service	6,752,085	7,425,835
Net Pension Asset	-	3,823,476
Unrestricted	<u>255,022,995</u>	<u>230,515,652</u>
 TOTAL NET POSITION	 <u>852,212,062</u>	 <u>842,659,626</u>
 LONG-TERM DEBT		
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	139,885,000	151,460,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
Total Bonded Indebtedness	<u>346,760,000</u>	<u>358,335,000</u>
Less: Unamortized Bond Premiums	18,148,369	19,681,894
Net Bonded Indebtedness	<u>364,908,369</u>	<u>378,016,894</u>
Line of Credit	80,250,000	65,250,000
Total Long-Term Debt	<u>445,158,369</u>	<u>443,266,894</u>
 CURRENT LIABILITIES		
Salaries and Wages Payable	2,286,775	1,874,680
Taxes and Other Payables	10,648,456	11,760,588
Purchases and Transmission of Power Accrued	11,188,740	10,650,159
Interest Payable	1,532,443	1,585,485
Customers' Deposits	2,714,487	2,859,485
Current Portion of Long-Term Debt	11,575,000	12,730,000
Current Accrued Compensated Absences	1,075,771	1,058,072
Total Current Liabilities	<u>41,021,672</u>	<u>42,518,469</u>
 LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,681,941	9,522,650
Net Pension Liability	34,177,293	-
Other Long Term Liabilities	14,033,787	13,125,264
Total Long Term Liabilities	<u>57,893,021</u>	<u>22,647,914</u>
 TOTAL LIABILITIES	 <u>544,073,062</u>	 <u>508,433,277</u>
 DEFERRED INFLOWS		
Deferred Inflow for Pensions	2,287,983	4,036,389
Rate Stabilization	48,000,000	48,000,000
Total Deferred Inflows	<u>50,287,983</u>	<u>52,036,389</u>
 TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	 <u>\$1,446,573,107</u>	 <u>\$1,403,129,292</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 31, 2017 AND July 31, 2016

	July 2017	July 2016
OPERATING REVENUES		
Sales of Electric Energy	\$27,580,707	\$24,480,442
Other Operating Revenues	1,787,781	1,678,080
Click! Network Operating Revenues	2,248,498	2,251,346
Total Operating Revenue	31,616,986	28,409,868
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	3,048,365	4,177,542
Other Production Expense	432,720	427,591
Total Expense Power Produced	3,481,085	4,605,133
Purchased Power	12,195,002	10,694,678
Total Production Expense	15,676,087	15,299,811
Transmission Expense	2,591,951	2,668,293
Distribution Expense	2,539,529	3,166,078
Click! Network Commercial Operations Expense .	1,998,517	1,957,516
Customer Accounts Expense (CIS)	1,959,424	1,249,720
Conservation and Other Customer Assistance ...	1,151,954	1,001,775
Taxes	1,057,138	1,499,753
Depreciation	4,743,849	4,625,827
Administrative and General	2,208,061	2,091,270
Total Operating Expenses	33,926,510	33,560,043
OPERATING INCOME (LOSS)	(2,309,524)	(5,150,175)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	256,605	221,148
Contribution to Family Need	(8,333)	(40,000)
Other Net Non-Op Revenues and Deductions	13,625	106,020
Interest on Long-Term Debt	(1,643,879)	(1,662,402)
Amort. of Debt Related Costs	124,051	(25,294)
Interest Charged to Construction	181,150	288,082
Total Non-Operating Revenues (Expenses) ..	(1,076,781)	(1,112,446)
Net Income (Loss) Before Capital Contributions and Transfers	(3,386,305)	(6,262,621)
Capital Contributions		
Cash	265,180	408,202
Donated Fixed Assets	17,071	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,452,554)	(2,234,686)
Transfers from (to) Other Funds	-	-
CHANGE IN NET POSITION	(\$5,227,055)	(\$7,759,552)
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - July 31		

YEAR TO DATE		2017 OVER (UNDER)	PERCENT CHANGE
July 31, 2017	July 31, 2016	2016	
\$241,356,302	\$227,120,548	\$14,235,754	6.3%
11,357,375	10,843,834	513,541	4.7%
15,500,171	15,555,703	(55,532)	-0.4%
<u>268,213,848</u>	<u>253,520,085</u>	<u>14,693,763</u>	5.8%
15,726,262	15,492,111	234,151	1.5%
<u>3,085,254</u>	<u>3,056,893</u>	<u>28,361</u>	0.9%
18,811,516	18,549,004	262,512	1.4%
<u>78,350,601</u>	<u>74,083,849</u>	<u>4,266,752</u>	5.8%
97,162,117	92,632,853	4,529,264	4.9%
17,658,843	18,493,212	(834,369)	-4.5%
17,764,118	19,012,796	(1,248,678)	-6.6%
14,540,525	14,798,246	(257,721)	-1.7%
9,167,902	8,077,800	1,090,102	13.5%
7,784,298	6,899,667	884,631	12.8%
11,953,998	11,907,736	46,262	0.4%
33,390,464	32,409,937	980,527	3.0%
14,638,458	13,549,813	1,088,645	8.0%
<u>224,060,723</u>	<u>217,782,060</u>	<u>6,278,663</u>	2.9%
<u>44,153,125</u>	<u>35,738,025</u>	<u>8,415,100</u>	23.5%
2,487,158	2,233,557	253,601	11.4%
(58,333)	(280,000)	221,667	-79.2%
315,148	936,710	(621,562)	-66.4%
(11,201,182)	(11,374,095)	172,913	-1.5%
868,356	(177,055)	1,045,411	590.4%
865,919	2,365,068	(1,499,149)	-63.4%
<u>(6,722,934)</u>	<u>(6,295,815)</u>	<u>(427,119)</u>	6.8%
37,430,191	29,442,210	7,987,981	27.1%
10,892,781	3,102,323	7,790,458	251.1%
23,507	101,201	(77,694)	-76.8%
2,170,437	2,172,415	(1,978)	-0.1%
(20,300,547)	(18,089,639)	(2,210,908)	12.2%
-	(2,181)	2,181	-100.0%
<u>30,216,369</u>	<u>16,726,329</u>	<u>13,490,040</u>	80.7%
<u>821,995,693</u>	<u>825,933,297</u>	<u>(3,937,604)</u>	-0.5%
<u><u>\$852,212,062</u></u>	<u><u>\$842,659,626</u></u>	<u><u>9,552,436</u></u>	

