
AUGUST

TACOMA POWER

2014

**FINANCIAL
REPORT**



Public Utility Board

WOODROW JONES
Chair

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Vice-Chair

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Secretary

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Member

MONIQUE TRUDNOWSKI
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, 2014 AND August 31, 2013

ASSETS	<u>2014</u>	<u>2013</u>
UTILITY PLANT		
Electric Plant in Service	\$1,786,233,676	\$1,705,553,590
Less Depreciation and Amortization	<u>(875,546,394)</u>	<u>(820,320,428)</u>
Total	910,687,282	885,233,162
Construction Work in Progress	56,787,676	69,437,407
Net Utility Plant	<u>967,474,958</u>	<u>954,670,569</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2002 T&D Major Project Fund	-	990,540
2005 Construction Fund	-	6,518,877
2010B Construction Fund	17,395,536	31,853,942
2013 Construction Fund	56,423,764	87,241,165
Provision for Debt Service	25,847,725	24,192,459
Special Bond Reserves	16,997,639	16,997,639
Wynoochee Reserve--State of Washington	2,512,995	2,491,158
Total Restricted Assets	<u>119,177,659</u>	<u>170,285,780</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	234,413,851	194,635,990
Customers' and Contractors' Deposits	2,873,410	2,816,413
Conservation Loan Fund	4,941,937	4,853,229
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	16,357,121	14,249,802
Accrued Unbilled Revenue	29,416,868	27,765,060
Others	10,123,417	11,403,998
Provision for Uncollectibles	<u>(2,516,246)</u>	<u>(2,558,457)</u>
Materials and Supplies	6,415,616	6,720,443
Prepayments and Other	4,080,661	3,583,366
Total Current Assets	<u>354,106,635</u>	<u>311,469,844</u>
OTHER ASSETS		
Regulatory Asset - Conservation	40,429,803	36,631,547
Conservation Loan Fund Receivables	1,283,288	1,362,130
Total Other Assets	<u>41,713,091</u>	<u>37,993,677</u>
Total Assets	<u>1,482,654,394</u>	<u>1,474,601,921</u>
DEFERRED OUTFLOWS		
Unamortized Loss on Refunding Bonds	<u>9,647,308</u>	<u>17,945,318</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS.....	<u><u>\$1,492,301,702</u></u>	<u><u>\$1,492,547,239</u></u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2013 Annual Report.

NET POSITION AND LIABILITIES	2014	2013
NET POSITION		
Net Investment in Capital Assets	\$511,791,348	\$655,059,612
Restricted for:		
Wynoochee Reserve - State of Washington	2,512,995	2,491,158
Debt Service	21,409,992	18,863,332
Unrestricted	289,010,099	122,009,949
TOTAL NET POSITION	<u>824,724,434</u>	<u>798,424,051</u>
LONG-TERM DEBT		
2005 Electric System Revenue Bonds, Series A	130,000	130,000
2005 Electric System Refunding Bonds, Series B ...	122,135,000	122,135,000
2007 Electric System Refunding Bonds	-	21,300,000
2010A Electric System Refunding Bonds	-	8,000,000
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	178,795,000	181,610,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
Total Bonded Indebtedness	<u>507,935,000</u>	<u>540,050,000</u>
Less: Unamortized Bond Premiums	23,400,595	25,775,534
Net Bonded Indebtedness	<u>531,335,595</u>	<u>565,825,534</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	1,804,715	1,700,442
Taxes and Other Payables	12,980,916	10,844,080
Purchases and Transmission of Power Accrued	11,365,502	10,229,031
Interest Payable	4,437,733	5,329,127
Customers' Deposits	2,841,333	2,740,197
Current Portion of Long-Term Debt	32,115,000	28,295,000
Current Accrued Compensated Absences	1,026,499	966,845
Total Current Liabilities	<u>66,571,698</u>	<u>60,104,722</u>
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,238,488	8,701,604
Other Long Term Liabilities	12,431,487	11,491,328
Total Long Term Liabilities	<u>21,669,975</u>	<u>20,192,932</u>
TOTAL LIABILITIES	<u>619,577,268</u>	<u>646,123,188</u>
DEFERRED INFLOWS		
Rate Stabilization	48,000,000	48,000,000
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,492,301,702</u>	<u>\$1,492,547,239</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
August 31, 2014 AND August 31, 2013

	August 2014	August 2013
OPERATING REVENUES		
Sales of Electric Energy	\$27,573,651	\$25,485,748
Other Operating Revenues	1,641,713	1,432,080
Click! Network Operating Revenues	2,309,714	2,257,064
Total Operating Revenue	31,525,078	29,174,892
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	3,068,011	1,524,527
Other Production Expense	351,380	319,026
Total Expense Power Produced	3,419,391	1,843,553
Purchased Power	10,277,691	10,251,805
Total Production Expense	13,697,082	12,095,358
Transmission Expense	2,636,316	2,079,449
Distribution Expense	3,672,172	2,557,598
Click! Network Commercial Operations Expense .	1,667,443	1,879,005
Customer Accounts Expense (CIS)	935,670	811,392
Conservation and Other Customer Assistance ...	888,004	812,725
Taxes	1,438,184	1,341,705
Depreciation	4,912,317	4,696,439
Administrative and General	3,647,133	4,129,527
Total Operating Expenses	33,494,321	30,403,198
OPERATING INCOME (LOSS)	(1,969,243)	(1,228,306)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	295,107	196,432
Contribution to Family Need	(75,000)	(75,000)
Other Net Non-Op Revenues and Deductions	258,902	(16,934)
Interest on Long-Term Debt	(2,218,868)	(2,279,069)
Amort. of Debt Related Costs	(245,810)	(284,829)
Interest Charged to Construction	211,308	441,859
Total Non-Operating Revenues (Expenses) ..	(1,774,361)	(2,017,541)
Net Income (Loss) Before Capital Contributions and Transfers	(3,743,604)	(3,245,847)
Capital Contributions		
Cash	441,992	442,153
Donated Fixed Assets	-	100,895
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(1,993,157)	(2,103,200)
Transfers from (to) Other Funds	-	(14,299)
CHANGE IN NET POSITION	(\$4,965,216)	(\$4,490,745)
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - August 31		

