

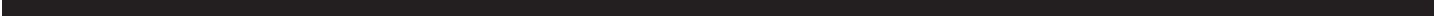
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**SEPTEMBER**

**TACOMA POWER**

**2013**

**FINANCIAL  
REPORT**





# Public Utility Board

DAVID NELSON  
Chair

WOODROW JONES  
Vice-Chair

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Secretary

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Director of Utilities/CEO

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Power Superintendent/COO

ANDREW CHERULLO  
Finance Director

DEPARTMENT OF PUBLIC UTILITIES  
CITY OF TACOMA



# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview of the Financial Statements

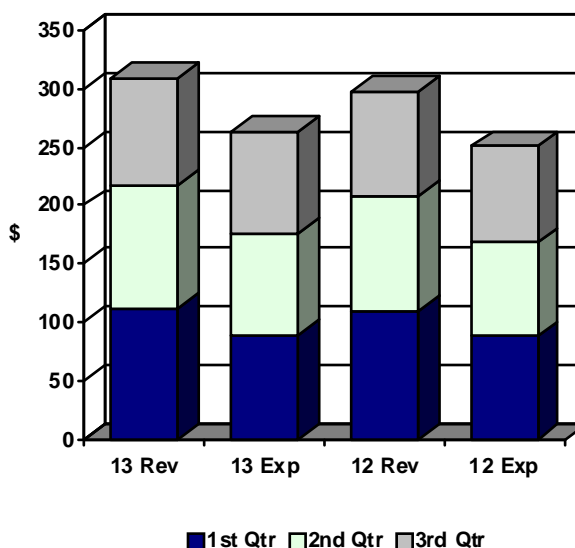
### Summary

Tacoma Power is reporting September year-to-date operating income of \$45.9 million, compared to \$46.2 million in 2012 representing a decrease of \$0.3 million (0.7%). Total operating revenues increased \$12.0 million (4.0%), while operating expenses increased \$12.3 million (4.9%). Tacoma Power ended the third quarter with net income of \$16.0 million compared to \$21.4 million a year earlier, a decrease of \$5.4 million.

### Revenues

Operating revenues were \$308.8 million at the end of the third quarter of 2013, compared to \$296.8 million in 2012, a increase of \$12.0 million (4.0%). Total electric energy sales increased \$10.4 million. Sales to retail customers increased \$8.9 million (4.1%). The customer category with the largest revenue increase was residential sales, up \$3.8 million (3.5%). Sales to general and commercial customers increased \$3.3 million (4.2%) and \$1.1 million (6.0%) respectively. Wholesale energy sales increased \$1.5 million (3.3%) primarily due to higher market prices. Prices increased 77%, resulting in an increase of \$14.2 million. This is offset by a decrease in volume reducing revenues by \$12.6 million.

OPERATING REVENUES & EXPENSES  
(in millions)



### Expenses

September year-to-date operating expenses in 2013 were \$262.9 million compared to \$250.6 million for the same period in 2012, an increase of \$12.3 million (4.9%).

Purchased power expense increased \$12.4 million (15.1%). BPA purchases increased \$3.6 million primarily due to timing of invoices for the Energy Conservation Agreement (ECA). Purchases from Priest Rapids decreased \$0.5 million due to true-ups of prior year costs. Purchases for the Renewable Energy Certificates (REC) contract increased \$0.5 million. Payments on this contract didn't begin until June of 2012. Other portfolio purchases are up \$8.8 million due to increased prices and as well as double the amount of megawatts purchased compared to the prior year.

Hydraulic power production expenses decreased \$1.6 million (11.4%). In 2012 there was a shift in focus from capital to maintenance work that typically occurs in the second year of the biennium. The focus has shifted back to capital in 2013.

Transmission expenses increased \$1.4 million (8.5%) due to transmission of electricity increasing \$0.4 million and load dispatch-reliability, planning, and standards development increasing \$0.4 million. Maintenance on transmission stations also saw an increase of \$0.5 million.

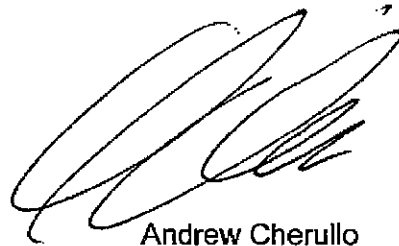
Distribution expenses decreased \$3.9 million (16.9%) primarily due to \$2.6 million in costs related to the January 2012 storm and decreased labor costs.

Conservation and other customer assistance expenses increased \$1.7 million (32.3%). Amortization of deferred conservation costs increased \$0.9 million. The remainder is primarily due to reclassifying administrative cost from deferred to expense.

Administration and general expenses increased \$2.9 million (10.5%) primarily due to increased labor costs.