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2017 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
July 31, 2017 AND July 31, 2016

	For the month of July 2017	For the month of July 2016
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$10,406,134	\$9,514,799
Commercial	2,065,998	1,988,066
General	9,065,433	8,619,286
Contract Industrial	1,915,907	1,828,736
Public Street and Highway Lighting	32,614	102,806
Sales to Other Electric Utilities	27,292	22,180
Total Sales to Customers	23,513,378	22,075,873
Bulk Power Sales	4,067,329	2,404,569
Total Sales of Electric Energy	27,580,707	24,480,442
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	595,990	492,188
Wheeling	785,417	811,213
Service Fees and Other	406,374	374,679
Telecommunications Revenue	2,248,498	2,251,346
Total Other Operating Revenues	4,036,279	3,929,426
 TOTAL OPERATING REVENUES	 \$31,616,986	 \$28,409,868
 BILLINGS (Number of Months Billed)		
Residential	152,892	148,485
Commercial	15,435	14,646
General	2,239	2,190
Contract Industrial	2	2
Public Streets and Highway Lighting	1,092	1,063
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 171,661	 166,387

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
July 31, 2017	July 31, 2016		
\$106,917,083	\$96,986,021	\$9,931,062	10.2%
17,476,938	16,583,295	893,643	5.4%
68,990,826	67,614,605	1,376,221	2.0%
12,498,210	12,276,286	221,924	1.8%
791,084	848,141	(57,057)	-6.7%
255,371	204,155	51,216	25.1%
<u>206,929,512</u>	<u>194,512,503</u>	<u>12,417,009</u>	<u>6.4%</u>
<u>34,426,790</u>	<u>32,608,045</u>	<u>1,818,745</u>	<u>5.6%</u>
<u>241,356,302</u>	<u>227,120,548</u>	<u>14,235,754</u>	<u>6.3%</u>
2,323,447	2,188,806	134,641	6.2%
5,887,164	5,784,712	102,452	1.8%
3,146,864	2,870,316	276,548	9.6%
<u>15,500,071</u>	<u>15,555,703</u>	<u>(55,632)</u>	<u>-0.4%</u>
<u>26,857,546</u>	<u>26,399,537</u>	<u>458,009</u>	<u>1.7%</u>
<u>\$268,213,848</u>	<u>\$253,520,085</u>	<u>\$14,693,763</u>	<u>5.8%</u>
1,580,611	1,551,799	28,812	1.9%
157,886	155,111	2,775	1.8%
26,189	26,591	(402)	-1.5%
20	20	-	0.0%
9,536	9,337	199	2.1%
<u>10</u>	<u>10</u>	<u>-</u>	<u>0.0%</u>
<u>1,774,252</u>	<u>1,742,868</u>	<u>31,384</u>	<u>1.8%</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - July 31, 2017 AND July 31, 2016

	For the month of July 2017	For the month of July 2016
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	23,887,000	16,121,000
Generated - Alder	14,895,000	9,703,000
TOTAL NISQUALLY	38,782,000	25,824,000
Generated - Cushman No. 1	4,701,000	1,016,000
Generated - Cushman No. 2	6,628,000	1,246,000
TOTAL CUSHMAN	11,329,000	2,262,000
Generated - Mossyrock	50,861,000	47,710,000
Generated - Mayfield	29,851,000	28,251,000
TOTAL COWLITZ	80,712,000	75,961,000
Generated - Wynoochee	1,047,000	106,000
Generated - Hood Street	-	183,900
Tacoma's Share of Priest Rapids	2,396,000	2,081,000
Tacoma's Share of GCPHA	47,187,000	42,810,000
TOTAL KWH GENERATED - TACOMA SYSTEM	181,453,000	149,227,900
Purchased Power		
BPA Slice Contract	188,947,000	168,652,000
BPA Block Contract	113,765,000	112,089,000
Interchange Net	(128,542,000)	(77,495,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	355,623,000	352,473,900
Losses	4,250,613	2,503,461
Baldi Replacement	17,360	119,783
Ketron	15,481	14,035
NT PC Mutuals Schedules	(1,671,000)	(1,710,000)
PC Mutual Inadvertent	(159,089)	(194,902)
TACOMA SYSTEM FIRM LOAD	358,076,365	353,206,277
Maximum Kilowatts (System Firm Load)	586,892	636,744
Average Kilowatts (System Firm Load)	481,285	474,654
PIERCE COUNTY MUTUAL LOAD	96,817,000	94,943,000
KWH BILLED		
Residential Sales	108,093,308	107,275,099
Commercial Sales	22,445,077	22,408,657
General	142,649,684	145,964,415
Contract Industrial	42,880,380	43,663,860
Public Street and Highway Lighting	626,118	2,320,077
Sales to Other Electric Utilities	475,200	408,600
TOTAL FIRM	317,169,767	322,040,708
Bulk Power Sales	150,705,000	101,144,000
TOTAL KWH BILLED	467,874,767	423,184,708

