
AUGUST

TACOMA POWER

2016

**FINANCIAL
REPORT**



Public Utility Board

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Vice-Chair

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Member

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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, 2016 AND August 31, 2015

ASSETS AND DEFERRED OUTFLOWS	<u>2016</u>	<u>2015</u>
UTILITY PLANT		
Electric Plant in Service	\$1,909,662,220	\$1,828,782,078
Less Depreciation and Amortization	(980,410,066)	(929,387,727)
Total	<u>929,252,154</u>	<u>899,394,351</u>
Construction Work in Progress	85,934,280	84,991,006
Net Utility Plant	<u>1,015,186,434</u>	<u>984,385,357</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010B Construction Fund	199,479	11,421,015
2013 Construction Fund	33,564,491	31,699,199
2015 Construction Fund	1,845,040	608,860
Provision for Debt Service	11,657,633	13,116,878
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve--State of Washington	2,557,807	2,533,866
Total Restricted Assets	<u>54,822,089</u>	<u>64,377,457</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	167,045,315	138,491,709
Customers' and Contractors' Deposits	2,816,728	3,035,087
Conservation Loan Fund	3,535,027	3,991,843
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	14,552,956	14,169,911
Accrued Unbilled Revenue	29,427,771	28,750,681
Others	8,738,252	8,402,284
Provision for Uncollectibles	(1,789,033)	(1,306,847)
Materials and Supplies	6,555,958	6,013,248
Prepayments and Other	5,790,704	4,952,323
Total Current Assets	<u>284,673,678</u>	<u>254,500,239</u>
OTHER ASSETS		
Regulatory Asset - Conservation	46,700,892	44,261,798
Net Pension Asset	3,823,476	-
Conservation Loan Fund Receivables	2,653,301	1,227,449
Total Other Assets	<u>53,177,669</u>	<u>45,489,247</u>
 Total Assets	 <u>1,408,041,921</u>	 <u>1,348,934,351</u>
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	9,077,586	-
Unamortized Loss on Refunding Bonds	633,312	2,533,243
Total Deferred Outflows	<u>9,710,898</u>	<u>2,533,243</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 <u>\$1,417,752,819</u>	 <u>\$1,351,467,594</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	<u>2016</u>	<u>2015</u>
NET POSITION		
Net Investment in Capital Assets	\$585,744,585	\$635,352,703
Restricted for:		
Wynoochee Reserve - State of Washington	2,557,807	2,533,866
Debt Service	8,486,668	9,823,336
Net Pension Asset	3,823,476	-
Unrestricted	<u>239,140,656</u>	<u>174,831,924</u>
 TOTAL NET POSITION	 <u>839,753,192</u>	 <u>822,541,829</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	151,460,000	164,190,000
2013B Electric System Rev & Refunding Bonds	<u>35,620,000</u>	<u>35,620,000</u>
Total Bonded Indebtedness	358,335,000	371,065,000
Less: Unamortized Bond Premiums	<u>19,548,860</u>	<u>21,186,488</u>
Net Bonded Indebtedness	377,883,860	392,251,488
Line of Credit	<u>80,250,000</u>	<u>20,250,000</u>
Total Long-Term Debt	<u>458,133,860</u>	<u>412,501,488</u>
 CURRENT LIABILITIES		
Salaries and Wages Payable	3,007,341	2,148,457
Taxes and Other Payables	11,764,454	11,598,242
Purchases and Transmission of Power Accrued	10,678,549	10,750,871
Interest Payable	3,170,965	3,293,542
Customers' Deposits	2,772,083	3,052,898
Current Portion of Long-Term Debt	12,730,000	14,735,000
Current Accrued Compensated Absences	<u>1,058,072</u>	<u>1,048,309</u>
Total Current Liabilities	<u>45,181,464</u>	<u>46,627,319</u>
 LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,522,650	9,434,785
Other Long Term Liabilities	<u>13,125,264</u>	<u>12,362,173</u>
Total Long Term Liabilities	<u>22,647,914</u>	<u>21,796,958</u>
 TOTAL LIABILITIES	 <u>525,963,238</u>	 <u>480,925,765</u>
 DEFERRED INFLOWS		
Deferred Inflow for Pensions	4,036,389	-
Rate Stabilization	<u>48,000,000</u>	<u>48,000,000</u>
Total Deferred Inflows	<u>52,036,389</u>	<u>48,000,000</u>
 TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	 <u><u>\$1,417,752,819</u></u>	 <u><u>\$1,351,467,594</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
August 31, 2016 AND August 31, 2015

	August 2016	August 2015
OPERATING REVENUES		
Sales of Electric Energy	\$27,147,451	\$26,955,849
Other Operating Revenues	1,458,904	1,368,917
Click! Network Operating Revenues	2,189,543	2,155,108
Total Operating Revenue	30,795,898	30,479,874
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,567,219	2,097,328
Other Production Expense	421,416	325,981
Total Expense Power Produced	2,988,635	2,423,309
Purchased Power	10,645,331	10,914,139
Total Production Expense	13,633,966	13,337,448
Transmission Expense	2,773,485	1,972,125
Distribution Expense	2,786,328	2,125,264
Click! Network Commercial Operations Expense .	2,202,895	2,201,590
Customer Accounts Expense (CIS)	1,086,830	925,137
Conservation and Other Customer Assistance ...	1,128,940	864,457
Taxes	1,136,188	1,099,291
Depreciation	4,621,368	4,685,255
Administrative and General	2,022,232	3,536,084
Total Operating Expenses	31,392,232	30,746,651
OPERATING INCOME (LOSS)	(596,334)	(266,777)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	139,280	176,673
Contribution to Family Need	(40,000)	(40,000)
Other Net Non-Op Revenues and Deductions	64,824	206,058
Interest on Long-Term Debt	(1,623,496)	(1,646,882)
Amort. of Debt Related Costs	(25,294)	(14,988)
Interest Charged to Construction	306,056	315,311
Total Non-Operating Revenues (Expenses) ..	(1,178,630)	(1,003,828)
Net Income (Loss) Before Capital Contributions and Transfers	(1,774,964)	(1,270,605)
Capital Contributions		
Cash	797,739	760,203
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,258,762)	(1,932,512)
Transfers from (to) Other Funds	-	-
CHANGE IN NET POSITION	(2,906,434)	(2,113,361)
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - August 31		