William A. Gaines  
Director of Utilities/CEO



Andrew Cherullo  
Finance Director

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 - September 30, 2013 AND September 30, 2012

<b>ASSETS</b>	2013	2012 (As Restated)
<b>UTILITY PLANT</b>		
Electric Plant in Service .....	\$1,708,482,242	\$1,654,360,182
Less Depreciation and Amortization .....	(824,391,875)	(776,186,688)
Total .....	884,090,367	878,173,494
Construction Work in Progress .....	70,320,565	69,290,028
Net Utility Plant .....	954,410,932	947,463,522
<b>NON-UTILITY PROPERTY</b> .....	182,051	182,051
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
2002 T&D Major Project Fund .....	987,216	1,142,734
2004 Construction Fund .....	-	339,155
2005 Construction Fund .....	6,458,284	6,576,915
2010A Construction Fund .....	-	13,559
2010B Construction Fund .....	30,124,853	66,001,592
2010C Construction Fund .....	-	2,026,768
2013 Construction Fund .....	86,760,565	-
Provision for Debt Service .....	28,829,448	28,525,506
Special Bond Reserves .....	16,997,639	16,997,639
Wynoochee Reserve--State of Washington .....	2,492,982	2,466,283
Total Restricted Assets .....	172,650,987	124,090,151
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund .....	191,147,246	223,770,000
Customers' and Contractors' Deposits .....	2,850,275	2,906,124
Conservation Loan Fund .....	4,873,001	4,860,652
Rate Stabilization Fund .....	48,000,000	36,000,000
Receivables:		
Customers .....	13,990,387	14,155,438
Accrued Unbilled Revenue .....	27,765,060	23,149,258
Others .....	11,477,564	10,029,983
Provision for Uncollectibles .....	(2,845,085)	(2,770,139)
Materials and Supplies .....	6,795,705	7,337,990
Prepayments and Other .....	3,489,382	2,595,917
Total Current Assets .....	307,543,535	322,035,223
<b>OTHER ASSETS</b>		
Conservation Loan Fund Receivables .....	1,336,169	1,584,006
Total Assets .....	1,436,123,674	1,395,354,953
<b>Deferred Outflows</b>		
Regulatory Asset - Conservation .....	36,940,578	28,673,971
Unamortized Loss on Refunding Bonds .....	17,444,296	7,257,154
Total Deferred Outflows .....	54,384,874	35,931,125
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b> .....	\$1,490,508,548	\$1,431,286,078

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



<b>NET POSITION AND LIABILITIES</b>	2013	2012 (As Restated)
<b>NET POSITION</b>		
Net Investment in Capital Assets .....	\$653,089,838	\$495,225,636
Restricted for:		
Wynoochee Reserve - State of Washington .....	2,492,982	2,466,283
Debt Service .....	21,221,249	21,588,750
Unrestricted .....	118,404,548	265,106,205
TOTAL NET POSITION .....	<u>795,208,617</u>	<u>784,386,874</u>
 <b>LONG-TERM DEBT</b>		
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 ....	<u>25,559,341</u>	<u>3,180,551</u>
Net Bonded Indebtedness .....	<u>565,609,341</u>	<u>533,830,551</u>
 <b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable .....	2,037,777	1,676,239
Taxes and Other Payables .....	8,933,568	9,136,753
Purchases and Transmission of Power Accrued .....	11,022,552	9,709,161
Interest Payable .....	7,608,199	6,936,756
Customers' Deposits .....	2,767,564	2,839,592
Current Portion of Long-Term Debt .....	28,295,000	28,785,000
Current Accrued Compensated Absences .....	966,845	935,763
Total Current Liabilities .....	<u>61,631,505</u>	<u>60,019,264</u>
 <b>LONG TERM LIABILITIES</b>		
Long Term Accrued Compensated Absences .....	8,701,604	8,421,869
Other Long Term Liabilities .....	11,357,481	8,627,520
Total Long Term Liabilities .....	<u>20,059,085</u>	<u>17,049,389</u>
TOTAL LIABILITIES .....	<u>647,299,931</u>	<u>610,899,204</u>
 <b>DEFERRED INFLOWS</b>		
Rate Stabilization .....	<u>48,000,000</u>	<u>36,000,000</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$1,490,508,548</u></u>	<u><u>\$1,431,286,078</u></u>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
September 30, 2013 AND September 30, 2012

	For the month of September 2013	For the month of September 2012 (As Restated)
<b>OPERATING REVENUES</b>		
Sales of Electric Energy .....	\$25,447,139	\$23,367,637
Other Operating Revenues .....	1,252,312	1,232,870
Click! Network Operating Revenues .....	2,206,314	2,021,322
Total Operating Revenue .....	28,905,765	26,621,829
<b>OPERATING EXPENSES</b>		
Production Expense		
Hydraulic Power Production .....	2,232,843	1,902,389
Other Production Expense .....	294,521	247,338
Total Expense Power Produced .....	2,527,364	2,149,727
Purchased Power .....	9,730,496	7,568,107
Total Production Expense .....	12,257,860	9,717,834
Transmission Expense .....	2,023,320	1,798,718
Distribution Expense .....	2,009,721	2,290,760
Click! Network Commercial Operations Expense .	1,538,675	1,820,534
Customer Accounts Expense (CIS) .....	947,764	836,766
Conservation and Other Customer Assistance ...	786,043	729,128
Taxes .....	1,807,524	1,530,998
Depreciation .....	4,695,050	4,766,896
Administrative and General .....	3,413,554	2,548,844
Total Operating Expenses .....	29,479,511	26,040,478
<b>OPERATING INCOME (LOSS) .....</b>	<b>(573,746)</b>	<b>581,351</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	212,839	421,656
Contribution to Family Need .....	(75,000)	(37,500)
Other Net Non-Op Revenues and Deductions .....	39,233	49,084
Interest on Long-Term Debt .....	(2,279,072)	(2,312,252)
Amort. of Debt Related Costs .....	(284,829)	16,329
Interest Charged to Construction .....	431,294	310,660
Total Non-Operating Revenues (Expenses) ..	(1,955,535)	(1,552,023)
Net Income (Loss) Before Capital Contributions and Transfers .....	(2,529,281)	(970,672)
Capital Contributions		
Cash .....	539,463	170,273
Donated Fixed Assets .....	-	-
Grants .....	-	98,484
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax .....	(1,548,169)	(1,562,270)
Transfers from (to) Other Funds .....	(7,000)	-
<b>CHANGE IN NET POSITION .....</b>	<b>(\$3,215,434)</b>	<b>(\$1,934,634)</b>
TOTAL NET POSITION - January 1 .....		
TOTAL NET POSITION - September 30 .....		