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
Aug 31 2014	Aug 31 2013	2013	
\$273,582,925	\$250,921,199	\$22,661,726	9.0%
11,618,765	11,818,692	(199,927)	-1.7%
17,944,028	17,177,532	766,496	4.5%
<u>303,145,718</u>	<u>279,917,423</u>	<u>23,228,295</u>	8.3%
12,994,586	10,473,165	2,521,421	24.1%
2,592,306	2,402,211	190,095	7.9%
<u>15,586,892</u>	<u>12,875,376</u>	<u>2,711,516</u>	21.1%
84,956,447	85,308,290	(351,843)	-0.4%
<u>100,543,339</u>	<u>98,183,666</u>	<u>2,359,673</u>	2.4%
16,914,777	16,369,119	545,658	3.3%
19,644,254	17,300,884	2,343,370	13.5%
13,059,975	12,723,724	336,251	2.6%
7,396,847	6,202,261	1,194,586	19.3%
6,972,935	6,067,525	905,410	14.9%
12,688,496	12,287,768	400,728	3.3%
39,361,717	37,527,629	1,834,088	4.9%
29,281,772	26,778,609	2,503,163	9.3%
<u>245,864,112</u>	<u>233,441,185</u>	<u>12,422,927</u>	5.3%
<u>57,281,606</u>	<u>46,476,238</u>	<u>10,805,368</u>	23.2%
2,232,044	715,676	1,516,368	211.9%
(600,000)	(600,000)	-	0.0%
(1,914,283)	(577,892)	(1,336,391)	-231.3%
(17,750,939)	(17,472,883)	(278,056)	-1.6%
(1,802,324)	(376,122)	(1,426,202)	379.2%
1,097,337	2,373,868	(1,276,531)	-53.8%
<u>(18,738,165)</u>	<u>(15,937,353)</u>	<u>(2,800,812)</u>	-17.6%
38,543,441	30,538,885	8,004,556	26.2%
3,178,968	3,626,364	(447,396)	-12.3%
26,169	141,649	(115,480)	-81.5%
2,494,059	2,464,399	29,660	1.2%
(18,596,861)	(17,419,217)	(1,177,644)	6.8%
-	(134,512)	134,512	-100.0%
<u>25,645,774</u>	<u>19,217,566</u>	<u>6,428,208</u>	33.4%
799,078,660	779,206,485	19,872,175	2.6%
<u>\$824,724,434</u>	<u>\$798,424,051</u>	<u>\$26,300,383</u>	3.3%

These statements should be read in conjunction with the Management Discussion and Analysis in the June 2014 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
August 31, 2014 AND August 31, 2013

	For the month of August 2014	For the month of August 2013
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$8,998,892	\$8,735,672
Commercial	1,970,560	1,836,264
General	9,548,496	8,889,595
Contract Industrial	1,892,684	1,790,678
Public Street and Highway Lighting	154,284	101,829
Sales to Other Electric Utilities	22,158	20,830
Total Sales to Customers	22,587,074	21,374,868
Bulk Power Sales	4,986,577	4,110,880
Total Sales of Electric Energy	27,573,651	25,485,748
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	474,658	466,015
Wheeling	781,871	647,275
Service Fees and Other	385,184	318,790
Telecommunications Revenue	2,309,714	2,257,064
Total Other Operating Revenues	3,951,427	3,689,144
TOTAL OPERATING REVENUES	\$31,525,078	\$29,174,892
 BILLINGS (Number of Months Billed)		
Residential	151,996	152,193
Commercial	14,644	14,353
General	2,709	2,762
Contract Industrial	2	2
Public Streets and Highway Lighting	706	704
Sales to Other Utilities	1	1
TOTAL BILLINGS	170,058	170,015

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
August 31, 2014	August 31, 2013	2013	
\$106,402,046	\$103,221,792	\$3,180,254	3.1%
18,124,275	16,934,264	1,190,011	7.0%
76,915,951	72,725,834	4,190,117	5.8%
13,985,958	13,225,521	760,437	5.7%
1,285,855	901,662	384,193	42.6%
225,845	211,284	14,561	6.9%
216,939,930	207,220,357	9,719,573	4.7%
56,642,995	43,700,842	12,942,153	29.6%
273,582,925	250,921,199	22,661,726	9.0%
2,223,986	2,138,592	85,394	4.0%
6,257,897	6,574,739	(316,842)	-4.8%
3,136,882	3,105,361	31,521	1.0%
17,944,028	17,177,532	766,496	4.5%
29,562,793	28,996,224	566,569	2.0%
\$303,145,718	\$279,917,423	\$23,228,295	8.3%
1,235,287	1,227,087	8,200	0.7%
123,686	122,838	848	0.7%
22,268	22,093	175	0.8%
16	16	-	0.0%
7,106	7,076	30	0.4%
8	8	-	0.0%
1,388,371	1,379,118	9,253	0.7%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - August 31, 2014 AND August 31, 2013

