
MAY

TACOMA POWER

2018

**FINANCIAL
REPORT**



Public Utility Board

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Vice-Chair

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Member

MARK PATTERSON
Member

LINDA MCCREA
Interim Director of Utilities/CEO

CHRIS ROBINSON
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 - May 31, 2018 AND May 31, 2017

ASSETS AND DEFERRED OUTFLOWS	<u>2018</u>	<u>2017</u>
UTILITY PLANT		
Electric Plant in Service	\$2,062,467,533	\$2,005,815,090
Less Depreciation and Amortization	(1,071,641,330)	(1,020,675,294)
Total	<u>990,826,203</u>	<u>985,139,796</u>
Construction Work in Progress	51,918,461	45,881,096
Net Utility Plant	<u>1,042,744,664</u>	<u>1,031,020,892</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2013 Construction Fund	-	5,712
2015 Construction Fund	-	9,970,459
Provision for Debt Service	12,599,212	12,485,131
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve--State of Washington	2,610,245	2,577,045
Total Restricted Assets	<u>20,207,096</u>	<u>30,035,986</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	157,160,386	178,220,130
Customers' and Contractors' Deposits	2,707,332	2,681,275
Conservation Loan Fund	3,640,537	3,653,199
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	19,359,613	18,706,354
Accrued Unbilled Revenue	30,701,425	28,587,295
Others	11,267,932	17,894,859
Provision for Uncollectibles	(1,029,658)	(2,206,511)
Materials and Supplies	7,360,550	7,109,549
Prepayments and Other	6,352,491	5,933,715
Total Current Assets	<u>285,520,608</u>	<u>308,579,865</u>
OTHER ASSETS		
Regulatory Asset - Conservation	48,442,664	48,506,127
Conservation Loan Fund Receivables	2,628,273	2,615,639
Total Other Assets	<u>51,070,937</u>	<u>51,121,766</u>
Total Assets	<u>1,399,725,356</u>	<u>1,420,940,560</u>
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	38,426,742	39,469,454
Total Deferred Outflows	<u>38,426,742</u>	<u>39,469,454</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$1,438,152,098</u></u>	<u><u>\$1,460,410,014</u></u>

These statements should be read in conjunction with the Notes to Financial Statements contained in the 2017 Annual Report.

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	2018	2017
NET POSITION		
Net Investment in Capital Assets	\$630,547,413	\$589,195,282
Restricted for:		
Wynoochee Reserve - State of Washington	2,610,245	2,577,045
Debt Service	4,206,250	4,822,919
Unrestricted	224,735,078	259,268,730
TOTAL NET POSITION	<u>862,098,986</u>	<u>855,863,976</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	105,490,000	139,885,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
2017 Electric System Revenue Bonds	70,575,000	-
Total Bonded Indebtedness	<u>382,940,000</u>	<u>346,760,000</u>
Less: Unamortized Bond Premiums	24,091,941	18,396,471
Net Bonded Indebtedness	<u>407,031,941</u>	<u>365,156,471</u>
Line of Credit	250,000	80,250,000
Total Long-Term Debt	<u>407,281,941</u>	<u>445,406,471</u>
 CURRENT LIABILITIES		
Salaries and Wages Payable	5,468,055	4,928,979
Taxes and Other Payables	13,147,523	13,060,665
Purchases and Transmission of Power Accrued	10,736,416	9,935,464
Interest Payable	8,392,962	7,662,212
Customers' Deposits	2,753,146	2,720,472
Current Portion of Long-Term Debt	10,095,000	11,575,000
Current Accrued Compensated Absences	1,044,235	1,075,771
Total Current Liabilities	<u>51,637,337</u>	<u>50,958,563</u>
 LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,398,115	9,681,941
Net Pension Liability	36,687,245	34,177,293
Other Long Term Liabilities	15,143,610	14,033,787
Total Long Term Liabilities	<u>61,228,970</u>	<u>57,893,021</u>
TOTAL LIABILITIES	<u>520,148,248</u>	<u>554,258,055</u>
 DEFERRED INFLOWS		
Deferred Inflow for Pensions	7,904,864	2,287,983
Rate Stabilization	48,000,000	48,000,000
Total Deferred Inflows	<u>55,904,864</u>	<u>50,287,983</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,438,152,098</u>	<u>\$1,460,410,014</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
May 31, 2018 AND May 31, 2017

	May 2018	May 2017
OPERATING REVENUES		
Sales of Electric Energy	\$32,384,767	\$33,796,727
Other Operating Revenues	1,770,008	1,771,915
Click! Network Operating Revenues	2,150,361	2,265,542
Total Operating Revenue	36,305,136	37,834,184
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,844,544	2,787,188
Other Production Expense	515,163	296,347
Total Expense Power Produced	3,359,707	3,083,535
Purchased Power	9,720,243	8,813,292
Total Production Expense	13,079,950	11,896,827
Transmission Expense	2,594,455	2,697,611
Distribution Expense	2,085,222	2,667,701
Click! Network Commercial Operations Expense .	2,087,622	2,190,875
Customer Accounts Expense (CIS)	1,062,687	1,374,190
Conservation and Other Customer Assistance ...	1,249,730	1,108,026
Taxes	1,723,089	1,776,645
Depreciation	4,898,867	4,742,659
Administrative and General	1,751,263	2,218,778
Total Operating Expenses	30,532,885	30,673,312
OPERATING INCOME (LOSS)	5,772,251	7,160,872
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	299,889	324,087
Contribution to Family Need	(8,333)	(8,333)
Other Net Non-Op Revenues and Deductions	375,942	25,236
Interest on Long-Term Debt	(1,689,835)	(1,597,228)
Amort. of Debt Related Costs	134,639	124,051
Interest Charged to Construction	187,277	144,366
Total Non-Operating Revenues (Expenses) ...	(700,421)	(987,821)
Net Income (Loss) Before Capital Contributions and Transfers	5,071,830	6,173,051
Capital Contributions		
Cash	463,639	4,916,531
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,776,960)	(2,599,120)
CHANGE IN NET POSITION	\$3,088,062	\$8,820,015
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - May 31		