YEAR TO DATE		2013	
September 30, 2013	September 30, 2012 (As Restated)	OVER (UNDER) 2012	PERCENT CHANGE
\$276,368,338	\$265,922,265	\$10,446,073	3.9%
13,071,004	12,504,386	566,618	4.5%
19,383,846	18,403,700	980,146	5.3%
<u>308,823,188</u>	<u>296,830,351</u>	<u>11,992,837</u>	4.0%
12,706,008	14,338,050	(1,632,042)	-11.4%
2,696,732	2,443,626	253,106	10.4%
<u>15,402,740</u>	<u>16,781,676</u>	<u>(1,378,936)</u>	-8.2%
95,038,786	82,605,763	12,433,023	15.1%
<u>110,441,526</u>	<u>99,387,439</u>	<u>11,054,087</u>	11.1%
18,392,438	16,948,325	1,444,113	8.5%
19,310,605	23,239,379	(3,928,774)	-16.9%
14,262,399	13,878,988	383,411	2.8%
7,150,025	7,870,779	(720,754)	-9.2%
6,853,568	5,178,952	1,674,616	32.3%
14,095,292	13,118,670	976,622	7.4%
42,222,679	43,670,814	(1,448,135)	-3.3%
30,192,160	27,331,945	2,860,215	10.5%
<u>262,920,692</u>	<u>250,625,291</u>	<u>12,295,401</u>	4.9%
45,902,496	46,205,060	(302,564)	-0.7%
928,515	2,579,914	(1,651,399)	-64.0%
(675,000)	(337,500)	(337,500)	100.0%
(538,659)	723,261	(1,261,920)	-174.5%
(19,751,955)	(20,810,256)	1,058,301	-5.1%
(660,952)	146,969	(807,921)	-549.7%
2,805,162	3,464,463	(659,301)	-19.0%
<u>(17,892,889)</u>	<u>(14,233,149)</u>	<u>(3,659,740)</u>	-25.7%
28,009,607	31,971,911	(3,962,304)	-12.4%
4,165,826	3,583,829	581,997	16.2%
141,649	58,220	83,429	143.3%
-	295,452	(295,452)	-100.0%
2,793,952	2,965,979	(172,027)	-5.8%
(18,967,386)	(18,335,290)	(632,096)	3.4%
<u>(141,512)</u>	<u>902,261</u>	<u>(1,043,773)</u>	-115.7%
16,002,132	21,442,357	(5,440,225)	-25.4%
<u>779,206,485</u>	<u>762,944,507</u>	<u>16,261,978</u>	2.1%
<u>\$795,208,617</u>	<u>\$784,386,864</u>	<u>\$10,821,753</u>	1.4%

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

CITY OF TACOMA, WASHINGTON

TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS  
September 30, 2013 AND September 30, 2012

	<u>For the month of September 2013</u>	<u>For the month of September 2012</u>
<b>OPERATING REVENUE</b>		
Sales of Electric Energy		
Residential .....	\$8,792,859	\$7,781,362
Commercial .....	1,971,779	1,642,463
General .....	8,856,269	8,313,871
Contract Industrial .....	1,739,743	1,660,868
Public Street and Highway Lighting .....	101,130	166,977
Sales to Other Electric Utilities .....	21,118	19,454
Total Sales to Customers .....	<u>21,482,898</u>	<u>19,584,995</u>
Bulk Power Sales .....	<u>3,964,241</u>	<u>3,782,642</u>
Total Sales of Electric Energy .....	<u>25,447,139</u>	<u>23,367,637</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	93,347	97,953
Wheeling .....	789,590	703,067
Service Fees and Other .....	369,375	431,850
Telecommunications Revenue .....	2,206,314	2,021,322
Total Other Operating Revenues .....	<u>3,458,626</u>	<u>3,254,192</u>
 TOTAL OPERATING REVENUES .....	 <u>\$28,905,765</u>	 <u>\$26,621,829</u>
 <b>BILLINGS (Number of Months Billed)</b>		
Residential .....	149,965	139,748
Commercial .....	15,717	14,721
General .....	2,594	2,569
Contract Industrial .....	2	2
Public Streets and Highway Lighting .....	1,127	1,047
Sales to Other Utilities .....	1	1
 TOTAL BILLINGS .....	 <u>169,406</u>	 <u>158,088</u>