	For the month of Aug 2014	For the month of Aug 2013
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	20,578,692	19,783,400
Generated - Alder	12,831,000	12,254,000
TOTAL NISQUALLY	33,409,692	32,037,400
Generated - Cushman No. 1	1,831,000	3,015,000
Generated - Cushman No. 2	2,735,000	3,501,000
TOTAL CUSHMAN	4,566,000	6,516,000
Generated - Mossyrock	71,022,000	55,379,000
Generated - Mayfield	37,858,000	30,173,000
TOTAL COWLITZ	108,880,000	85,552,000
Generated - Wynoochee	237,000	1,452,000
Generated - Hood Street	214,900	367,200
Grant Net Actual	-	(501,000)
Tacoma's Share of Priest Rapids	1,626,000	2,797,000
Tacoma's Share of GCPHA	41,235,000	39,997,000
TOTAL KWH GENERATED - TACOMA SYSTEM	190,168,592	168,217,600
Purchased Power		
BPA Slice Contract	157,518,000	164,781,000
BPA Block Contract	105,489,000	109,883,000
Interchange Net	(84,330,000)	(81,606,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	368,845,592	361,275,600
Losses	3,472,915	2,821,061
Baldi Replacement	287,868	10,719
Ketron	14,732	14,887
NT PC Mutuals Schedules	(2,432,000)	(2,380,000)
PC Mutual Inadvertent	559,087	448,699
TACOMA SYSTEM FIRM LOAD	370,748,194	362,190,966
Maximum Kilowatts (System Firm Load)	641,589	594,705
Average Kilowatts (System Firm Load)	498,317	486,816
PIERCE COUNTY MUTUAL LOAD	97,191,000	95,762,000
KWH BILLED		
Residential Sales	105,037,266	105,841,723
Commercial Sales	23,035,565	22,298,163
General	164,162,207	158,221,895
Contract Industrial	46,303,680	46,227,000
Public Street and Highway Lighting	2,390,005	2,465,376
Sales to Other Electric Utilities	411,300	442,100
TOTAL FIRM	341,340,023	335,496,257
Bulk Power Sales	115,119,000	112,395,000
TOTAL KWH BILLED	456,459,023	447,091,257

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
Aug 31 2014	Aug 31 2013	2013	
260,015,342	232,646,200	27,369,142	11.8%
168,864,000	144,271,000	24,593,000	17.0%
<u>428,879,342</u>	<u>376,917,200</u>	<u>51,962,142</u>	13.8%
46,576,000	51,475,000	(4,899,000)	-9.5%
75,120,000	72,410,000	2,710,000	3.7%
<u>121,696,000</u>	<u>123,885,000</u>	<u>(2,189,000)</u>	-1.8%
790,878,000	659,571,000	131,307,000	19.9%
582,529,000	448,291,000	134,238,000	29.9%
<u>1,373,407,000</u>	<u>1,107,862,000</u>	<u>265,545,000</u>	24.0%
14,272,000	15,631,000	(1,359,000)	-8.7%
1,215,400	2,758,300	(1,542,900)	-55.9%
<u>(2,018,000)</u>	<u>(2,799,000)</u>	<u>781,000</u>	0.0%
16,125,000	25,694,000	(9,569,000)	-37.2%
226,277,000	215,307,000	10,970,000	5.1%
2,179,853,742	1,865,259,500	314,594,242	16.9%
1,654,744,000	1,580,062,000	74,682,000	4.7%
1,013,597,000	1,055,828,000	(42,231,000)	-4.0%
<u>(1,596,862,000)</u>	<u>(1,238,866,000)</u>	<u>(357,996,000)</u>	-28.9%
3,251,332,742	3,263,883,500	(12,550,758)	-0.4%
27,738,431	27,113,491	624,940	2.3%
3,789,093	328,620	3,460,473	1053.0%
190,266	186,961	3,305	1.8%
<u>(22,737,000)</u>	<u>(22,463,000)</u>	<u>(274,000)</u>	-1.2%
3,816,705	4,337,248	(520,543)	-12.0%
<u>3,264,130,237</u>	<u>3,273,386,820</u>	<u>(9,256,583)</u>	-0.3%
949,301,000	954,770,000	(5,469,000)	-0.6%
1,321,804,042	1,333,826,978	(12,022,936)	-0.9%
216,796,693	212,383,645	4,413,048	2.1%
1,351,527,532	1,345,187,012	6,340,520	0.5%
344,933,659	334,128,132	10,805,527	3.2%
22,047,815	22,177,610	(129,795)	-0.6%
4,419,000	4,440,800	(21,800)	-0.5%
<u>3,261,528,741</u>	<u>3,252,144,177</u>	<u>9,384,564</u>	0.3%
2,044,702,000	1,682,904,000	361,798,000	21.5%
<u>5,306,230,741</u>	<u>4,935,048,177</u>	<u>371,182,564</u>	7.5%