YEAR TO DATE		2018 OVER	PERCENT CHANGE
May 31, 2018	May 31, 2017	(UNDER) 2017	
\$188,851,008	\$181,338,667	\$7,512,341	4.1%
7,530,804	8,003,411	(472,607)	-5.9%
10,742,141	11,053,129	(310,988)	-2.8%
<u>207,123,953</u>	<u>200,395,207</u>	<u>6,728,746</u>	3.4%
10,072,550	10,613,975	(541,425)	-5.1%
<u>2,401,278</u>	<u>2,188,593</u>	<u>212,685</u>	9.7%
12,473,828	12,802,568	(328,740)	-2.6%
<u>54,715,242</u>	<u>56,357,389</u>	<u>(1,642,147)</u>	-2.9%
67,189,070	69,159,957	(1,970,887)	-2.8%
14,111,794	12,444,568	1,667,226	13.4%
13,113,713	12,256,569	857,144	7.0%
10,213,633	10,412,993	(199,360)	-1.9%
5,546,340	6,032,149	(485,809)	-8.1%
6,178,865	5,409,542	769,323	14.2%
9,124,667	8,854,588	270,079	3.1%
23,455,943	23,905,519	(449,576)	-1.9%
14,026,596	10,261,602	3,764,994	36.7%
<u>162,960,621</u>	<u>158,737,487</u>	<u>4,223,134</u>	2.7%
<u>44,163,332</u>	<u>41,657,720</u>	<u>2,505,612</u>	6.0%
2,770,703	1,987,876	782,827	39.4%
(41,667)	(41,667)	-	0.0%
716,825	255,278	461,547	180.8%
(8,519,140)	(7,952,542)	(566,598)	7.1%
673,196	620,254	52,942	-8.5%
403,538	523,083	(119,545)	-22.9%
<u>(3,996,545)</u>	<u>(4,607,718)</u>	<u>611,173</u>	-13.3%
40,166,787	37,050,002	3,116,785	8.4%
5,736,771	10,210,150	(4,473,379)	-43.8%
52,805	6,436	46,369	720.5%
1,647,766	1,647,766	-	0.0%
<u>(15,675,816)</u>	<u>(15,046,071)</u>	<u>(629,745)</u>	4.2%
31,928,313	33,868,283	(1,939,970)	-5.7%
<u>830,170,673</u>	<u>821,995,693</u>	<u>8,174,980</u>	1.0%
<u><u>\$862,098,986</u></u>	<u><u>\$855,863,976</u></u>	<u><u>6,235,010</u></u>	

These statements should be read in conjunction with the Management Discussion and Analysis in the March 2018 Financial Report.

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
May 31, 2018 AND May 31, 2017

	<u>For the month of May 2018</u>	<u>For the month of May 2017</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$14,039,346	\$13,827,576
Commercial	2,485,091	2,449,175
General	10,123,935	9,885,854
Contract Industrial	1,990,488	1,843,425
Public Street and Highway Lighting	(678,130)	58,076
Sales to Other Electric Utilities	35,381	31,049
Total Sales to Customers	<u>27,996,111</u>	<u>28,095,155</u>
Bulk Power Sales	<u>4,388,656</u>	<u>5,701,572</u>
Total Sales of Electric Energy	<u>32,384,767</u>	<u>33,796,727</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	538,756	519,530
Wheeling	807,659	826,424
Service Fees and Other	423,593	425,961
Telecommunications Revenue	<u>2,150,361</u>	<u>2,265,542</u>
Total Other Operating Revenues	<u>3,920,369</u>	<u>4,037,457</u>
 TOTAL OPERATING REVENUES	 <u><u>\$36,305,136</u></u>	 <u><u>\$37,834,184</u></u>
 BILLINGS (Number of Months Billed)		
Residential	159,225	165,503
Commercial	16,845	17,678
General	2,536	2,684
Contract Industrial	2	2
Public Streets and Highway Lighting	1,119	1,177
Sales to Other Utilities	<u>1</u>	<u>1</u>
 TOTAL BILLINGS	 <u><u>179,728</u></u>	 <u><u>187,045</u></u>

YEAR TO DATE		2018 OVER (UNDER) 2017	PERCENT CHANGE
May 31, 2018	May 31, 2017		
\$87,444,243	\$84,504,672	\$2,939,571	3.5%
13,178,912	13,131,220	47,692	0.4%
52,167,986	49,424,235	2,743,751	5.6%
9,146,249	8,623,675	522,574	6.1%
(495,606)	354,650	(850,256)	-239.7%
210,980	198,927	12,053	6.1%
<u>161,652,764</u>	<u>156,237,379</u>	<u>5,415,385</u>	3.5%
<u>27,198,244</u>	<u>25,101,288</u>	<u>2,096,956</u>	8.4%
<u>188,851,008</u>	<u>181,338,667</u>	<u>7,512,341</u>	4.1%
1,243,642	1,464,545	(220,903)	-15.1%
4,188,221	4,274,248	(86,027)	-2.0%
2,098,941	2,264,618	(165,677)	-7.3%
<u>10,742,141</u>	<u>11,053,129</u>	<u>(310,988)</u>	-2.8%
<u>18,272,945</u>	<u>19,056,540</u>	<u>(783,595)</u>	-4.1%
<u>\$207,123,953</u>	<u>\$200,395,207</u>	<u>\$6,728,746</u>	3.4%
791,369	784,718	6,651	0.8%
79,687	79,278	409	0.5%
12,642	12,633	9	0.1%
10	10	-	0.0%
4,791	4,777	14	0.3%
<u>5</u>	<u>5</u>	<u>-</u>	0.0%
<u>888,504</u>	<u>881,421</u>	<u>7,083</u>	0.8%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