YEAR TO DATE		2016 OVER (UNDER)	PERCENT CHANGE
August 31, 2016	August 31, 2015	2015	
\$254,268,000	\$248,816,627	\$5,451,373	2.2%
12,302,738	11,619,558	683,180	5.9%
17,745,246	18,163,184	(417,938)	-2.3%
<u>284,315,984</u>	<u>278,599,369</u>	<u>5,716,615</u>	2.1%
18,059,330	14,987,564	3,071,766	20.5%
3,478,309	2,801,323	676,986	24.2%
<u>21,537,639</u>	<u>17,788,887</u>	<u>3,748,752</u>	21.1%
84,729,180	86,975,117	(2,245,937)	-2.6%
<u>106,266,819</u>	<u>104,764,004</u>	<u>1,502,815</u>	1.4%
21,266,697	16,061,732	5,204,965	32.4%
21,799,125	16,534,558	5,264,567	31.8%
17,001,141	17,129,945	(128,804)	-0.8%
9,164,630	8,132,802	1,031,828	12.7%
8,028,607	7,254,809	773,798	10.7%
13,043,924	12,913,864	130,060	1.0%
37,031,305	38,718,059	(1,686,754)	-4.4%
15,572,047	30,352,411	(14,780,364)	-48.7%
<u>249,174,295</u>	<u>251,862,184</u>	<u>(2,687,889)</u>	-1.1%
<u>35,141,689</u>	<u>26,737,185</u>	<u>8,404,504</u>	31.4%
2,372,837	1,738,178	634,659	36.5%
(320,000)	(320,000)	-	0.0%
1,001,534	614,797	386,737	62.9%
(12,997,590)	(15,871,291)	2,873,701	-18.1%
(202,349)	(4,033,965)	3,831,616	-95.0%
<u>2,671,124</u>	<u>2,019,601</u>	<u>651,523</u>	32.3%
<u>(7,474,444)</u>	<u>(15,852,680)</u>	<u>8,378,236</u>	-52.9%
27,667,245	10,884,505	16,782,740	154.2%
3,900,063	3,399,530	500,533	14.7%
101,201	508,802	(407,601)	-80.1%
2,501,968	2,492,081	9,887	0.4%
(20,348,401)	(17,546,150)	(2,802,251)	16.0%
(2,181)	-	(2,181)	0.0%
<u>13,819,895</u>	<u>(261,232)</u>	<u>14,081,127</u>	-5390.3%
<u>825,933,297</u>	<u>822,803,061</u>	<u>3,130,236</u>	0.4%
<u>839,753,192</u>	<u>822,541,829</u>	<u>17,211,363</u>	

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	<u>For the month of</u> <u>August 2016</u>	<u>For the month of</u> <u>August 2015</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$10,313,210	\$9,471,229
Commercial	2,349,758	2,001,420
General	10,237,517	10,872,975
Contract Industrial	1,899,481	1,881,429
Public Street and Highway Lighting	109,573	108,850
Sales to Other Electric Utilities	23,375	23,314
Total Sales to Customers	<u>24,932,914</u>	<u>24,359,217</u>
Bulk Power Sales	2,214,537	2,596,632
Total Sales of Electric Energy	<u>27,147,451</u>	<u>26,955,849</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	208,270	105,690
Wheeling	826,720	812,440
Service Fees and Other	423,914	450,787
Telecommunications Revenue	2,189,543	2,155,108
Total Other Operating Revenues	<u>3,648,447</u>	<u>3,524,025</u>
 TOTAL OPERATING REVENUES	 <u><u>\$30,795,898</u></u>	 <u><u>\$30,479,874</u></u>
 BILLINGS (Number of Months Billed)		
Residential	170,075	149,259
Commercial	17,080	13,926
General	3,106	2,923
Contract Industrial	2	2
Public Streets and Highway Lighting	795	717
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 <u><u>191,059</u></u>	 <u><u>166,828</u></u>