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

OPERATIONAL SUMMARY - AUGUST 31, 2014

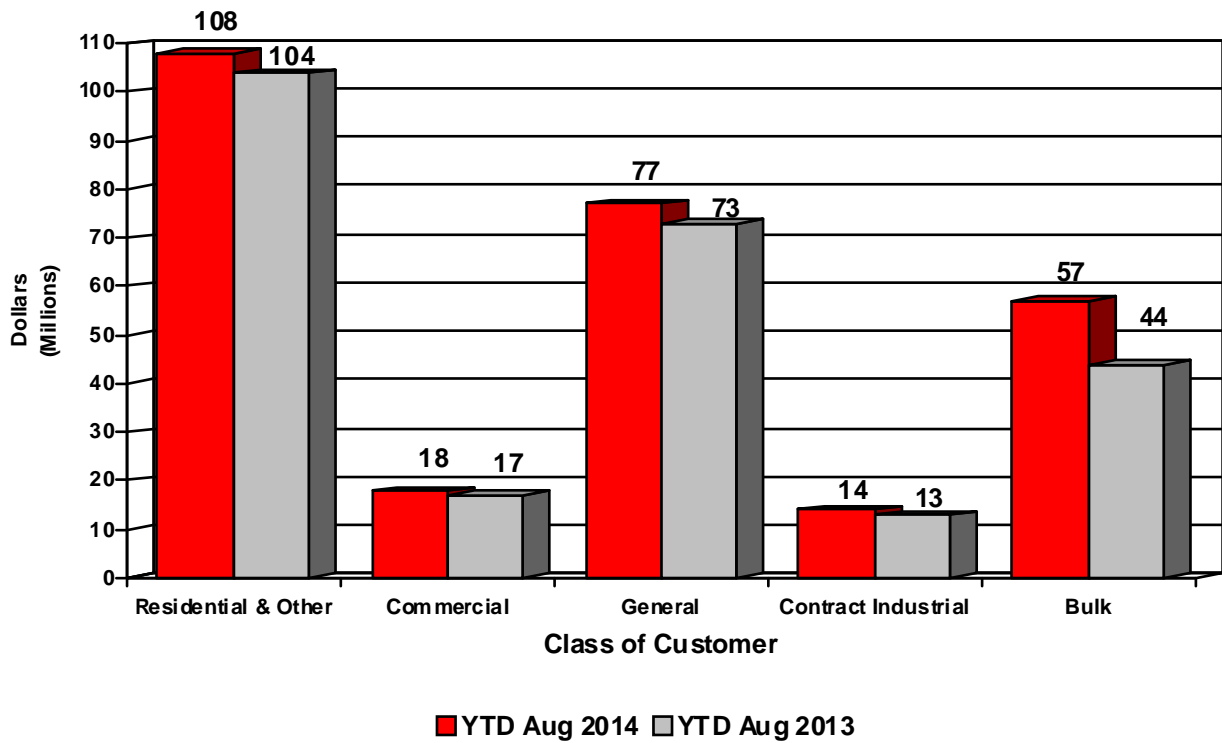
	AUGUST 2014	AUGUST 2013
TELECOMMUNICATIONS REVENUE		
CATV	\$1,695,528	\$1,682,952
Broadband	90,753	102,737
ISP	506,939	451,534
Interdepartmental	16,494	19,841
Total Operating Revenue	2,309,714	2,257,064
 TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	295,838	259,916
General Expense	18,199	57,650
Contract Services	1,015,579	1,226,748
IS & Intergovernmental Services	51,808	46,402
Fleet Services	958	1,151
Capitalized A & G Expense	(4,766)	(5,840)
Total Admin. & Sales Expense	1,377,616	1,586,027
 Operations & Maintenance Expense ...		
Salaries & Wages Expense	248,140	216,904
General Expense	20,536	22,572
Contract Services	19,950	38,539
IS & Intergovernmental Services	1,897	2,550
Fleet Services	11,084	12,413
New Connect Capital	(11,780)	-
Total Oper. & Maint. Expense	289,827	292,978
 Total Telecommunications Expense .	1,667,443	1,879,005
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	642,271	378,059
 Taxes	320,715	317,636
Depreciation and Amortization	427,409	436,154
	748,124	753,790
 NET OPERATING REVENUES (EXPENSES)	(105,853)	(375,731)

YEAR TO DATE			
AUGUST 31 2014	AUGUST 31 2013	2014/2013 VARIANCE	PERCENT CHANGE
\$13,122,180	\$12,709,319	\$412,861	3.2%
735,625	754,088	(18,463)	-2.4%
3,935,076	3,552,681	382,395	10.8%
151,147	161,444	(10,297)	-6.4%
<u>17,944,028</u>	<u>17,177,532</u>	<u>766,496</u>	4.5%
1,946,949	1,962,588	(15,639)	-0.8%
280,647	350,223	(69,576)	-19.9%
8,472,146	8,120,912	351,234	4.3%
403,792	376,255	27,537	7.3%
8,398	8,927	(529)	-5.9%
(41,193)	(89,902)	48,709	54.2%
<u>11,070,739</u>	<u>10,729,003</u>	<u>341,736</u>	3.2%
1,723,534	1,646,870	76,664	4.7%
153,448	122,793	30,655	25.0%
68,949	130,125	(61,176)	-47.0%
15,810	18,140	(2,330)	-12.8%
95,962	99,685	(3,723)	-3.7%
(68,467)	(22,892)	(45,575)	199.1%
<u>1,989,236</u>	<u>1,994,721</u>	<u>(5,485)</u>	-0.3%
13,059,975	12,723,724	336,251	2.6%
4,884,053	4,453,808	430,245	9.7%
2,521,282	2,564,475	(43,193)	-1.7%
3,419,367	3,464,431	(45,064)	-1.3%
<u>5,940,649</u>	<u>6,028,906</u>	<u>(88,257)</u>	
<u>(1,056,596)</u>	<u>(1,575,098)</u>	<u>518,502</u>	32.9%