GROSS GENERATION REPORT - May 31, 2018 AND May 31, 2017

	For the month of May 2018	For the month of May 2017
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	32,183,000	42,558,000
Generated - Alder	20,509,000	17,505,000
TOTAL NISQUALLY	52,692,000	60,063,000
Generated - Cushman No. 1	7,478,000	12,627,000
Generated - Cushman No. 2	9,668,000	18,770,000
TOTAL CUSHMAN	17,146,000	31,397,000
Generated - Mossyrock	97,378,000	179,804,000
Generated - Mayfield	59,950,000	112,342,000
TOTAL COWLITZ	157,328,000	292,146,000
Generated - Wynoochee		-
Generated - Hood Street	233,700	233,695
Tacoma's Share of Priest Rapids	2,497,000	2,705,000
Tacoma's Share of GCPHA	39,063,000	37,688,000
TOTAL KWH GENERATED - TACOMA SYSTEM	268,959,700	424,232,695
Purchased Power		
BPA Slice Contract	282,464,000	257,381,000
BPA Block Contract	115,494,000	118,440,000
Interchange Net	(312,680,000)	(429,254,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	354,237,700	370,799,695
Losses	3,561,588	4,077,637
Baldi Replacement	189,385	101,514
Ketron	16,514	18,763
NT PC Mutuals Schedules	(2,026,000)	(2,149,000)
PC Mutual Inadvertent	43,324	2,887,419
TACOMA SYSTEM FIRM LOAD	356,022,511	375,736,028
Maximum Kilowatts (System Firm Load)	598,591	638,955
Average Kilowatts (System Firm Load)	684,145	505,022
PIERCE COUNTY MUTUAL LOAD	96,408,000	103,582,000
KWH BILLED		
Residential Sales	146,229,963	156,552,721
Commercial Sales	26,856,730	27,082,226
General	153,503,489	158,002,971
Contract Industrial	42,755,760	42,792,960
Public Street and Highway Lighting	(14,683,224)	991,829
Sales to Other Electric Utilities	605,700	576,900
TOTAL FIRM	355,268,418	385,999,607
Bulk Power Sales	330,804,000	441,451,000
TOTAL KWH BILLED	686,072,418	827,450,607

YEAR TO DATE		2018 OVER (UNDER)	PERCENT CHANGE
May 31 2018	May 31 2017	2017	
189,293,000	198,744,000	(9,451,000)	-4.8%
124,526,000	108,327,000	16,199,000	15.0%
<u>313,819,000</u>	<u>307,071,000</u>	<u>6,748,000</u>	2.2%
47,368,000	59,093,000	(11,725,000)	-19.8%
75,142,000	93,146,000	(18,004,000)	-19.3%
<u>122,510,000</u>	<u>152,239,000</u>	<u>(29,729,000)</u>	-19.5%
522,859,000	652,711,000	(129,852,000)	-19.9%
387,469,000	471,395,000	(83,926,000)	-17.8%
<u>910,328,000</u>	<u>1,124,106,000</u>	<u>(213,778,000)</u>	-19.0%
12,918,000	18,293,000	(5,375,000)	-29.4%
1,298,500	1,386,535	(88,035)	-6.3%
13,489,000	13,787,000	(298,000)	-2.2%
75,171,000	56,285,000	18,886,000	33.6%
1,449,533,500	1,673,167,535	(223,634,035)	-13.4%
1,256,818,000	1,234,909,000	21,909,000	1.8%
688,406,000	705,965,000	(17,559,000)	-2.5%
<u>(1,258,036,833)</u>	<u>(1,392,658,000)</u>	<u>134,621,167</u>	-9.7%
2,136,720,667	2,221,383,535	(84,662,868)	-3.8%
21,013,617	16,866,141	4,147,476	24.6%
756,591	489,833	266,758	54.5%
161,327	149,966	11,361	7.6%
<u>(14,781,000)</u>	<u>(15,379,000)</u>	<u>598,000</u>	-3.9%
435,287	23,991,618	(23,556,331)	-98.2%
<u>2,144,306,489</u>	<u>2,247,502,093</u>	<u>(103,195,604)</u>	-4.6%
667,893,000	706,670,000	(38,777,000)	-5.5%
992,142,281	1,026,898,969	(34,756,688)	-3.4%
147,575,029	150,734,572	(3,159,543)	-2.1%
825,760,242	832,677,569	(6,917,327)	-0.8%
201,222,780	200,202,600	1,020,180	0.5%
<u>(11,003,297)</u>	<u>7,673,161</u>	<u>(18,676,458)</u>	-243.4%
3,780,900	3,693,600	87,300	2.4%
<u>2,159,477,935</u>	<u>2,221,880,471</u>	<u>(62,402,536)</u>	-2.8%
1,425,964,000	1,570,725,000	(144,761,000)	-9.2%
<u>3,585,441,935</u>	<u>3,792,605,471</u>	<u>(207,163,536)</u>	-5.5%