YEAR TO DATE		2017 OVER (UNDER) 2016	PERCENT CHANGE
July 31 2017	July 31 2016		
252,353,000	233,817,000	18,536,000	7.9%
138,221,000	158,536,000	(20,315,000)	-12.8%
<u>390,574,000</u>	<u>392,353,000</u>	<u>(1,779,000)</u>	-0.5%
75,379,000	82,635,000	(7,256,000)	-8.8%
117,290,000	139,121,000	(21,831,000)	-15.7%
<u>192,669,000</u>	<u>221,756,000</u>	<u>(29,087,000)</u>	-13.1%
838,950,000	774,934,000	64,016,000	8.3%
582,068,000	493,883,000	88,185,000	17.9%
<u>1,421,018,000</u>	<u>1,268,817,000</u>	<u>152,201,000</u>	12.0%
<u>19,340,000</u>	<u>21,084,000</u>	<u>(1,744,000)</u>	-8.3%
<u>767,700</u>	<u>1,940,800</u>	<u>(1,173,100)</u>	-60.4%
<u>19,042,000</u>	<u>17,116,000</u>	<u>1,926,000</u>	11.3%
<u>145,756,000</u>	<u>172,045,000</u>	<u>(26,289,000)</u>	-15.3%
2,189,166,700	2,095,111,800	94,054,900	4.5%
1,566,852,000	1,432,204,000	134,648,000	9.4%
1,045,958,000	912,066,000	133,892,000	14.7%
<u>(1,895,018,000)</u>	<u>(1,653,369,000)</u>	<u>(241,649,000)</u>	0.0%
2,906,958,700	2,786,012,800	120,945,900	4.3%
25,120,786	28,084,754	(2,963,968)	-10.6%
524,974	1,258,665	(733,691)	-58.3%
181,371	138,286	43,085	31.2%
<u>(18,830,000)</u>	<u>(16,890,000)</u>	<u>(1,940,000)</u>	0.0%
23,690,633	622,675	23,067,958	0.0%
<u>2,937,646,464</u>	<u>2,799,227,180</u>	<u>138,419,284</u>	4.9%
896,442,000	824,789,000	71,653,000	8.7%
1,262,692,999	1,159,134,511	103,558,488	8.9%
198,446,680	190,022,549	8,424,131	4.4%
1,139,434,190	1,143,479,917	(4,045,727)	-0.4%
287,833,200	288,539,960	(706,760)	-0.2%
17,278,147	19,232,589	(1,954,442)	-10.2%
4,689,900	3,810,600	879,300	23.1%
<u>2,910,375,116</u>	<u>2,804,220,127</u>	<u>106,154,989</u>	3.8%
<u>2,100,546,000</u>	<u>1,853,634,000</u>	<u>246,912,000</u>	13.3%
<u>5,010,921,116</u>	<u>4,657,854,127</u>	<u>353,066,989</u>	7.6%