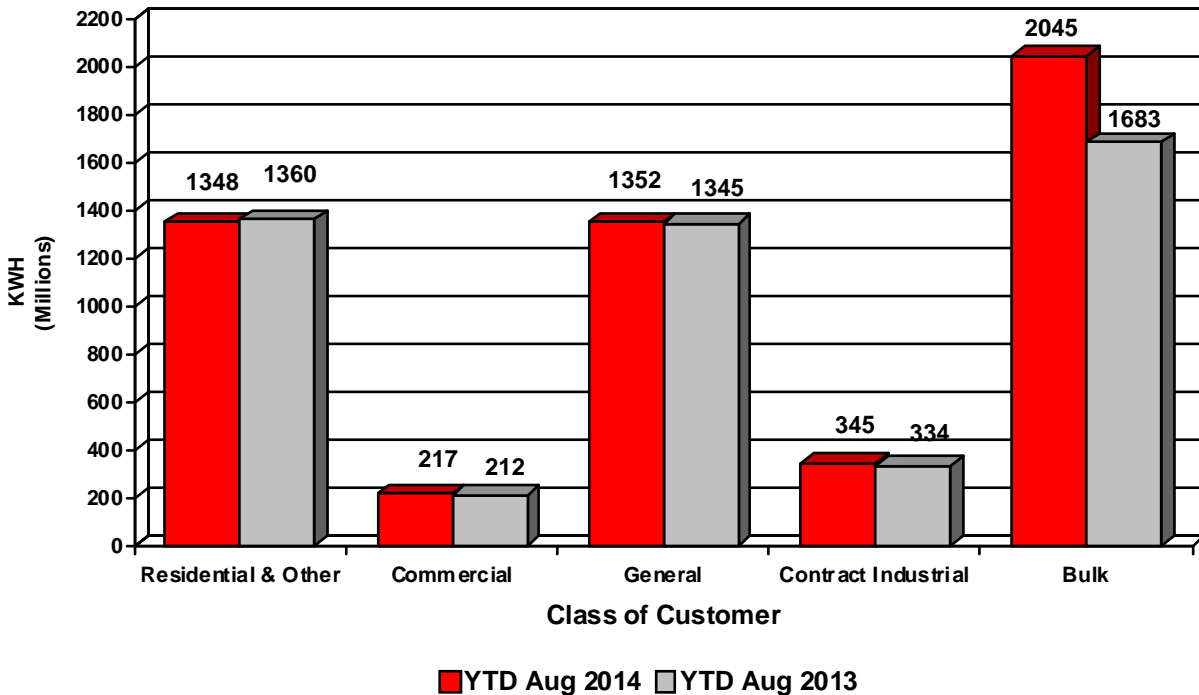
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Supplemental Data

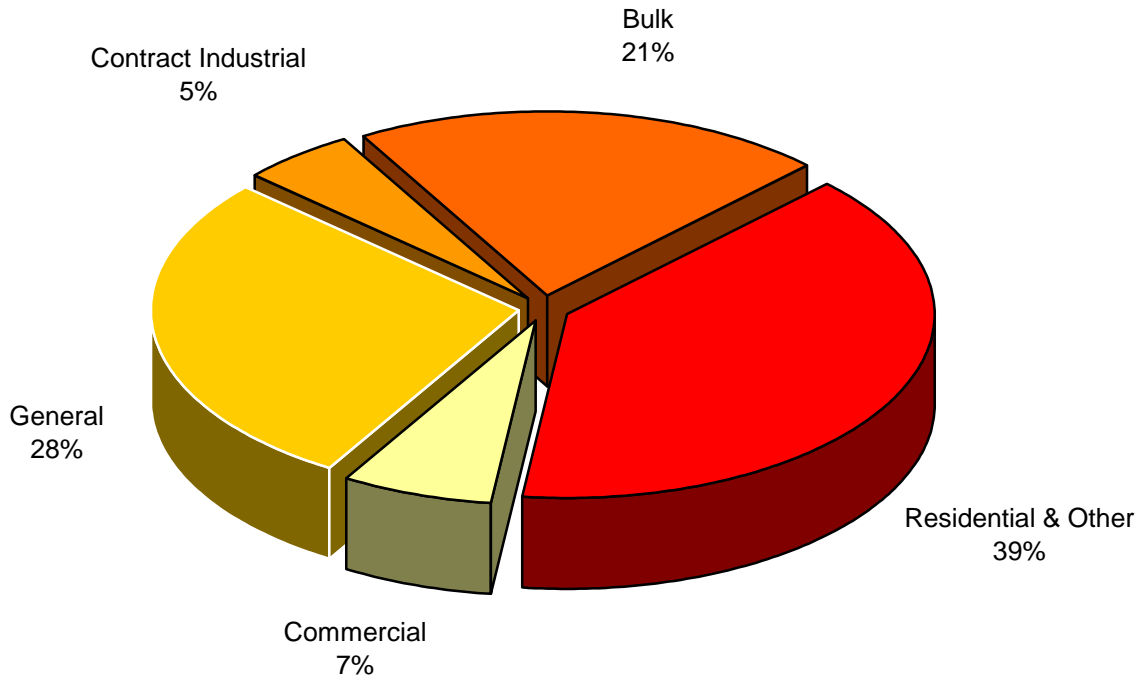
SALES OF ELECTRIC ENERGY
Year to Date - August 2014 & 2013