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

OPERATIONAL SUMMARY - May 31, 2018

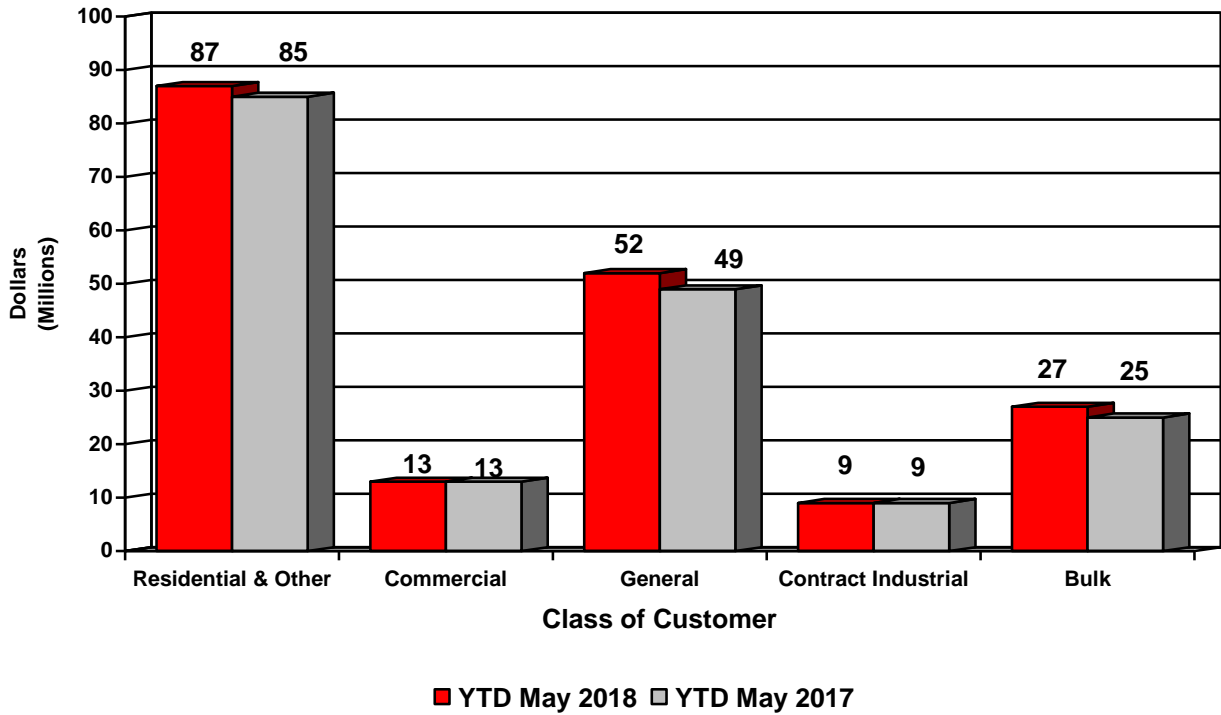
	May 2018	May 2017
TELECOMMUNICATIONS REVENUE		
CATV	\$1,420,089	\$1,541,080
Broadband	88,476	90,217
ISP	619,088	612,507
Interdepartmental	22,708	21,738
Total Operating Revenue	2,150,361	2,265,542
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	293,464	278,478
General Expense	24,218	32,789
Contract Services	1,058,206	1,193,899
IS & Intergovernmental Services	135,114	131,083
Fleet Services	899	422
Capitalized A & G Expense	(6,003)	(505)
Total Admin. & Sales Expense	1,505,898	1,636,166
Operations & Maintenance Expense ...		
Salaries & Wages Expense	469,792	486,374
General Expense	31,266	35,059
Contract Services	62,929	12,746
IS & Intergovernmental Services	4,632	3,669
Fleet Services	20,706	23,727
New Connect Capital	(7,601)	(6,866)
Total Oper. & Maint. Expense	581,724	554,709
Total Telecommunications Expense .	2,087,622	2,190,875
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	62,739	74,667
Taxes	296,847	314,094
Depreciation and Amortization	192,665	204,485
	489,512	518,579
NET OPERATING REVENUES (EXPENSES)	(426,773)	(443,912)

YEAR TO DATE			
May 31 2018	May 31 2017	2018/2017 VARIANCE	PERCENT CHANGE
\$7,125,498	\$7,419,623	(\$294,125)	-4.0%
440,526	472,457	(31,931)	-6.8%
3,062,647	3,052,302	10,345	0.3%
113,470	108,747	4,723	4.3%
<u>10,742,141</u>	<u>11,053,129</u>	<u>(310,988)</u>	-2.8%
1,310,923	1,341,184	(30,261)	-2.3%
176,733	173,709	3,024	1.7%
5,529,527	5,503,953	25,574	0.5%
683,358	652,514	30,844	4.7%
2,136	2,774	(638)	-23.0%
(18,716)	(18,102)	(614)	-3.4%
<u>7,683,961</u>	<u>7,656,032</u>	<u>27,929</u>	0.4%
2,002,742	2,284,957	(282,215)	-12.4%
130,952	169,880	(38,928)	-22.9%
319,318	222,241	97,077	43.7%
14,640	22,511	(7,871)	-35.0%
100,903	98,874	2,029	2.1%
(38,883)	(41,502)	2,619	6.3%
<u>2,529,672</u>	<u>2,756,961</u>	<u>(227,289)</u>	-8.2%
10,213,633	10,412,993	(199,360)	-1.9%
528,508	640,136	(111,628)	-17.4%
1,479,822	1,529,826	(50,004)	-3.3%
955,632	1,028,409	(72,777)	-7.1%
<u>2,435,454</u>	<u>2,558,235</u>	<u>(122,781)</u>	
<u>(1,906,946)</u>	<u>(1,918,099)</u>	<u>11,153</u>	0.6%