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

OPERATIONAL SUMMARY - July 31, 2017

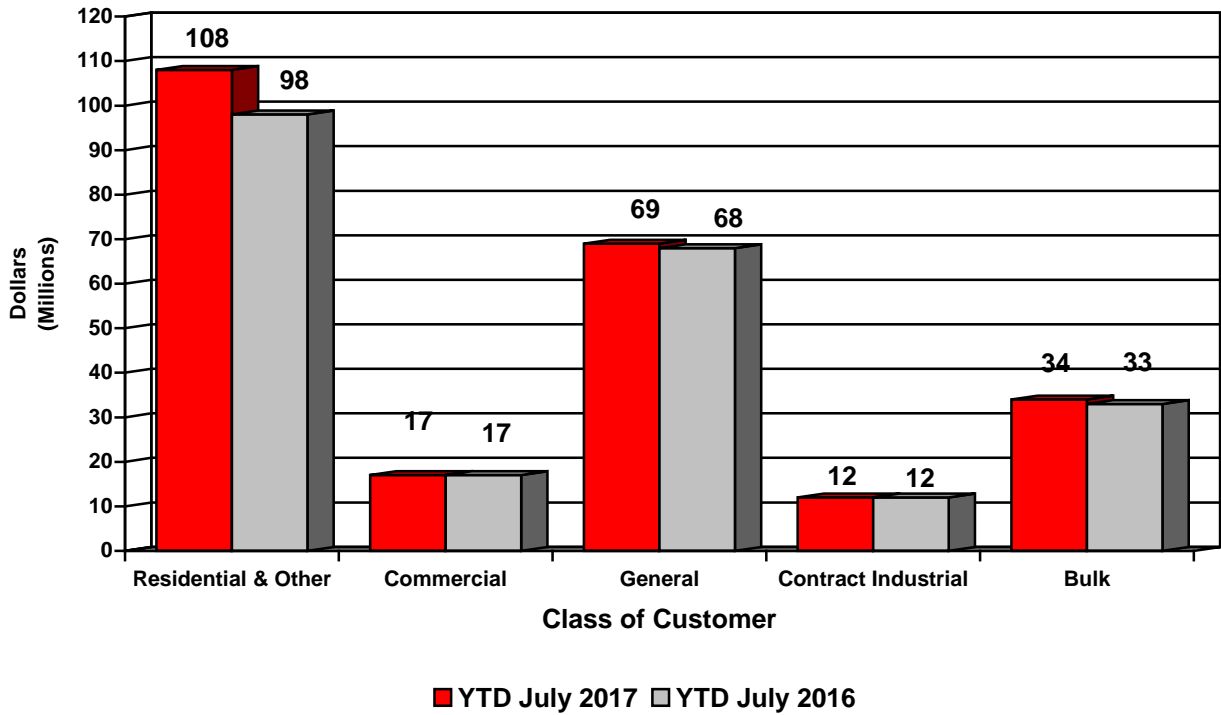
	July 2017	July 2016
TELECOMMUNICATIONS REVENUE		
CATV	\$1,514,080	\$1,528,134
Broadband	89,573	95,907
ISP	608,322	586,518
Interdepartmental	36,523	40,787
Total Operating Revenue	2,248,498	2,251,346
 TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	262,817	287,342
General Expense	30,688	34,272
Contract Services	1,051,731	921,556
IS & Intergovernmental Services	147,790	124,146
Fleet Services	630	209
Capitalized A & G Expense	(2,869)	(13,752)
Total Admin. & Sales Expense	1,490,787	1,353,773
 Operations & Maintenance Expense ...		
Salaries & Wages Expense	414,460	474,719
General Expense	38,682	47,152
Contract Services	26,998	48,828
IS & Intergovernmental Services	4,340	3,189
Fleet Services	32,788	41,970
New Connect Capital	(9,538)	(12,115)
Total Oper. & Maint. Expense	507,730	603,743
 Total Telecommunications Expense .	1,998,517	1,957,516
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	249,981	293,830
 Taxes	310,182	310,054
Depreciation and Amortization	204,382	220,625
	514,564	530,679
 NET OPERATING REVENUES (EXPENSES)	(264,583)	(236,849)

YEAR TO DATE			
July 31 2017	July 31 2016	2017/2016 VARIANCE	PERCENT CHANGE
\$10,410,849	\$10,593,509	(\$182,660)	-1.7%
635,880	684,657	(48,777)	-7.1%
4,286,451	4,082,678	203,773	5.0%
166,991	194,859	(27,868)	-14.3%
<u>15,500,171</u>	<u>15,555,703</u>	<u>(55,532)</u>	-0.4%
1,875,114	1,923,099	(47,985)	-2.5%
242,489	369,997	(127,508)	-34.5%
7,672,315	7,651,793	20,522	0.3%
939,687	825,943	113,744	13.8%
4,207	1,987	2,220	111.7%
(21,145)	(24,976)	3,831	15.3%
<u>10,712,667</u>	<u>10,747,843</u>	<u>(35,176)</u>	-0.3%
3,146,413	3,223,853	(77,440)	-2.4%
227,893	242,385	(14,492)	-6.0%
306,531	383,291	(76,760)	-20.0%
29,549	20,813	8,736	42.0%
177,065	249,928	(72,863)	-29.2%
(59,593)	(69,867)	10,274	14.7%
<u>3,827,858</u>	<u>4,050,403</u>	<u>(222,545)</u>	-5.5%
14,540,525	14,798,246	(257,721)	-1.7%
959,646	757,457	202,189	26.7%
2,146,120	2,136,082	10,038	0.5%
1,437,269	1,575,843	(138,574)	-8.8%
<u>3,583,389</u>	<u>3,711,925</u>	<u>(128,536)</u>	
<u>(2,623,743)</u>	<u>(2,954,468)</u>	<u>330,725</u>	11.2%