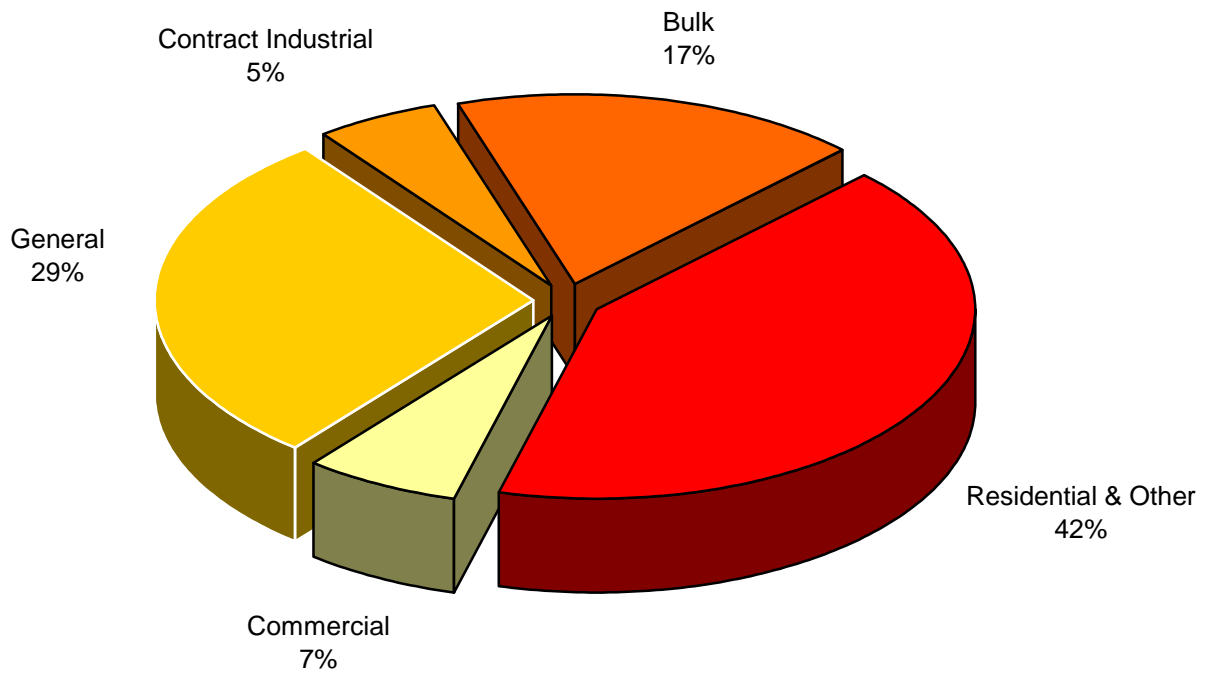
TOTAL POWER BILLED
Year to Date - August 2014 & 2013



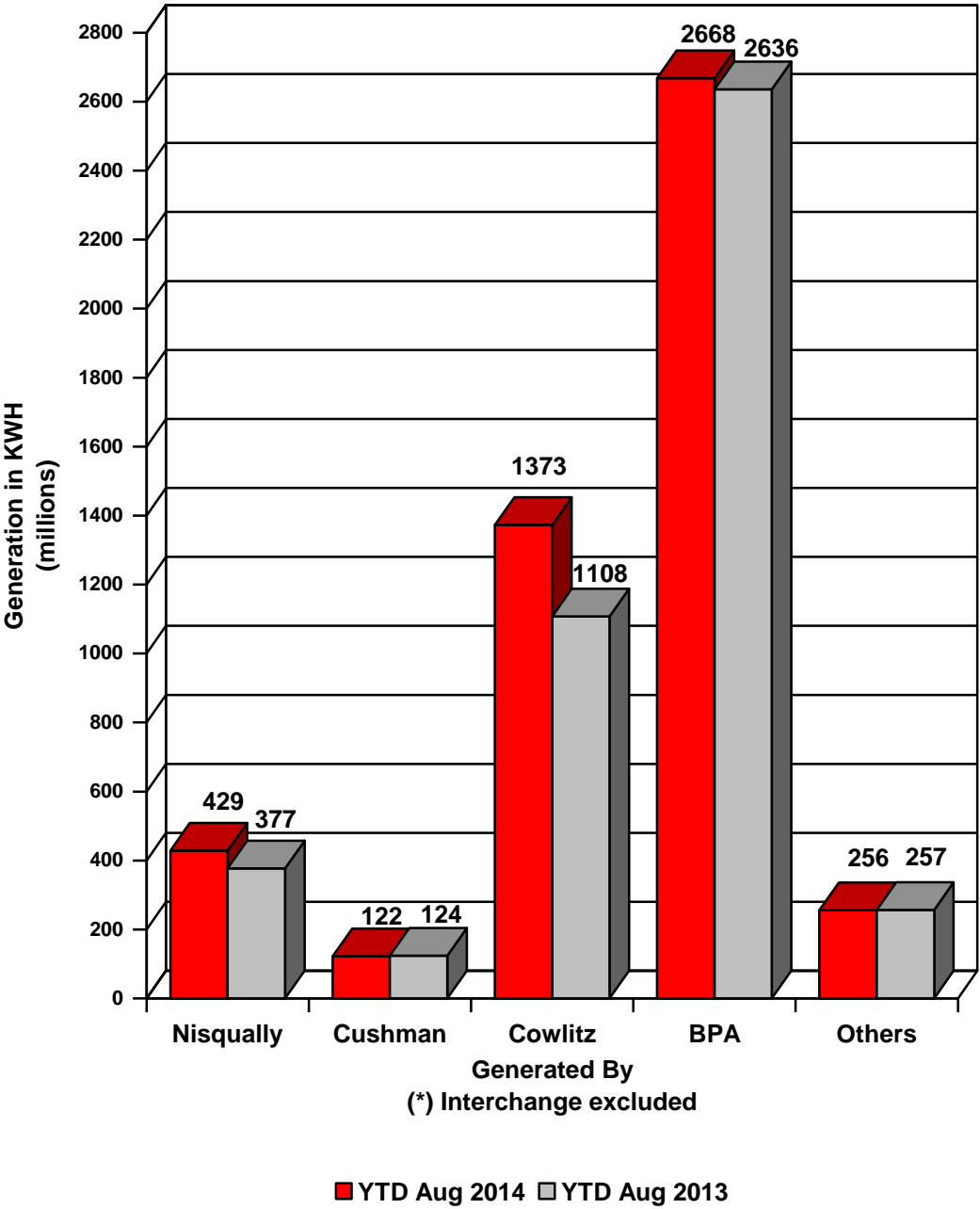
SALES OF ELECTRIC ENERGY
Year to Date - August 2014 (\$273,582,925)