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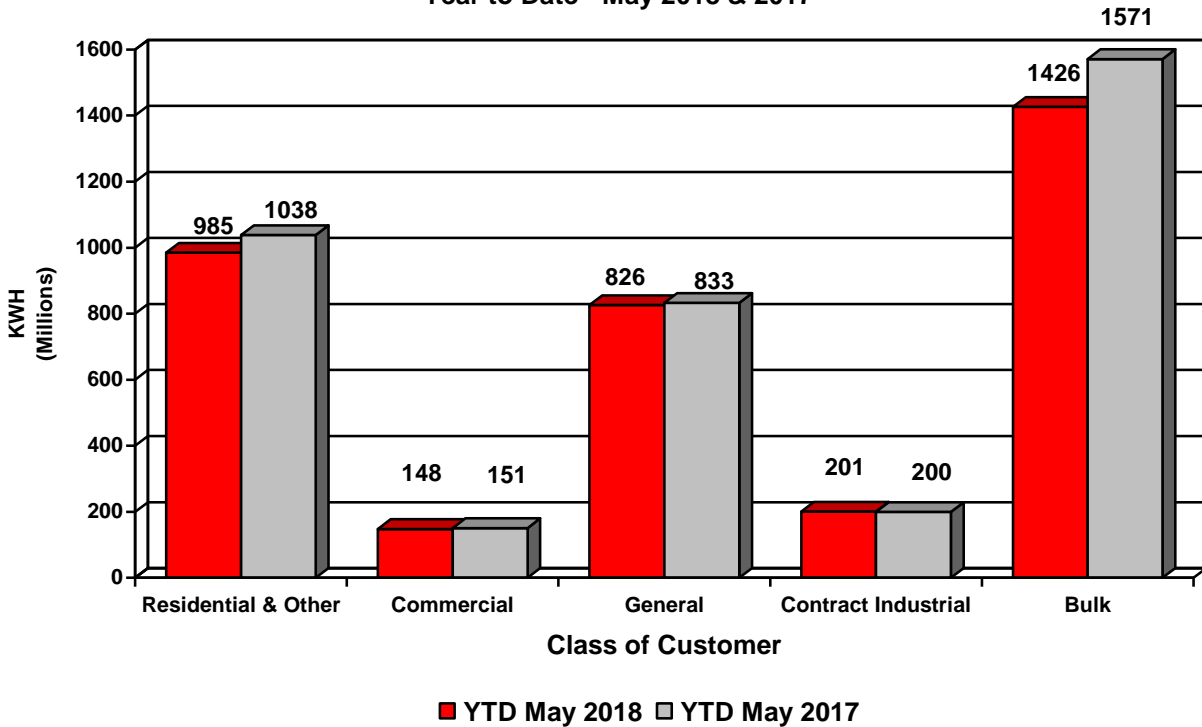
Supplemental Data