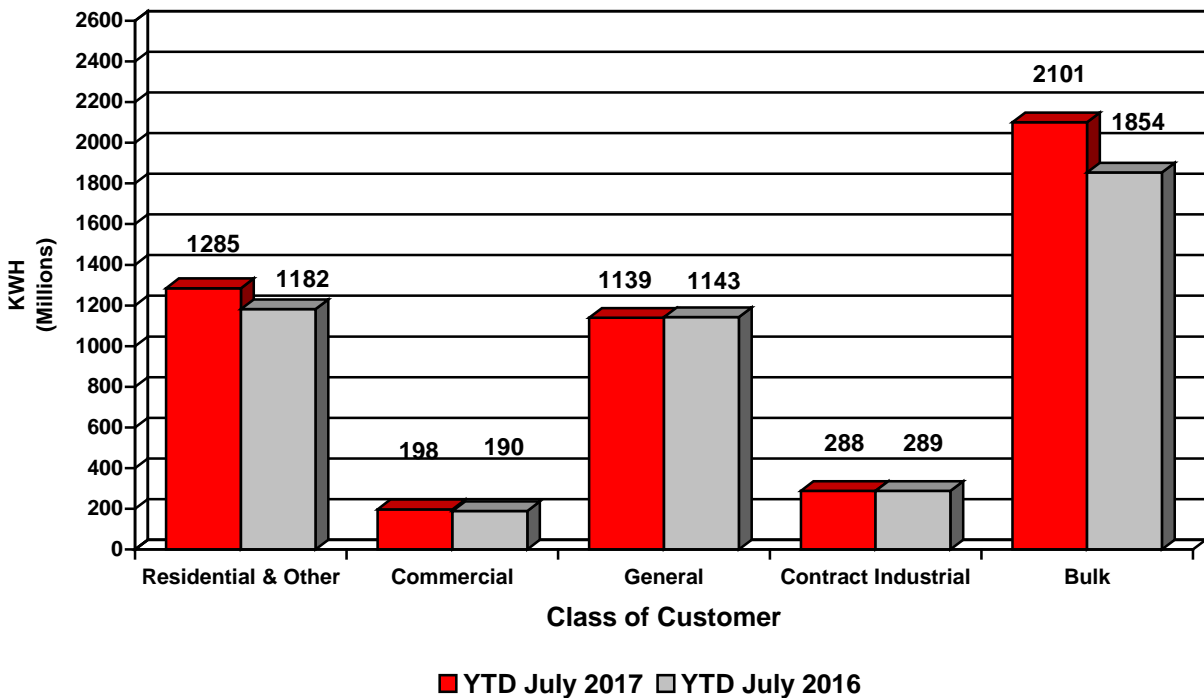
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Supplemental Data

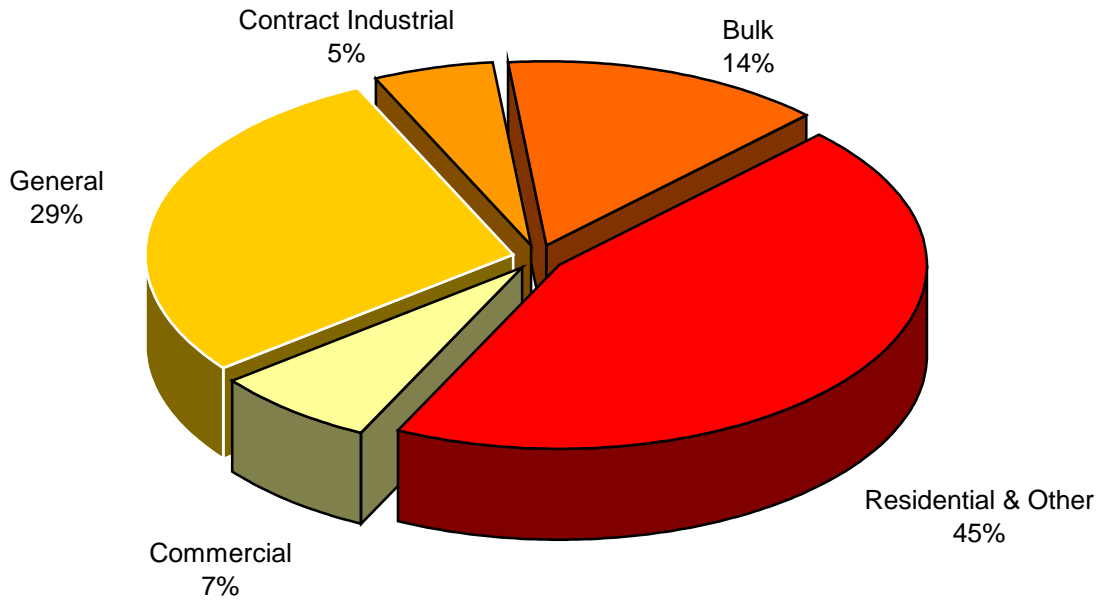
SALES OF ELECTRIC ENERGY
Year to Date - July 2017 & 2016