YEAR TO DATE		2016 OVER (UNDER) 2015	PERCENT CHANGE
August 31, 2016	August 31, 2015		
\$107,299,231	\$102,825,772	\$4,473,459	4.4%
18,933,054	18,167,714	765,340	4.2%
77,852,122	77,808,081	44,041	0.1%
14,175,767	14,149,322	26,445	0.2%
957,714	956,869	845	0.1%
227,530	218,894	8,636	3.9%
219,445,418	214,126,652	5,318,766	2.5%
34,822,582	34,689,975	132,607	0.4%
254,268,000	248,816,627	5,451,373	2.2%
2,397,076	1,856,499	540,577	29.1%
6,611,432	6,514,398	97,034	1.5%
3,294,230	3,248,661	45,569	1.4%
17,745,246	18,163,184	(417,938)	-2.3%
30,047,984	29,782,742	265,242	0.9%
\$284,315,984	\$278,599,369	\$5,716,615	2.1%
1,267,561	1,242,449	25,112	2.0%
126,196	123,719	2,477	2.0%
21,393	21,745	(352)	-1.6%
16	16	-	0.0%
7,358	7,192	166	2.3%
8	8	-	0.0%
1,422,532	1,395,129	27,403	2.0%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	For the month of Aug 2016	For the month of Aug 2015
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	13,623,000	10,026,000
Generated - Alder	8,498,000	5,651,000
TOTAL NISQUALLY	22,121,000	15,677,000
Generated - Cushman No. 1	2,051,000	935,000
Generated - Cushman No. 2	2,888,000	1,164,000
TOTAL CUSHMAN	4,939,000	2,099,000
Generated - Mossyrock	50,060,000	51,797,000
Generated - Mayfield	28,602,000	28,958,000
TOTAL COWLITZ	78,662,000	80,755,000
Generated - Wynoochee	-	-
Generated - Hood Street	-	-
Tacoma's Share of Priest Rapids	1,924,000	2,230,000
Tacoma's Share of GCPHA	41,522,000	42,267,000
TOTAL KWH GENERATED - TACOMA SYSTEM	149,168,000	143,028,000
Purchased Power		
BPA Slice Contract	148,815,000	156,957,000
BPA Block Contract	105,947,000	111,435,000
Interchange Net	(41,554,000)	(44,707,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	362,376,000	366,713,000
Losses	3,322,461	3,416,540
Baldi Replacement	112,385	312,180
Ketron	15,307	15,784
NT PC Mutuals Schedules	(1,669,000)	(1,554,000)
PC Mutual Inadvertent	2,657,547	3,135,355
TACOMA SYSTEM FIRM LOAD	366,814,700	372,038,859
Maximum Kilowatts (System Firm Load)	635,789	649,378
Average Kilowatts (System Firm Load)	493,031	500,052
PIERCE COUNTY MUTUAL LOAD	98,665,000	97,718,000
KWH BILLED		
Residential Sales	114,859,876	107,214,066
Commercial Sales	26,542,697	22,940,914
General	169,411,473	182,827,978
Contract Industrial	45,887,820	44,900,702
Public Street and Highway Lighting	2,486,196	2,477,820
Sales to Other Electric Utilities	442,800	435,600
TOTAL FIRM	359,630,862	360,797,080
Bulk Power Sales	59,614,000	75,034,000
TOTAL KWH BILLED	419,244,862	435,834,080

YEAR TO DATE		2016 OVER (UNDER) 2015	PERCENT CHANGE
Aug 31 2016	Aug 31 2015		
247,192,000	208,740,000	38,452,000	18.4%
166,983,000	130,472,000	36,511,000	28.0%
<u>414,175,000</u>	<u>339,212,000</u>	<u>74,963,000</u>	22.1%
84,679,000	40,129,000	44,550,000	111.0%
141,999,000	55,232,000	86,767,000	157.1%
<u>226,678,000</u>	<u>95,361,000</u>	<u>131,317,000</u>	137.7%
824,885,000	576,821,000	248,064,000	43.0%
522,394,000	362,100,000	160,294,000	44.3%
<u>1,347,279,000</u>	<u>938,921,000</u>	<u>408,358,000</u>	43.5%
21,084,000	1,919,000	19,165,000	998.7%
1,940,800	1,303,500	637,300	48.9%
19,040,000	18,409,000	631,000	3.4%
<u>213,567,000</u>	<u>214,594,000</u>	<u>(1,027,000)</u>	-0.5%
2,243,763,800	1,609,719,500	634,044,300	39.4%
1,580,873,000	1,487,824,000	93,049,000	6.3%
1,018,013,000	1,070,749,000	(52,736,000)	-4.9%
<u>(1,694,965,000)</u>	<u>(1,031,433,000)</u>	<u>(663,532,000)</u>	-64.3%
3,147,684,800	3,136,859,500	10,825,300	0.3%
31,407,215	24,650,779	6,756,436	27.4%
1,371,050	1,686,826	(315,776)	-18.7%
153,593	174,920	(21,327)	-12.2%
<u>(18,535,000)</u>	<u>(17,889,000)</u>	<u>(646,000)</u>	-3.6%
3,232,222	3,488,016	(255,794)	-7.3%
<u>3,165,313,880</u>	<u>3,148,971,041</u>	<u>16,342,839</u>	0.5%
923,454,000	910,200,000	13,254,000	1.5%
1,273,994,386	1,223,237,676	50,756,710	4.1%
217,565,246	209,707,352	7,857,894	3.7%
1,315,680,316	1,327,111,668	(11,431,352)	-0.9%
307,624,530	336,017,955	(28,393,425)	-8.4%
21,718,777	22,226,992	(508,215)	-2.3%
4,144,500	4,193,100	(48,600)	-1.2%
<u>3,140,727,755</u>	<u>3,122,494,743</u>	<u>18,233,012</u>	0.6%
1,913,248,000	1,278,395,000	634,853,000	49.7%
<u>5,053,975,755</u>	<u>4,400,889,743</u>	<u>653,086,012</u>	14.8%