SALES OF ELECTRIC ENERGY
Year to Date - May 2018 & 2017



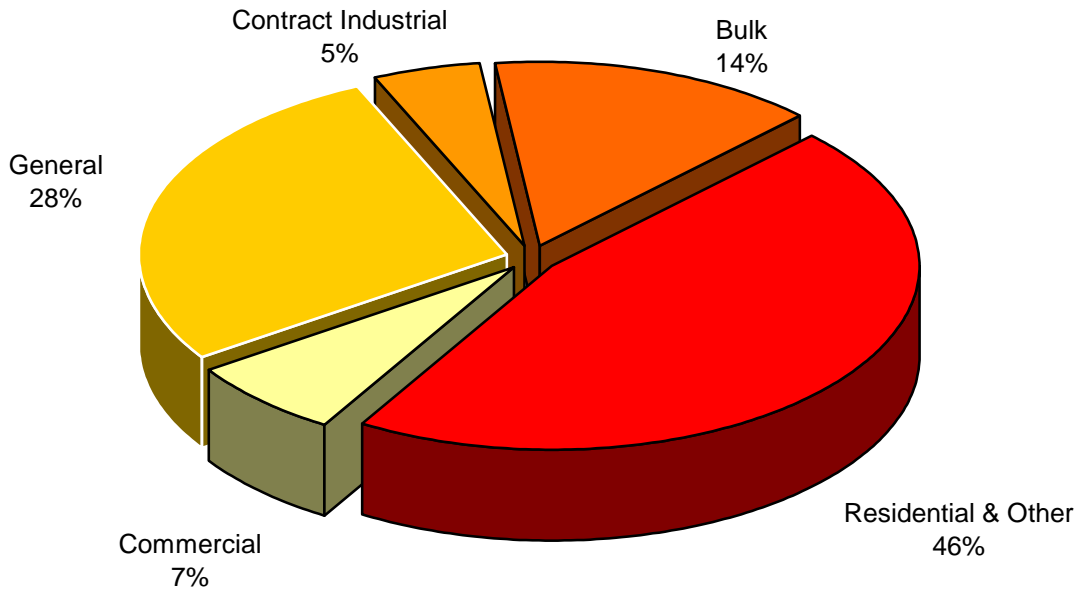
■ YTD May 2018 □ YTD May 2017

TOTAL POWER BILLED
Year to Date - May 2018 & 2017

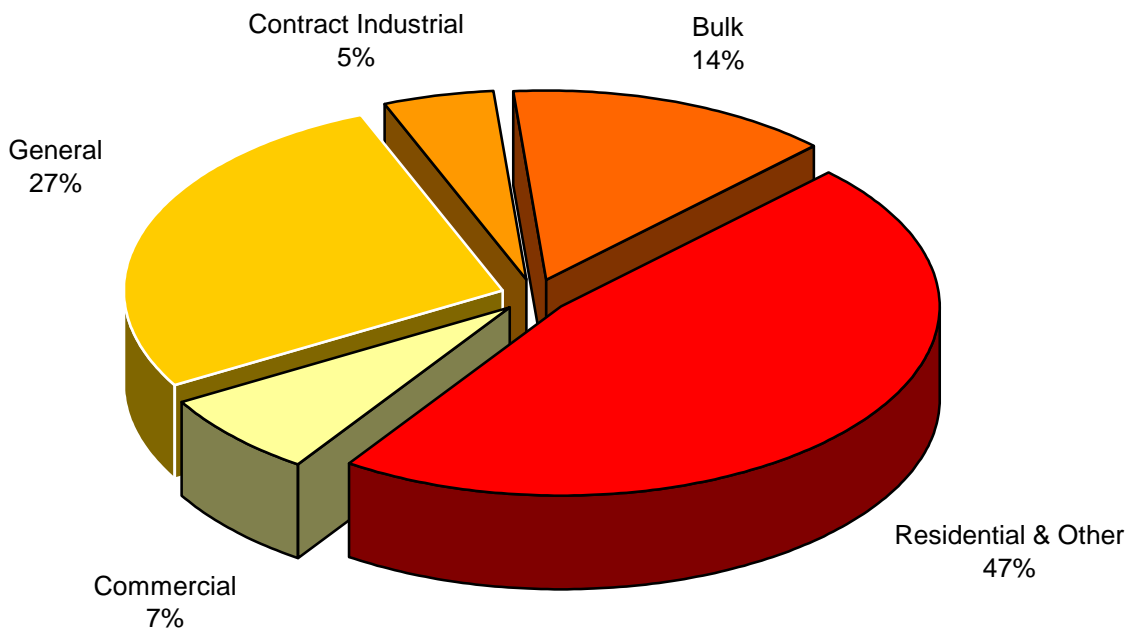


■ YTD May 2018 □ YTD May 2017

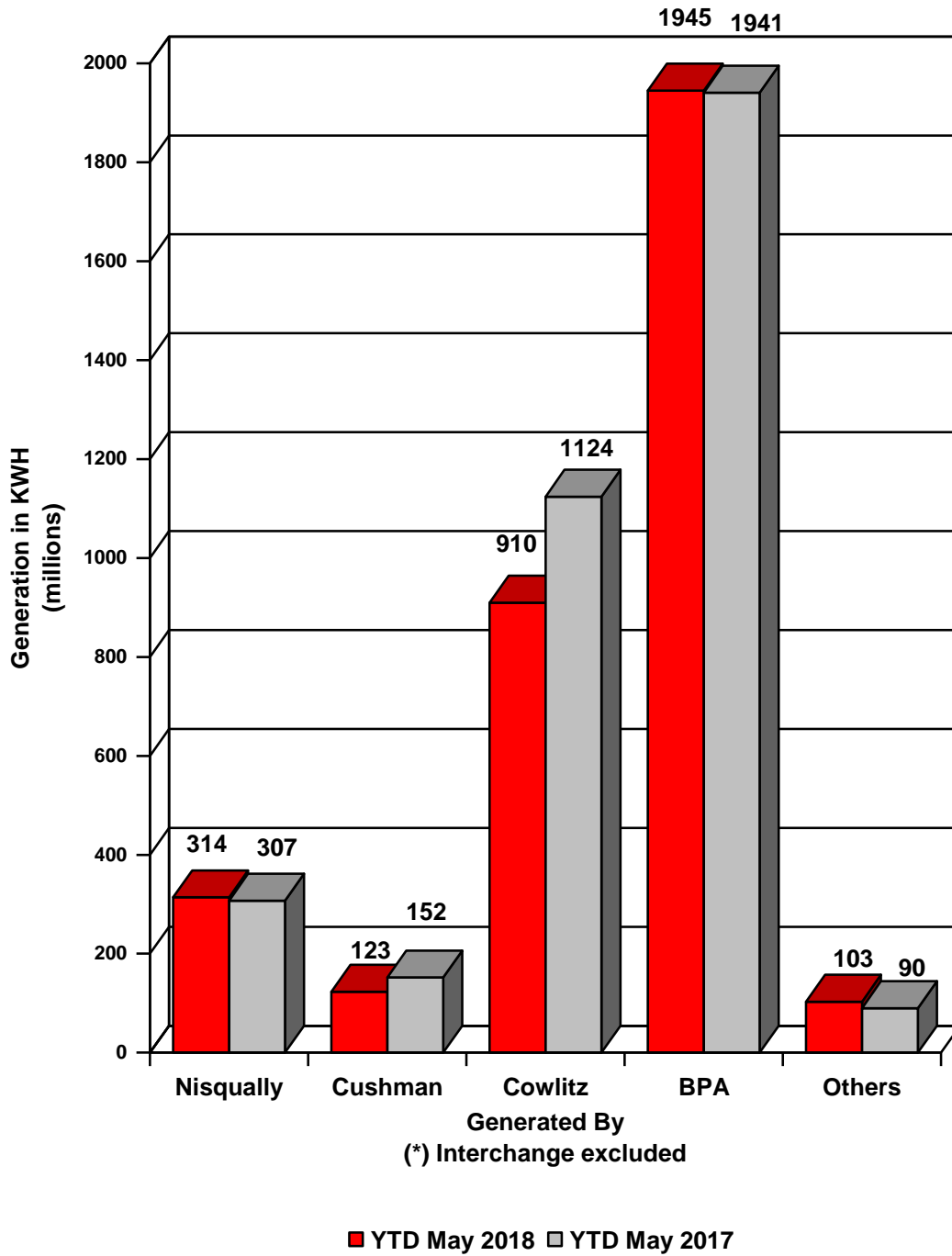
SALES OF ELECTRIC ENERGY
Year to Date - May 2018 (\$188,851,008)