YEAR TO DATE		2013 OVER (UNDER) 2012	PERCENT CHANGE
September 30, 2013	September 30, 2012		
\$112,014,652	\$108,240,868	\$3,773,784	3.5%
18,906,043	17,834,124	1,071,919	6.0%
81,582,103	78,266,839	3,315,264	4.2%
14,965,263	14,275,223	690,040	4.8%
1,002,792	963,862	38,930	4.0%
232,402	219,986	12,416	5.6%
<u>228,703,255</u>	<u>219,800,902</u>	<u>8,902,353</u>	4.1%
<u>47,665,083</u>	<u>46,121,363</u>	<u>1,543,720</u>	3.3%
<u>276,368,338</u>	<u>265,922,265</u>	<u>10,446,073</u>	3.9%
2,231,939	2,298,033	(66,094)	-2.9%
7,364,329	6,653,802	710,527	10.7%
3,474,736	3,552,551	(77,815)	-2.2%
19,383,846	18,403,700	980,146	5.3%
<u>32,454,850</u>	<u>30,908,086</u>	<u>1,546,764</u>	5.0%
<u>\$308,823,188</u>	<u>\$296,830,351</u>	<u>\$11,992,837</u>	4.0%
1,377,052	1,359,956	17,096	1.3%
138,555	137,280	1,275	0.9%
24,687	25,124	(437)	-1.7%
18	18	-	0.0%
8,203	8,001	202	2.5%
9	9	-	0.0%
<u>1,548,524</u>	<u>1,530,388</u>	<u>18,136</u>	1.2%

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER

GROSS GENERATION REPORT - September 30, 2013 AND September 30, 2012

	<u>For the month of September 2013</u>	<u>For the month of September 2012</u>
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande .....	13,411,600	20,801,000
Generated - Alder .....	13,331,000	13,374,000
TOTAL NISQUALLY .....	<u>26,742,600</u>	<u>34,175,000</u>
Generated - Cushman No. 1 .....	12,018,000	13,027,000
Generated - Cushman No. 2 .....	17,915,000	19,797,000
TOTAL CUSHMAN .....	<u>29,933,000</u>	<u>32,824,000</u>
Generated - Mossyrook .....	51,628,000	67,788,000
Generated - Mayfield .....	34,210,000	36,772,000
TOTAL COWLITZ .....	<u>85,838,000</u>	<u>104,560,000</u>
Generated - Wynoochee .....	<u>2,156,000</u>	<u>1,648,000</u>
Generated - Hood Street .....	<u>357,400</u>	<u>307,700</u>
Grant Net Actual .....	<u>(318,000)</u>	<u>-</u>
Tacoma's Share of Priest Rapids .....	<u>1,879,000</u>	<u>2,307,000</u>
Tacoma's Share of GCPHA .....	<u>25,865,000</u>	<u>27,812,000</u>
TOTAL KWH GENERATED - TACOMA SYSTEM .....	172,453,000	203,633,700
Purchased Power		
BPA Slice Contract .....	128,402,000	150,401,000
BPA Block Contract .....	114,656,000	112,384,000
Interchange Net .....	(63,958,000)	(131,571,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	<u>351,553,000</u>	<u>334,847,700</u>
Losses .....	2,101,933	2,326,909
Baldi Replacement .....	21,237	10,781
Ketron .....	15,526	15,729
NT PC Mutuals Schedules .....	(2,388)	(1,801,000)
PC Mutual Inadvertent .....	345,098	(71,388)
TACOMA SYSTEM FIRM LOAD .....	<u>354,034,406</u>	<u>335,328,731</u>
Maximum Kilowatts (System Firm Load) .....	653,397	586,029
Average Kilowatts (System Firm Load) .....	491,714	466,051
PIERCE COUNTY MUTUAL LOAD .....	94,907,000	92,461,000
KWH BILLED		
Residential Sales .....	106,845,024	98,034,343
Commercial Sales .....	23,934,123	20,663,360
General .....	160,067,719	155,989,023
Contract Industrial .....	56,754,153	44,976,960
Public Street and Highway Lighting .....	2,435,715	4,167,959
Sales to Other Electric Utilities .....	430,200	403,200
TOTAL FIRM .....	<u>350,466,934</u>	<u>324,234,845</u>
Bulk Power Sales .....	109,570,000	143,382,000
TOTAL KWH BILLED .....	<u>460,036,934</u>	<u>467,616,845</u>