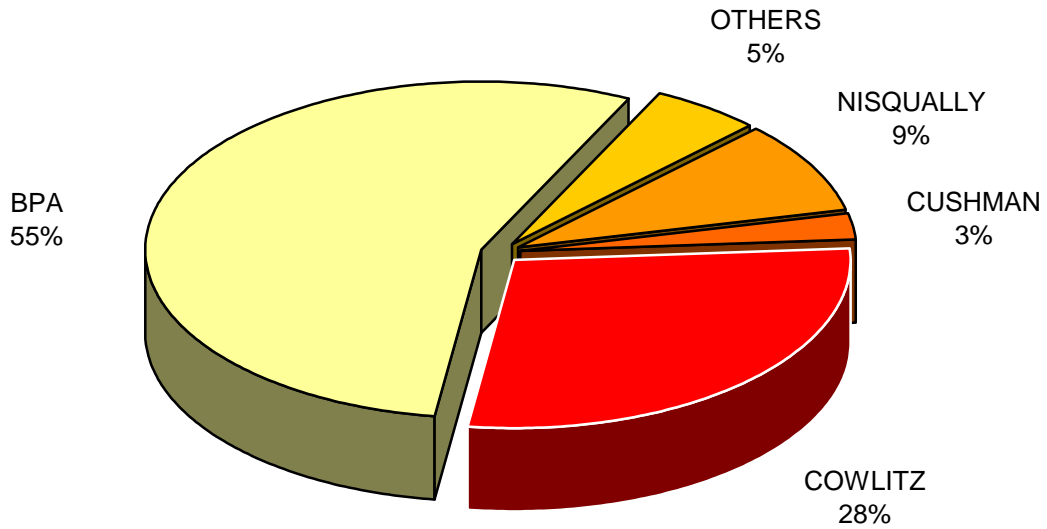
SALES OF ELECTRIC ENERGY
Year to Date - August 2013 (\$250,921,199)



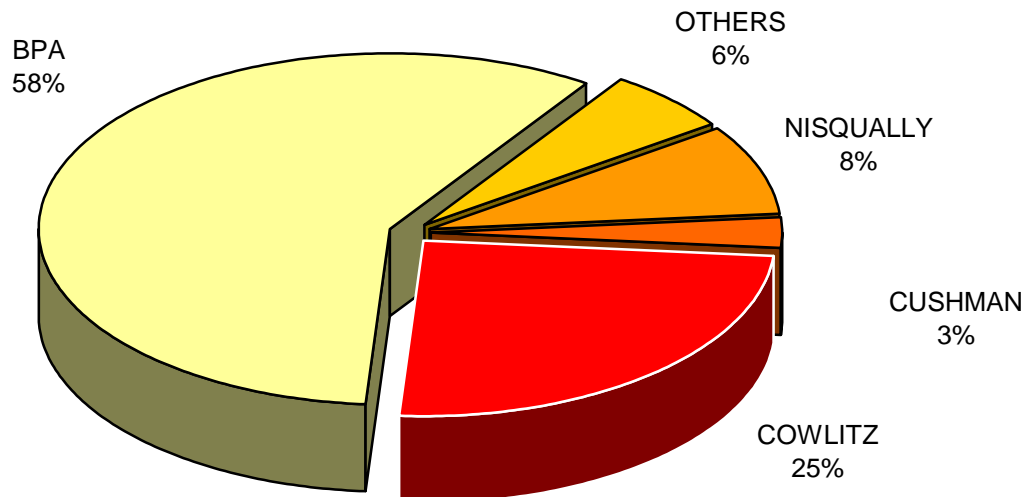
**POWER SOURCES (*)
Year to Date August 2014 & 2013**