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

OPERATIONAL SUMMARY - AUGUST 31, 2016

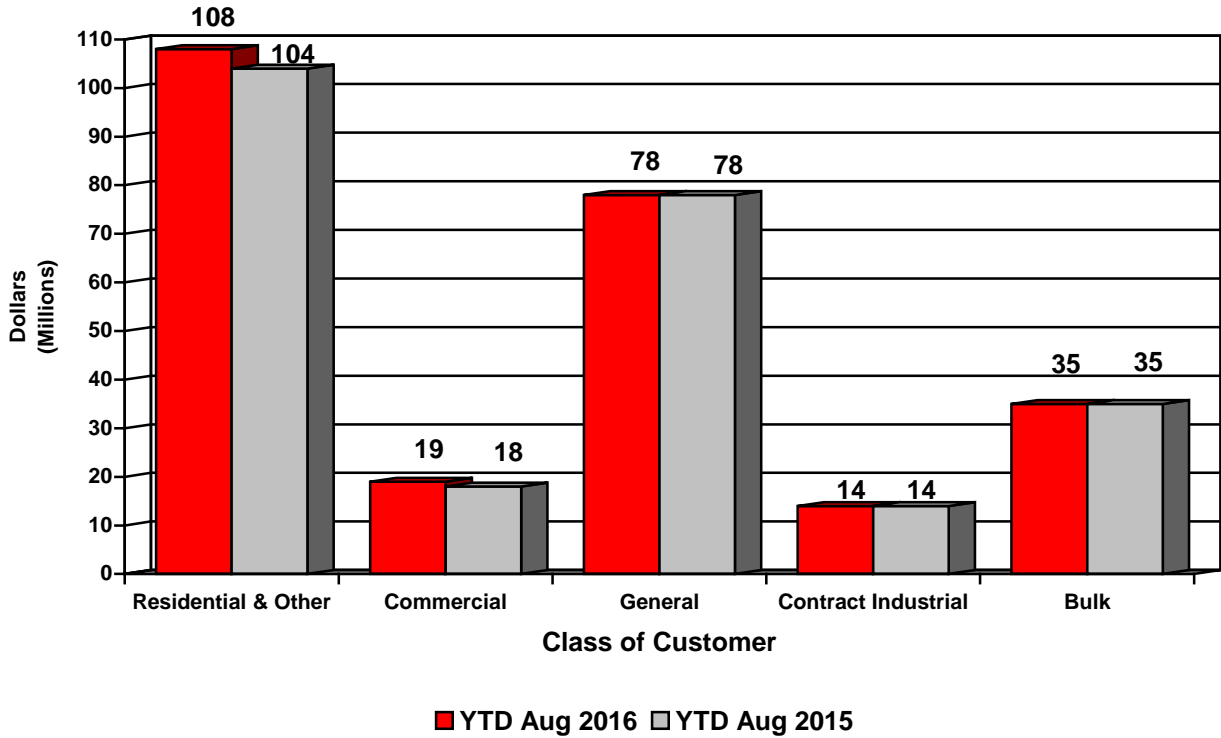
	<u>AUGUST 2016</u>	<u>AUGUST 2015</u>
TELECOMMUNICATIONS REVENUE		
CATV	\$1,483,784	\$1,516,819
Broadband	92,118	67,075
ISP	594,363	554,044
Interdepartmental	19,278	17,170
Total Operating Revenue	<u>2,189,543</u>	<u>2,155,108</u>
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	265,982	260,431
General Expense	51,076	55,264
Contract Services	1,204,851	1,263,527
IS & Intergovernmental Services	112,030	101,768
Fleet Services	858	397
Capitalized A & G Expense	(4,866)	(11,656)
Total Admin. & Sales Expense	<u>1,629,931</u>	<u>1,669,731</u>
Operations & Maintenance Expense ...		
Salaries & Wages Expense	456,877	455,603
General Expense	43,635	38,167
Contract Services	60,462	14,170
IS & Intergovernmental Services	3,770	3,723
Fleet Services	33,287	40,134
New Connect Capital	(25,067)	(19,938)
Total Oper. & Maint. Expense	<u>572,964</u>	<u>531,859</u>
Total Telecommunications Expense .	2,202,895	2,201,590
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	(13,352)	(46,482)
Taxes	305,111	298,356
Depreciation and Amortization	220,298	271,174
	<u>525,409</u>	<u>569,530</u>
NET OPERATING REVENUES (EXPENSES)	<u>(538,761)</u>	<u>(616,012)</u>

YEAR TO DATE			
AUGUST 31 2016	AUGUST 31 2015	2016/2015 VARIANCE	PERCENT CHANGE
\$12,077,293	\$12,946,450	(\$869,157)	-6.7%
776,774	754,712	22,062	2.9%
4,677,041	4,310,484	366,557	8.5%
214,138	151,538	62,600	41.3%
<u>17,745,246</u>	<u>18,163,184</u>	<u>(417,938)</u>	-2.3%
2,189,081	2,184,403	4,678	0.2%
421,073	333,826	87,247	26.1%
8,856,643	9,198,274	(341,631)	-3.7%
937,973	889,785	48,188	5.4%
2,845	3,505	(660)	-18.8%
(29,842)	(62,740)	32,898	52.4%
<u>12,377,773</u>	<u>12,547,053</u>	<u>(169,280)</u>	-1.3%
3,680,731	3,817,860	(137,129)	-3.6%
286,020	273,289	12,731	4.7%
443,753	245,854	197,899	80.5%
24,583	29,172	(4,589)	-15.7%
283,215	319,929	(36,714)	-11.5%
(94,934)	(103,212)	8,278	-8.0%
<u>4,623,368</u>	<u>4,582,892</u>	<u>40,476</u>	0.9%
17,001,141	17,129,945	(128,804)	-0.8%
744,105	1,033,239	(289,134)	-28.0%
2,441,193	2,483,984	(42,791)	-1.7%
1,796,140	2,548,799	(752,659)	-29.5%
<u>4,237,334</u>	<u>5,032,783</u>	<u>(795,449)</u>	
<u>(3,493,229)</u>	<u>(3,999,544)</u>	<u>506,315</u>	12.7%