YEAR TO DATE		2013 OVER (UNDER)	PERCENT CHANGE
September 30 2013	September 30 2012	2012	
246,057,800	317,163,400	(71,105,600)	-22.4%
157,602,000	206,612,000	(49,010,000)	-23.7%
<u>403,659,800</u>	<u>523,775,400</u>	<u>(120,115,600)</u>	-22.9%
63,493,000	54,671,000	8,822,000	16.1%
90,325,000	66,287,000	24,038,000	36.3%
<u>153,818,000</u>	<u>120,958,000</u>	<u>32,860,000</u>	27.2%
711,199,000	1,030,219,000	(319,020,000)	-31.0%
482,501,000	657,381,000	(174,880,000)	-26.6%
<u>1,193,700,000</u>	<u>1,687,600,000</u>	<u>(493,900,000)</u>	-29.3%
<u>17,787,000</u>	<u>21,527,000</u>	<u>(3,740,000)</u>	-17.4%
<u>3,115,700</u>	<u>3,271,700</u>	<u>(156,000)</u>	-4.8%
<u>(3,117,000)</u>	<u>(124,000)</u>	<u>(2,993,000)</u>	0.0%
<u>27,573,000</u>	<u>29,054,000</u>	<u>(1,481,000)</u>	-5.1%
<u>241,172,000</u>	<u>240,704,000</u>	<u>468,000</u>	0.2%
2,037,708,500	2,626,766,100	(589,057,600)	-22.4%
1,708,464,000	2,067,616,000	(359,152,000)	-17.4%
1,170,484,000	1,147,375,000	23,109,000	2.0%
<u>(1,302,824,000)</u>	<u>(2,215,547,000)</u>	<u>912,723,000</u>	41.2%
<u>3,613,832,500</u>	<u>3,626,210,100</u>	<u>(12,377,600)</u>	-0.3%
29,225,362	28,623,573	601,789	2.1%
349,857	1,276,051	(926,194)	-72.6%
202,487	238,851	(36,364)	-15.2%
<u>(22,465,388)</u>	<u>(19,778,000)</u>	<u>(2,687,388)</u>	13.6%
7,591,688	5,010,989	2,580,699	51.5%
<u>3,630,336,506</u>	<u>3,641,581,564</u>	<u>(11,245,058)</u>	-0.3%
1,049,677,000	1,109,291,000	(59,614,000)	-5.4%
1,440,672,002	1,470,022,872	(29,350,870)	-2.0%
236,317,768	234,665,594	1,652,174	0.7%
1,505,254,731	1,516,000,832	(10,746,101)	-0.7%
390,882,285	384,859,451	6,022,834	1.6%
24,613,325	24,751,142	(137,817)	-0.6%
<u>4,871,000</u>	<u>4,786,200</u>	<u>84,800</u>	1.8%
<u>3,602,611,111</u>	<u>3,635,086,091</u>	<u>(32,474,980)</u>	-0.9%
<u>1,791,679,000</u>	<u>2,466,135,000</u>	<u>(674,456,000)</u>	-27.3%
<u>5,394,290,111</u>	<u>6,101,221,091</u>	<u>(706,930,980)</u>	-11.6%

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER

STATEMENTS OF CASH FLOWS

	YEAR TO DATE	
	September 30, 2013	September 30, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash from Customers .....	\$317,302,090	\$303,244,849
Cash Paid to Suppliers .....	(151,426,243)	(143,703,244)
Cash Paid to Employees .....	(71,639,082)	(70,388,518)
Taxes Paid .....	(15,018,014)	(13,968,690)
Conservation Loans .....	159,207	36,623
Net Cash from Operating Activities .....	<u>\$79,377,958</u>	<u>75,221,020</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer Out for Gross Earnings Tax .....	(18,967,386)	(18,335,290)
Transfer to Fleet Services Fund .....	(141,512)	902,261
Transfer to Family Need Fund .....	(675,000)	(337,500)
Net Cash from Non-Capital Financing Activities ..	<u>(19,783,898)</u>	<u>(17,770,529)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Expenditures .....	(39,545,377)	(42,699,989)
Proceeds from Issuance of Long-Term Debt .....	217,230,000	
Debt Issuance Costs .....	(1,128,356)	
Principal Payments on Long-Term Debt .....	(28,785,000)	(27,290,000)
Payments for Early Extinguishment of Debt .....	(176,862,835)	
Premium on Sale of Bonds .....	25,028,879	
Interest Paid .....	(25,657,345)	(28,465,501)
BABs and CREBs Interest Subsidies .....	2,793,952	2,965,979
Capital Grants Received .....	-	295,452
Contributions in Aid of Construction .....	4,165,826	3,642,050
Other Deferred Credits .....	(842,403)	(926,791)
Net Cash from Capital and Related Financing Activities .....	<u>(23,602,659)</u>	<u>(92,478,800)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received .....	928,515	2,579,914
Other Net Non-Op Revenues and Deductions .....	589,697	723,261
Net Cash from Investing Activities .....	<u>1,518,212</u>	<u>3,303,175</u>
Net Increase (Decrease) in Cash and		
Equity in Pooled Investments .....	\$37,509,613	(\$31,725,134)
Cash and Equity in Pooled Investments at January 1 ..	382,011,896	423,352,061
Cash and Equity in Pooled Investments at September 30	<u>\$419,521,509</u>	<u>\$391,626,927</u>