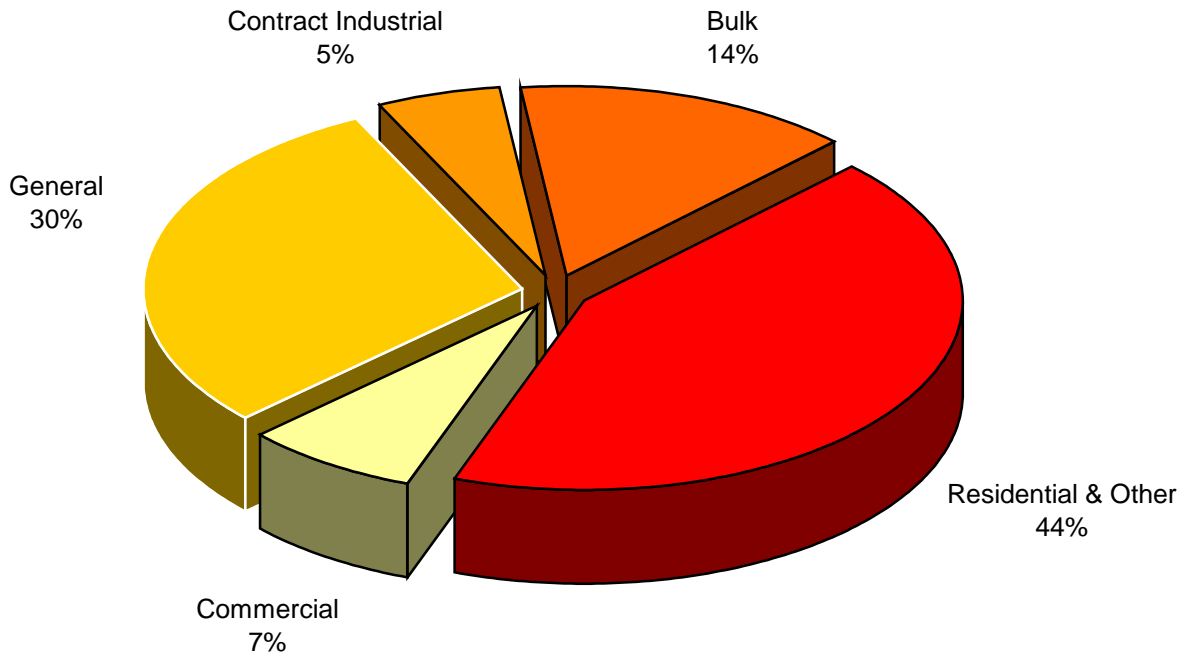
TOTAL POWER BILLED
Year to Date - July 2017 & 2016



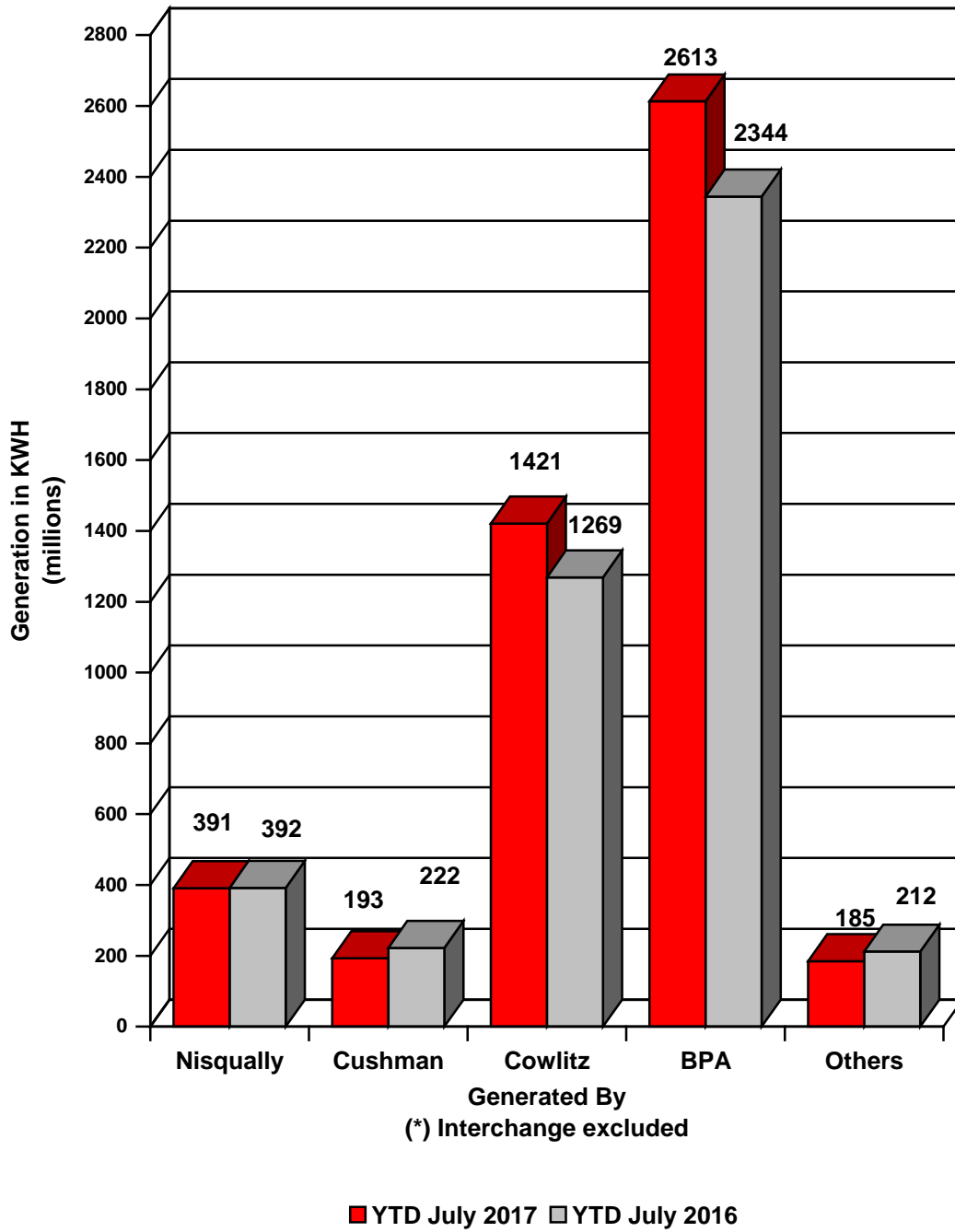
SALES OF ELECTRIC ENERGY
Year to Date - July 2017 (\$241,356,302)