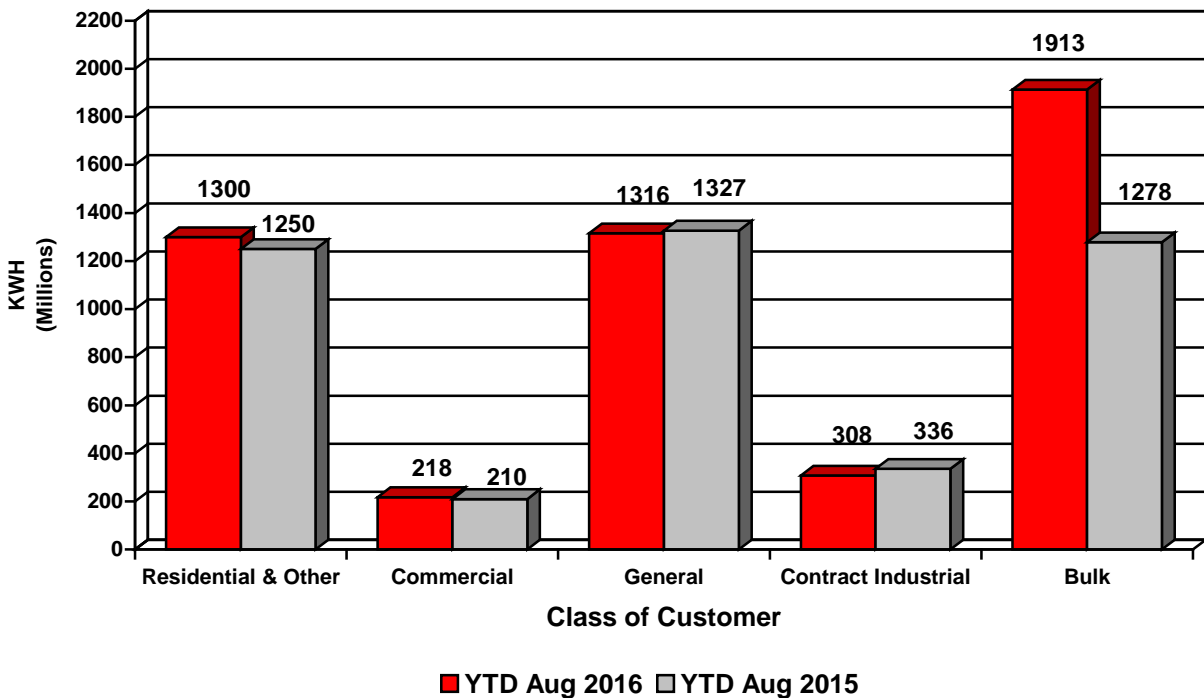
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Supplemental Data

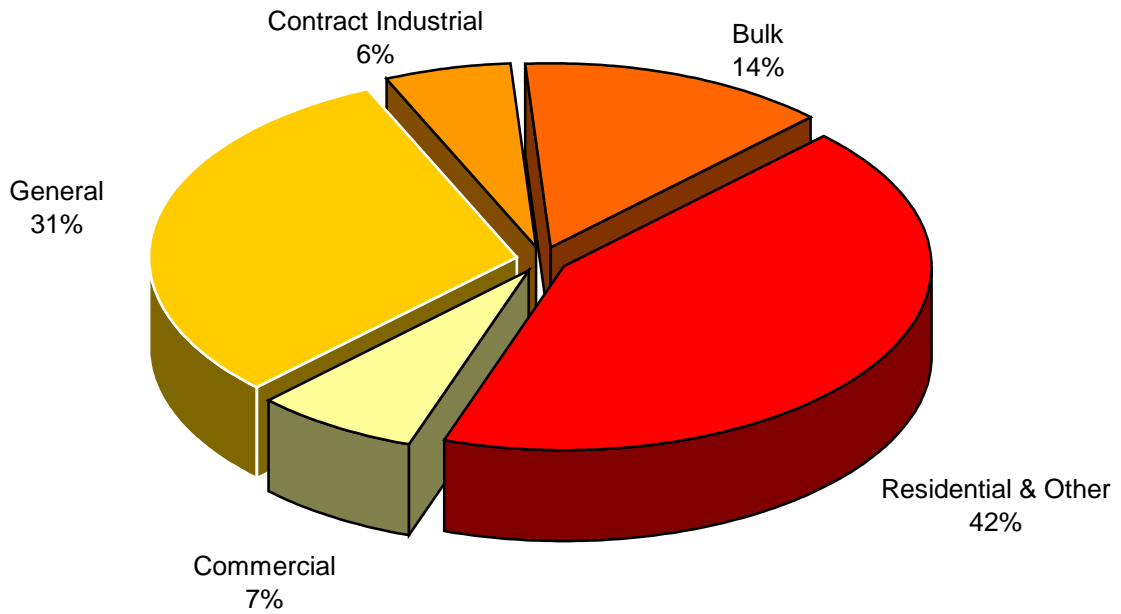
SALES OF ELECTRIC ENERGY
Year to Date - August 2016 & 2015