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



CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER

STATEMENTS OF CASH FLOWS

	September 30, 2013	September 30, 2012
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:</b>		
Net Operating Income .....	\$45,902,496	\$46,205,060
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation .....	42,222,679	43,670,814
Cash provided from changes in operating assets and liabilities:		
Accounts Receivable and Unbilled Revenue .....	8,478,898	6,414,498
Conservation Loans Receivable .....	159,207	36,623
Interfund Receivables .....	3,411,754	1,054,723
Inventory, Materials and Supplies, and Other ....	(253,841)	(289,541)
Taxes and Other Payables .....	(9,851,902)	(9,800,230)
Purchased Power Payable .....	(667,027)	(4,011,260)
Salaries and Wages Payable .....	(1,480,373)	(1,525,311)
Accrued Compensated Absences .....	-	(66,279)
Customers' Deposits .....	(69,356)	(130,201)
Conservation Assets .....	(4,499,315)	(5,188,849)
Interfund Payables .....	(3,975,262)	(1,149,027)
Total Adjustments .....	33,475,462	29,015,959
Net Cash from Operating Activities .....	79,377,958	75,221,020
 Reconciliation of Cash and Equity in Pooled Investments to Balance Sheet:		
Cash and Equity in Pooled Investments in Special Funds .....	\$172,650,987	\$124,090,151
Cash and Equity in Pooled Investments in Operating Funds.....	246,870,522	267,536,776
Cash and Equity in Pooled Investments at September 30 .....	\$419,521,509	\$391,626,927

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

OPERATIONAL SUMMARY - SEPTEMBER 30, 2013

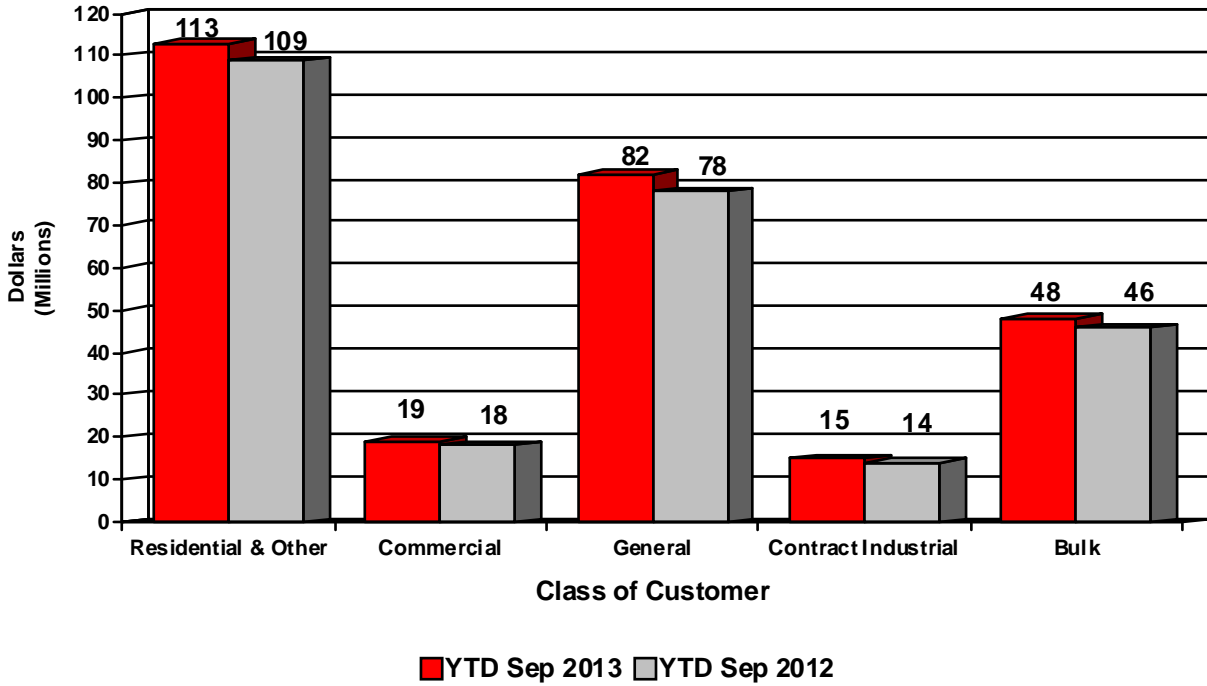
	<u>SEPTEMBER</u> 2013	<u>SEPTEMBER</u> 2012
<b>TELECOMMUNICATIONS REVENUE</b>		
CATV .....	\$1,635,362	\$1,479,967
Broadband .....	101,167	111,890
ISP .....	452,736	419,710
Interdepartmental .....	17,049	9,755
Total Operating Revenue .....	<u>2,206,314</u>	<u>2,021,322</u>
 <b>TELECOMMUNICATIONS EXPENSE-COMMERCIAL</b>		
Administration & Sales Expense .....		
Salaries & Wages Expense .....	230,660	218,723
General Expense .....	106,083	47,820
Contract Services .....	938,678	1,290,169
IS & Intergovernmental Services .....	55,293	53,906
Fleet Services .....	1,184	999
Capitalized A & G Expense .....	(4,769)	(12,803)
Total Admin. & Sales Expense .....	<u>1,327,129</u>	<u>1,598,814</u>
 Operations & Maintenance Expense ...		
Salaries & Wages Expense .....	198,471	205,846
General Expense .....	11,913	12,169
Contract Services .....	20,548	9,450
IS & Intergovernmental Services .....	2,138	2,581
Fleet Services .....	9,570	10,459
New Connect Capital .....	(31,094)	(18,785)
Total Oper. & Maint. Expense .....	<u>211,546</u>	<u>221,720</u>
 Total Telecommunications Expense .	1,538,675	1,820,534
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization ....	667,639	200,788
 Taxes .....	315,827	292,024
Depreciation and Amortization .....	<u>436,154</u>	<u>489,404</u>
 NET OPERATING REVENUES (EXPENSES) ....	<u><u>(84,342)</u></u>	<u><u>(580,640)</u></u>