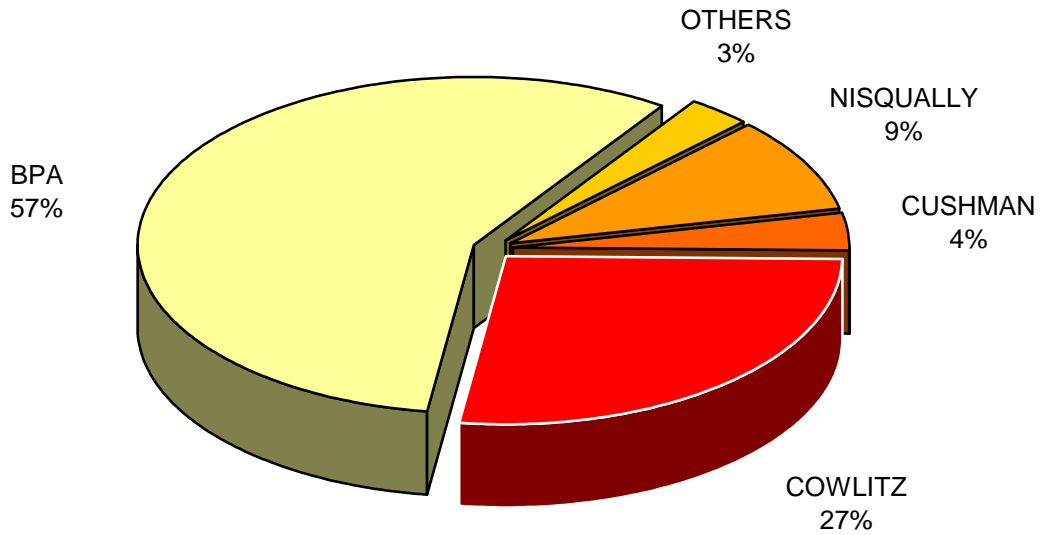
SALES OF ELECTRIC ENERGY
Year to Date - May 2017 (\$181,338,667)



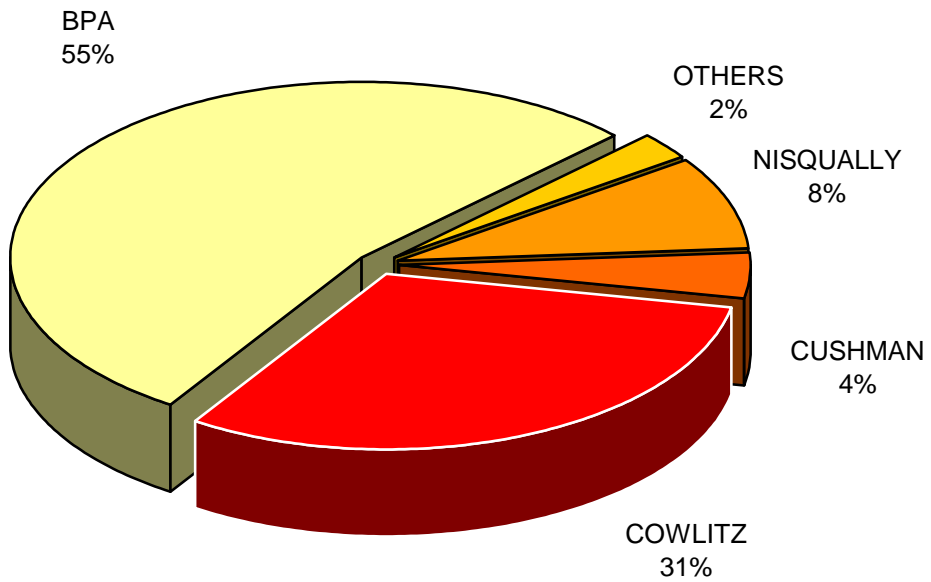
POWER SOURCES (*) Year to Date May 2018 & 2017