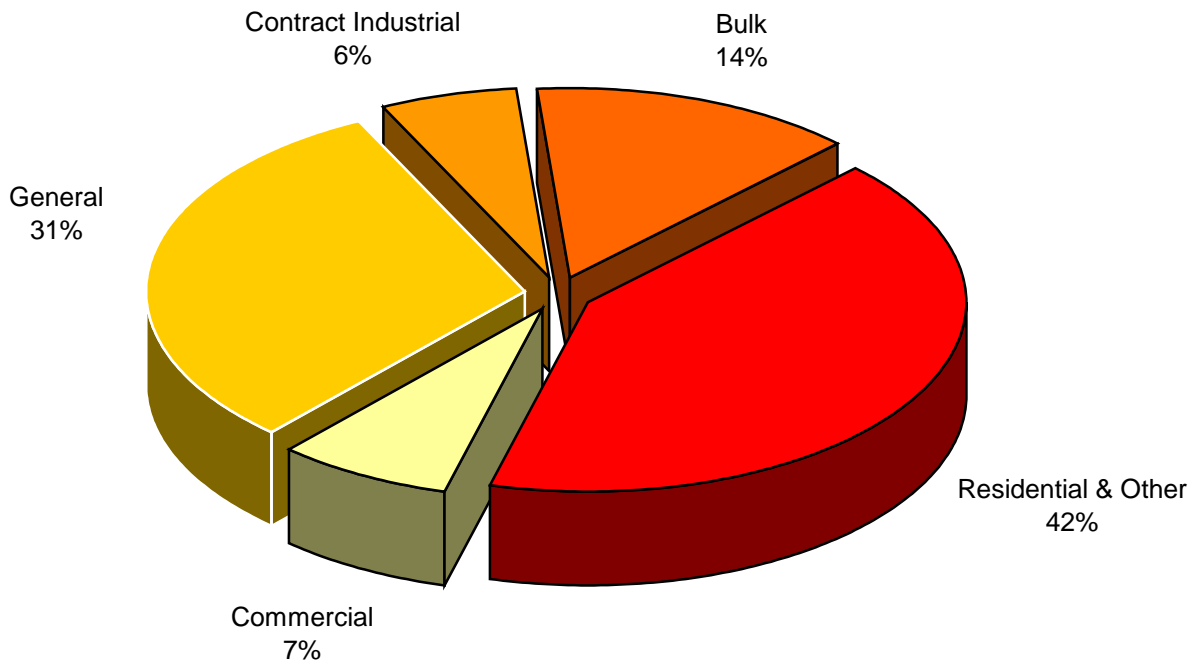
TOTAL POWER BILLED
Year to Date - August 2016 & 2015



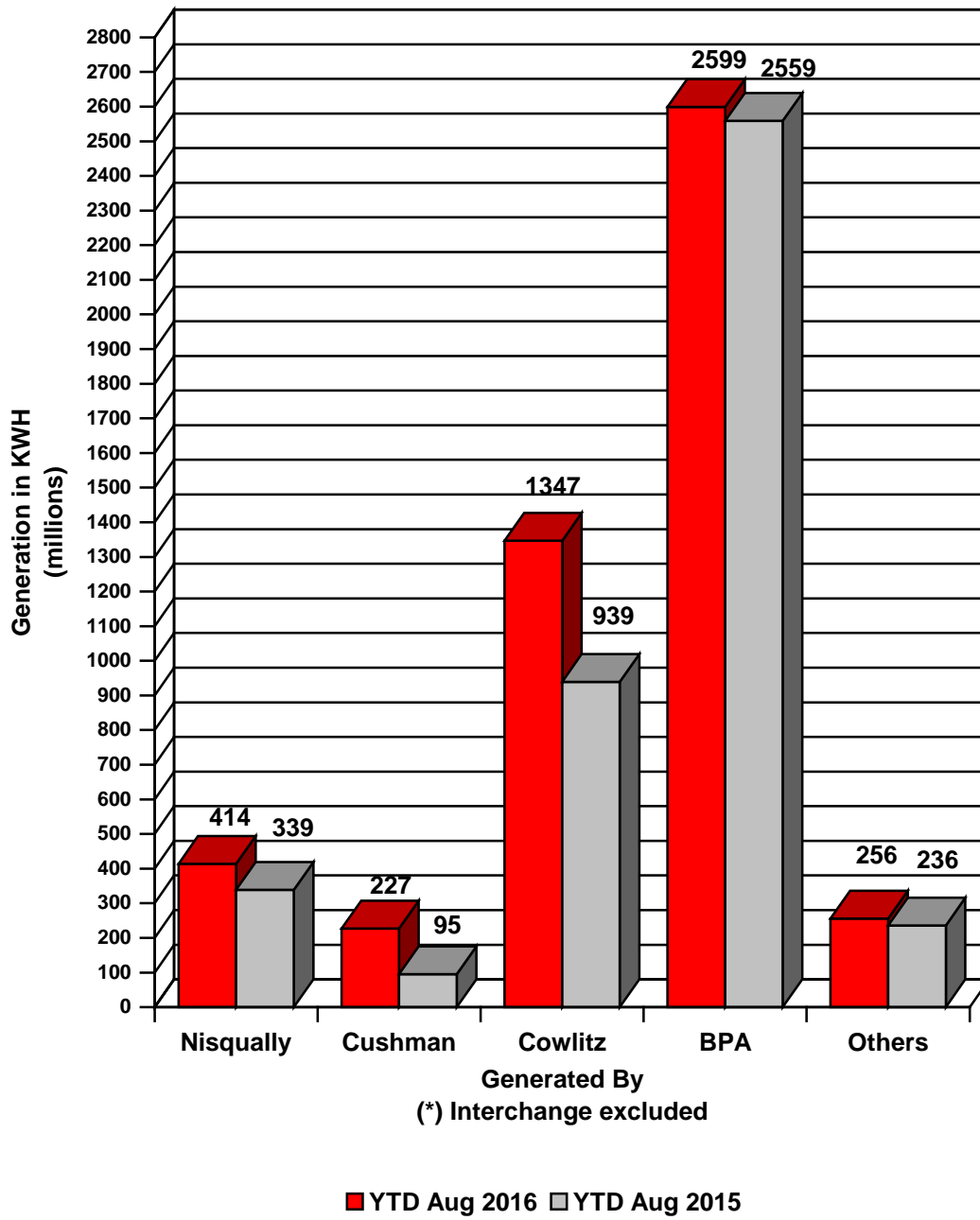
SALES OF ELECTRIC ENERGY
Year to Date - Aug 2016 (\$254,268,000)