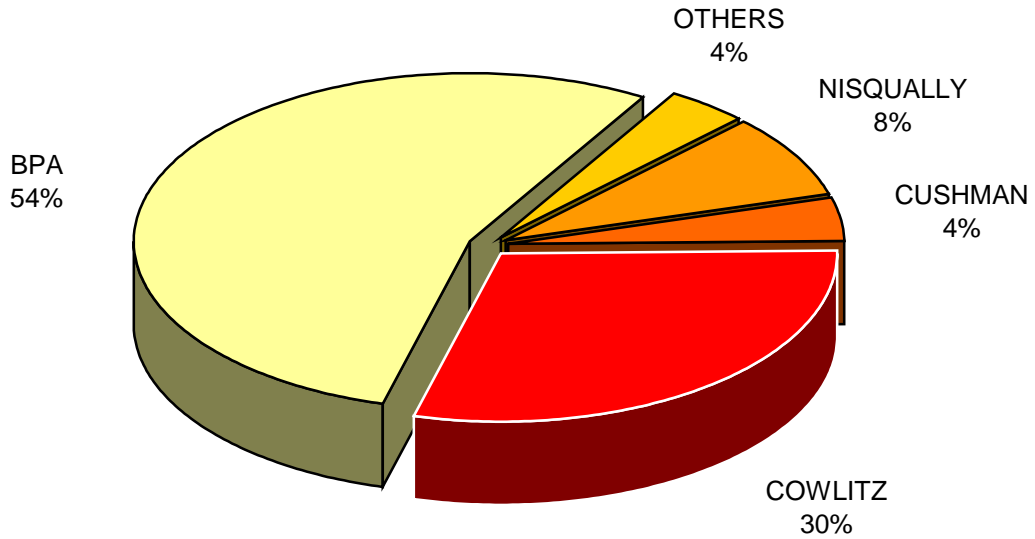
SALES OF ELECTRIC ENERGY
Year to Date - July 2016 (\$227,120,548)



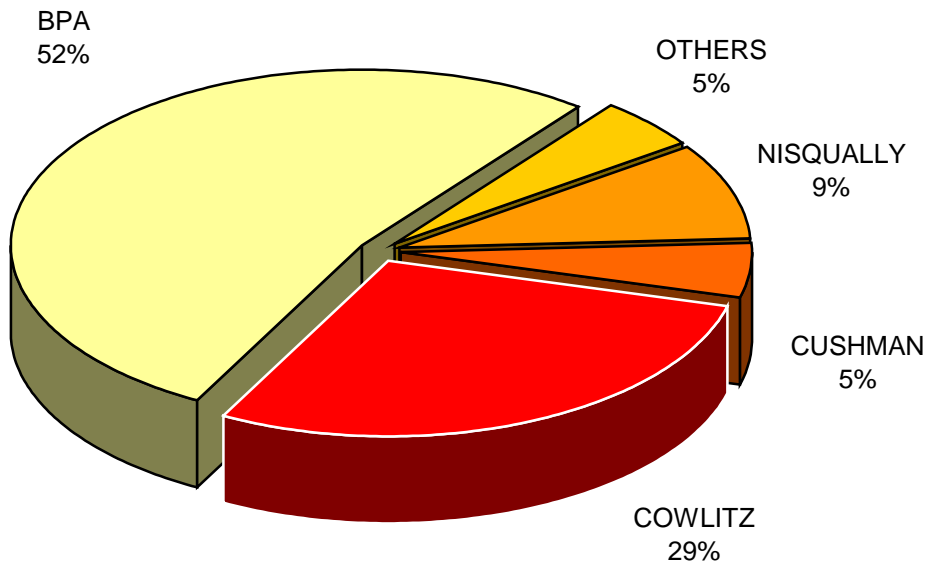
POWER SOURCES (*) Year to Date July 2017 & 2016