POWER SOURCES (*)
Year to Date - May 2018

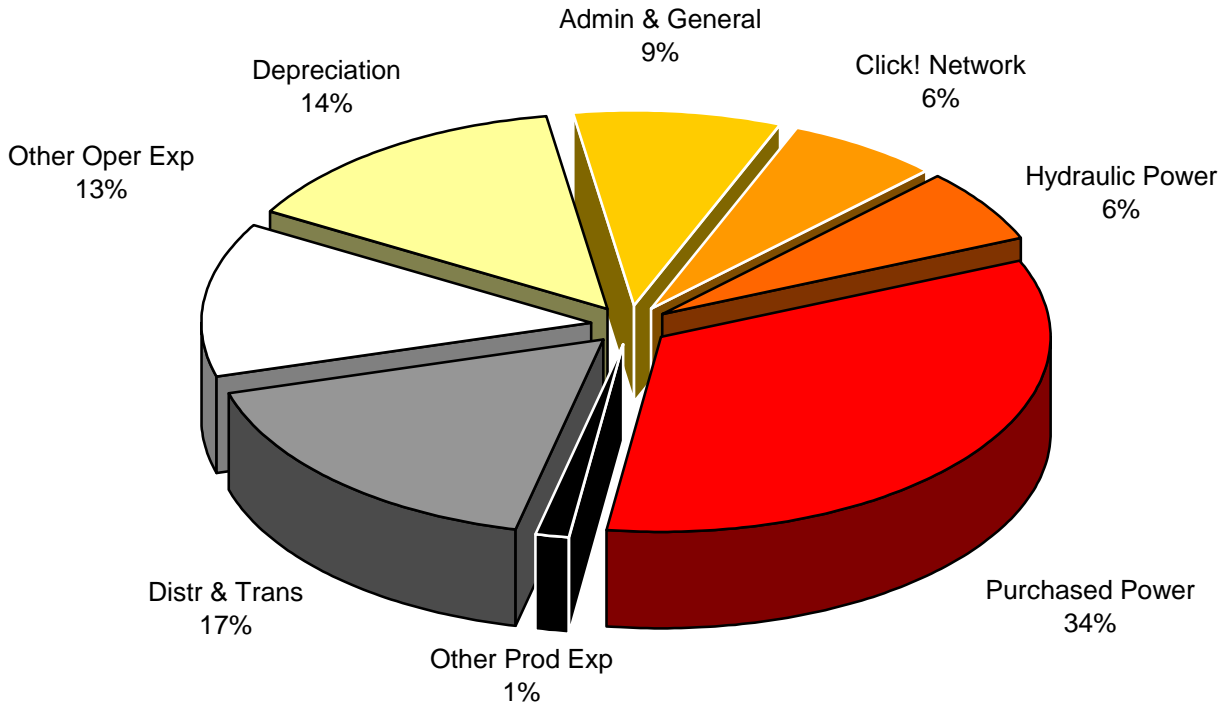


POWER SOURCES (*)
Year to Date - May 2017

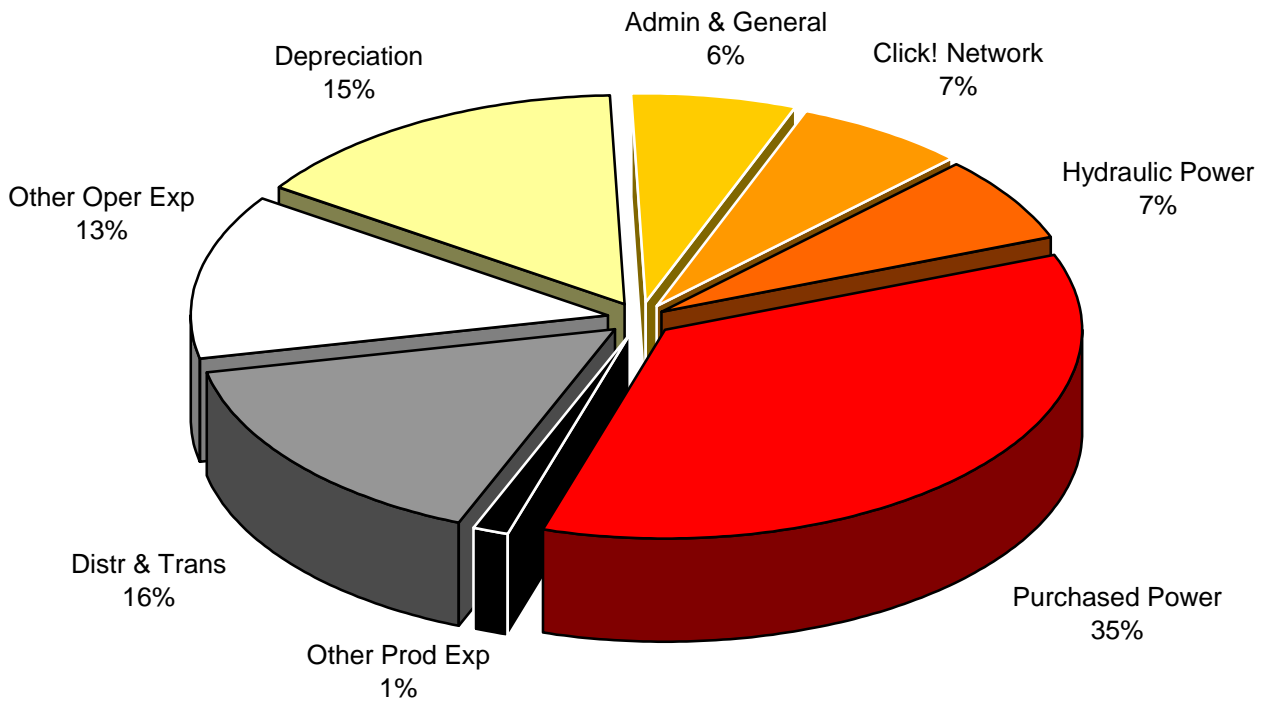


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - May 2018 (\$162,960,621)



TOTAL OPERATING EXPENSES *
Year to Date - May 2017 (\$158,737,487)



* 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.