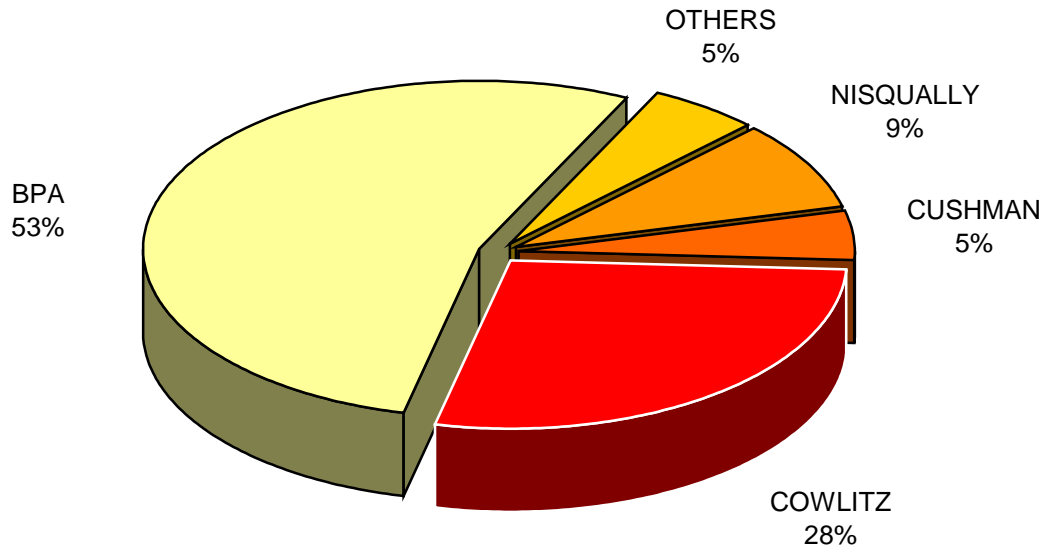
SALES OF ELECTRIC ENERGY
Year to Date - Aug 2015 (\$248,816,627)



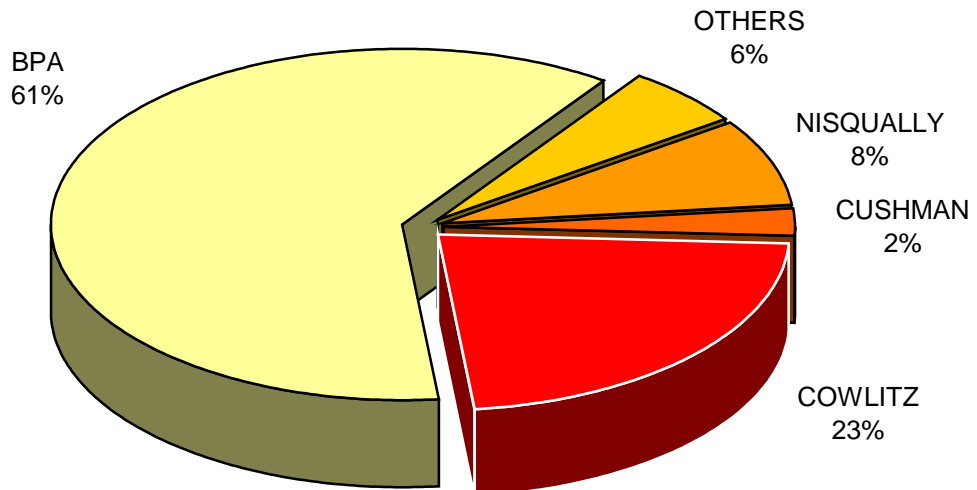
POWER SOURCES (*) Year to Date August 2016 & 2015