POWER SOURCES (*)
Year to Date - July 2017

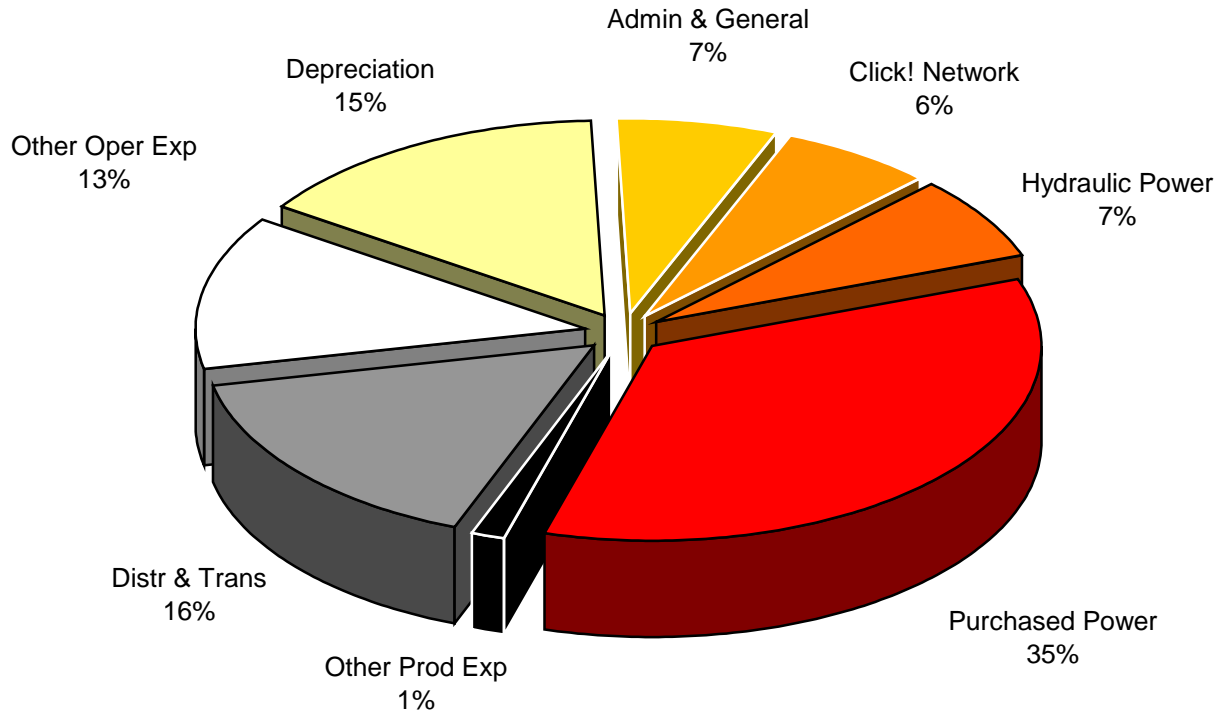


POWER SOURCES (*)
Year to Date - July 2016

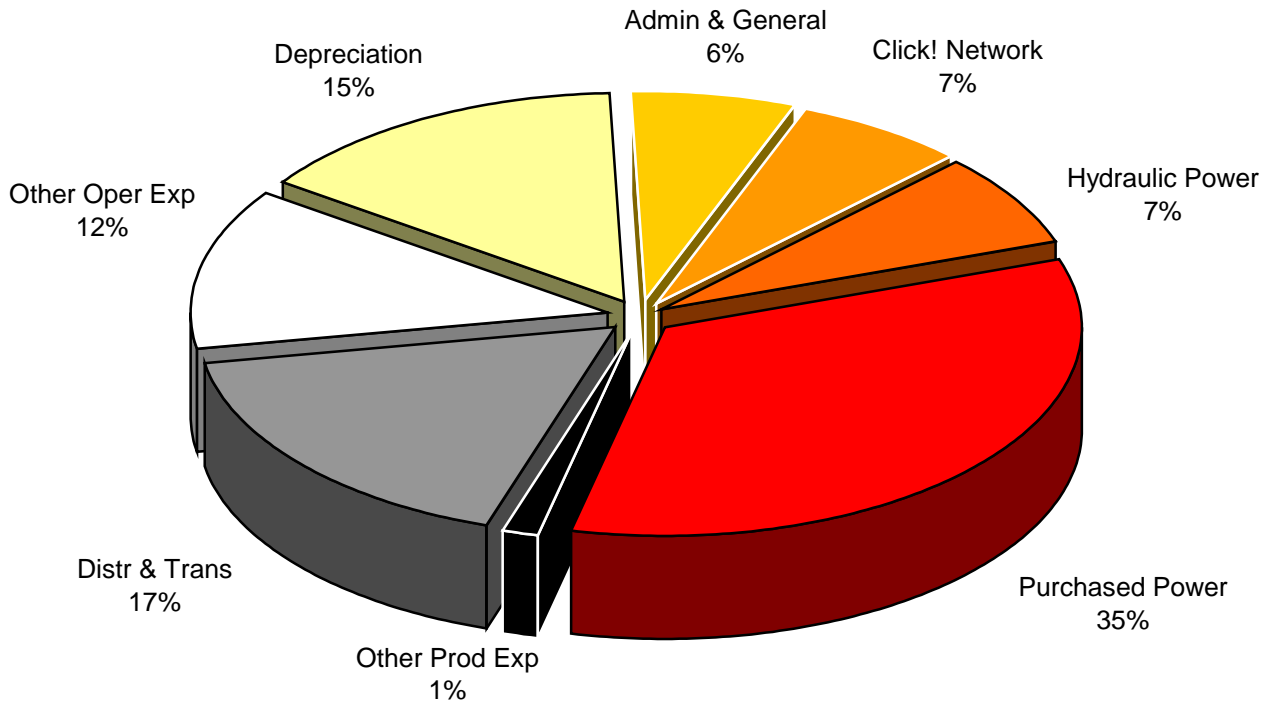


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - July 2017 (\$224,060,723)



TOTAL OPERATING EXPENSES *
Year to Date - July 2016 (\$217,782,060)



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



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.