YEAR TO DATE			
SEPTEMBER 30 2013	SEPTEMBER 30 2012	2013/2012 VARIANCE	PERCENT CHANGE
\$14,344,681	\$13,591,083	\$753,598	5.5%
855,255	1,041,292	(186,037)	-17.9%
4,005,417	3,680,789	324,628	8.8%
178,493	90,536	87,957	97.2%
<u>19,383,846</u>	<u>18,403,700</u>	<u>980,146</u>	5.3%
2,193,248	2,092,924	100,324	4.8%
456,306	361,007	95,299	26.4%
9,059,590	9,008,954	50,636	0.6%
431,548	454,710	(23,162)	-5.1%
10,111	4,425	5,686	128.5%
(94,671)	(189,915)	95,244	-50.2%
<u>12,056,132</u>	<u>11,732,105</u>	<u>324,027</u>	2.8%
1,845,341	1,893,704	(48,363)	-2.6%
134,706	123,870	10,836	8.7%
150,673	152,863	(2,190)	-1.4%
20,278	21,609	(1,331)	-6.2%
109,255	106,912	2,343	2.2%
(53,986)	(152,075)	98,089	-64.5%
<u>2,206,267</u>	<u>2,146,883</u>	<u>59,384</u>	2.8%
14,262,399	13,878,988	383,411	2.8%
5,121,447	4,524,712	596,735	13.2%
2,880,302	2,686,082	194,220	7.2%
<u>3,900,585</u>	<u>4,400,029</u>	<u>(499,444)</u>	-11.4%
<u>(1,659,440)</u>	<u>(2,561,399)</u>	<u>901,959</u>	-35.2%

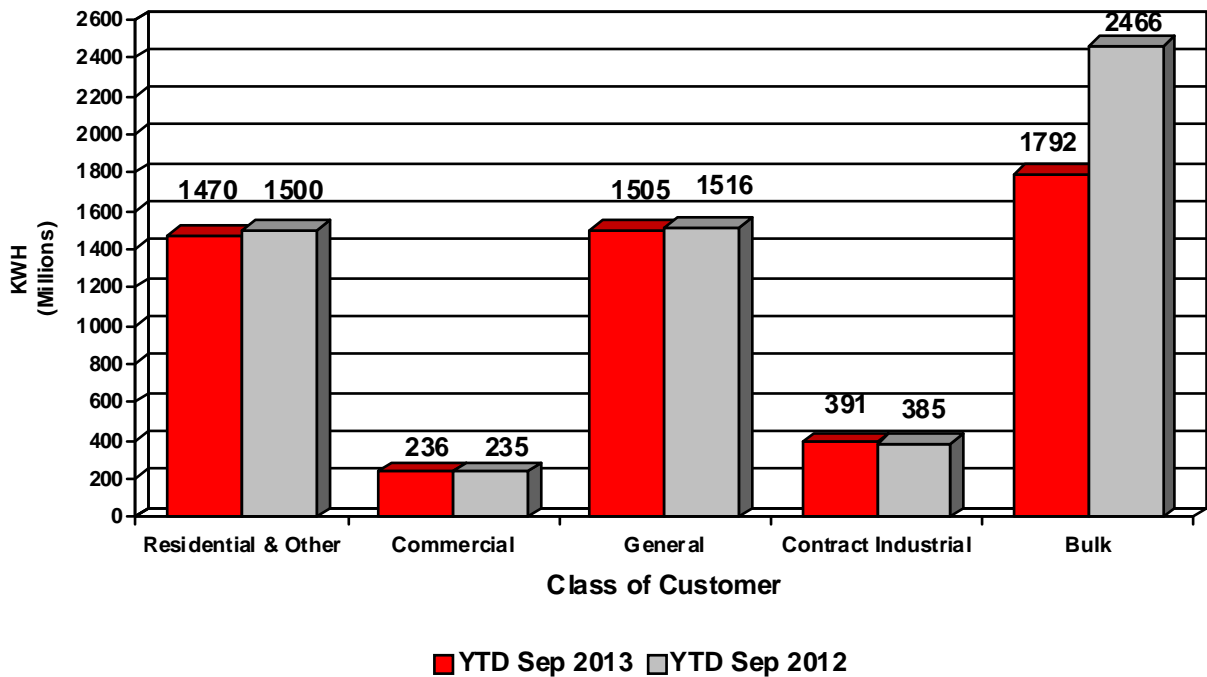
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# Supplemental Data