POWER SOURCES (*)
Year to Date - August 2016

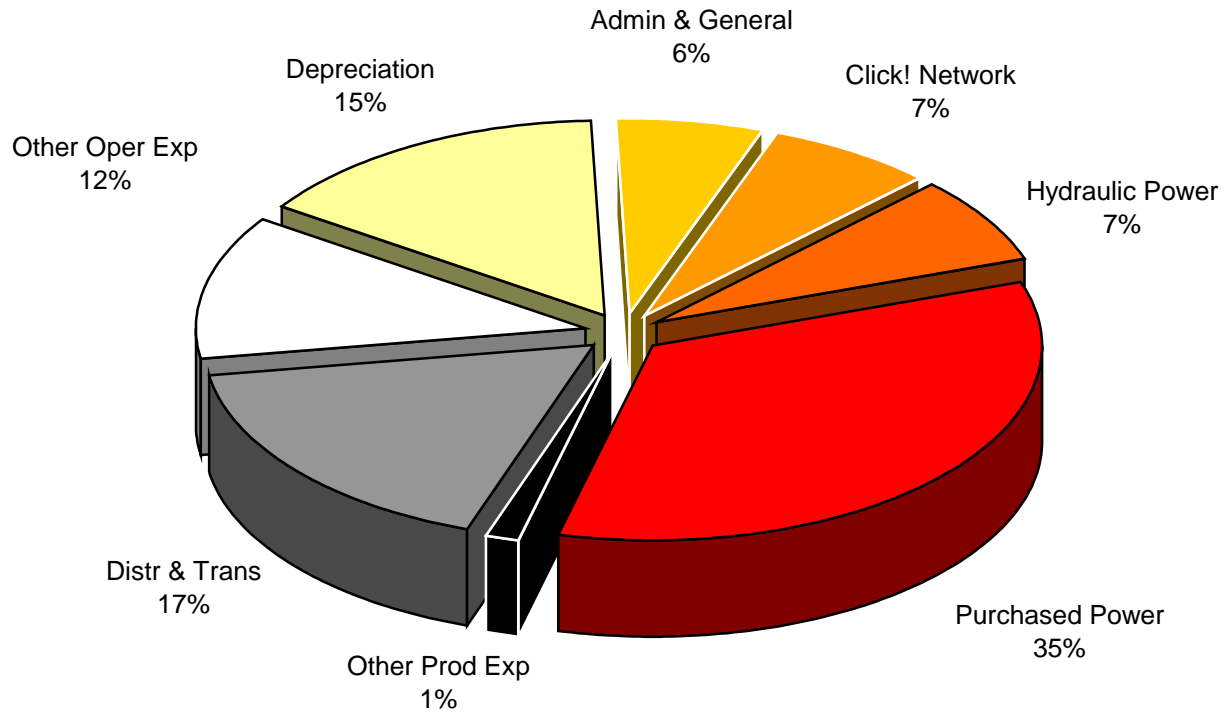


POWER SOURCES (*)
Year to Date - August 2015

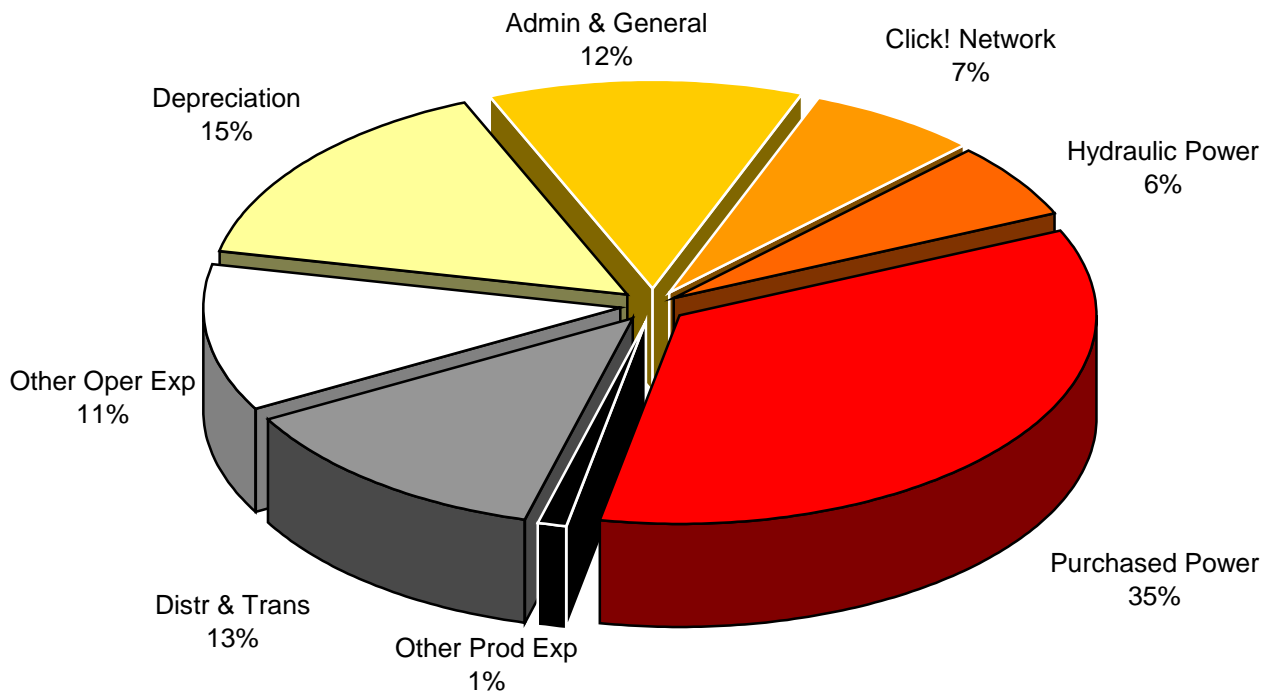


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - Aug 2016 (\$249,174,295)



TOTAL OPERATING EXPENSES *
Year to Date - Aug 2015 (\$251,862,184)



* 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.