POWER SOURCES (*)
Year to Date - August 2014

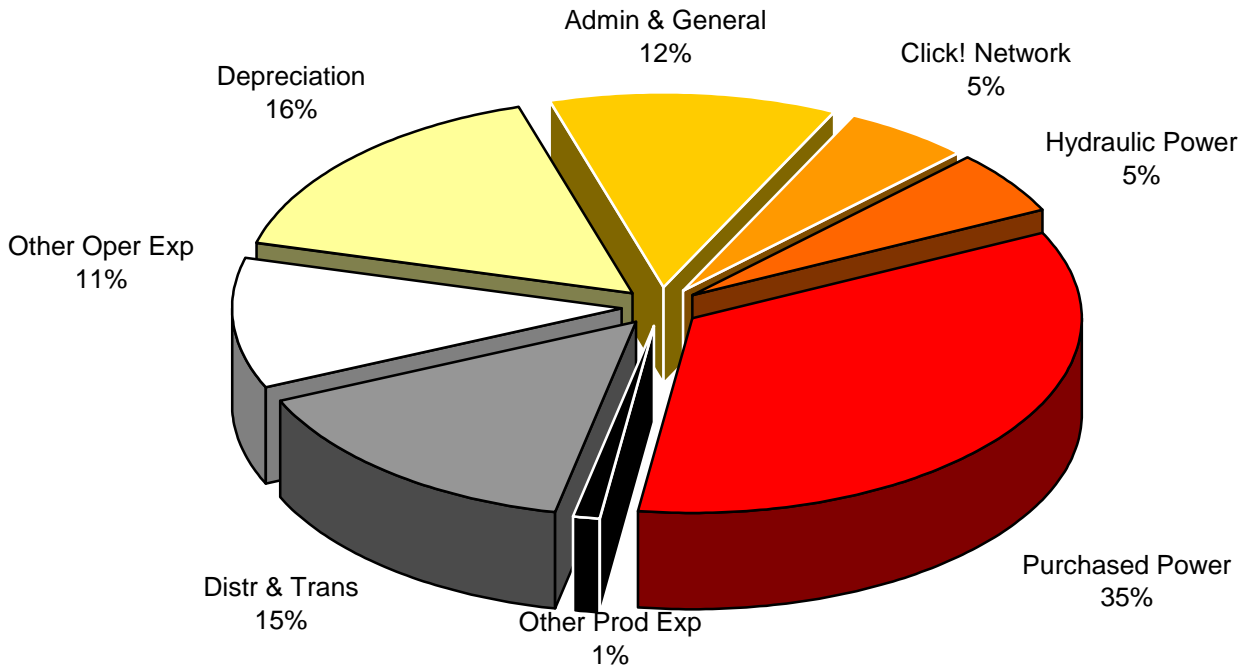


POWER SOURCES (*)
Year to Date - August 2013

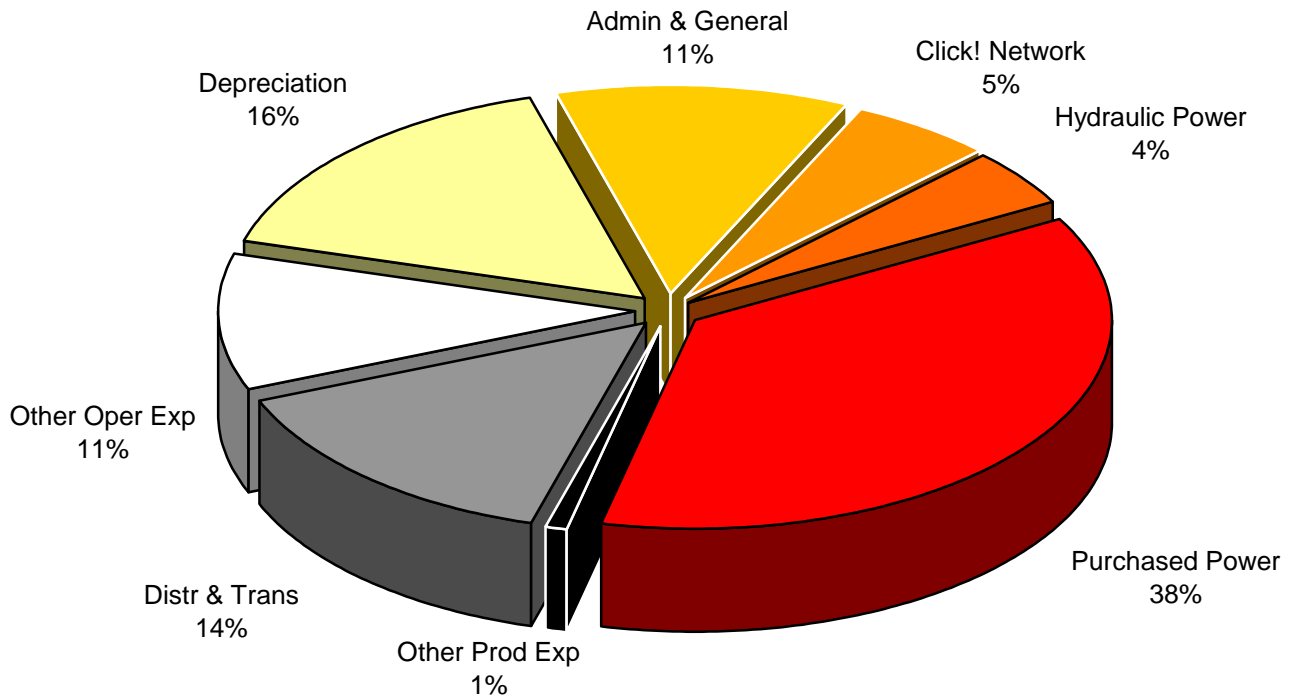


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - August 2014 (\$245,864,112)



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



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



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