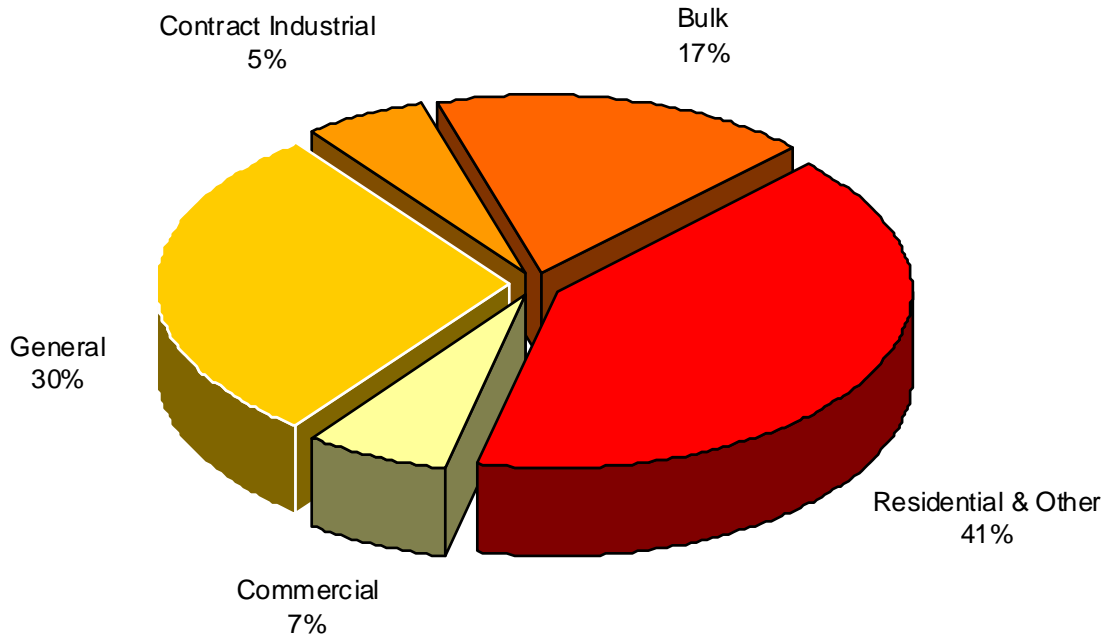
**SALES OF ELECTRIC ENERGY**  
**Year to Date - September 2013 & 2012**



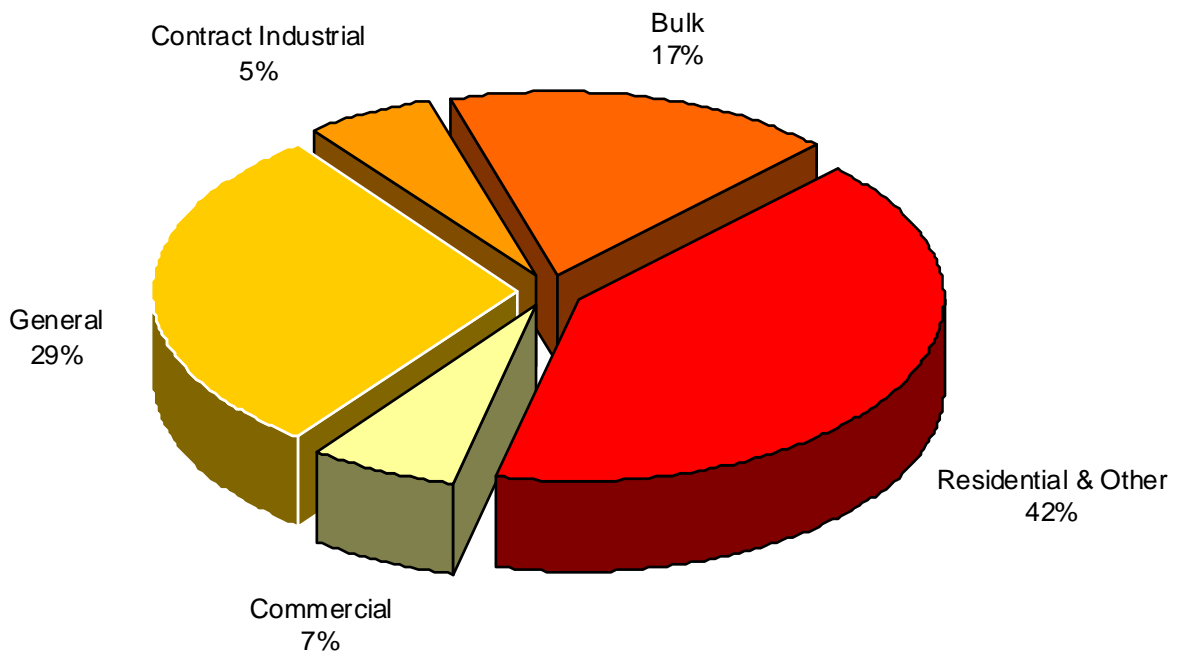
**TOTAL POWER BILLED**  
**Year to Date - September 2013 & 2012**



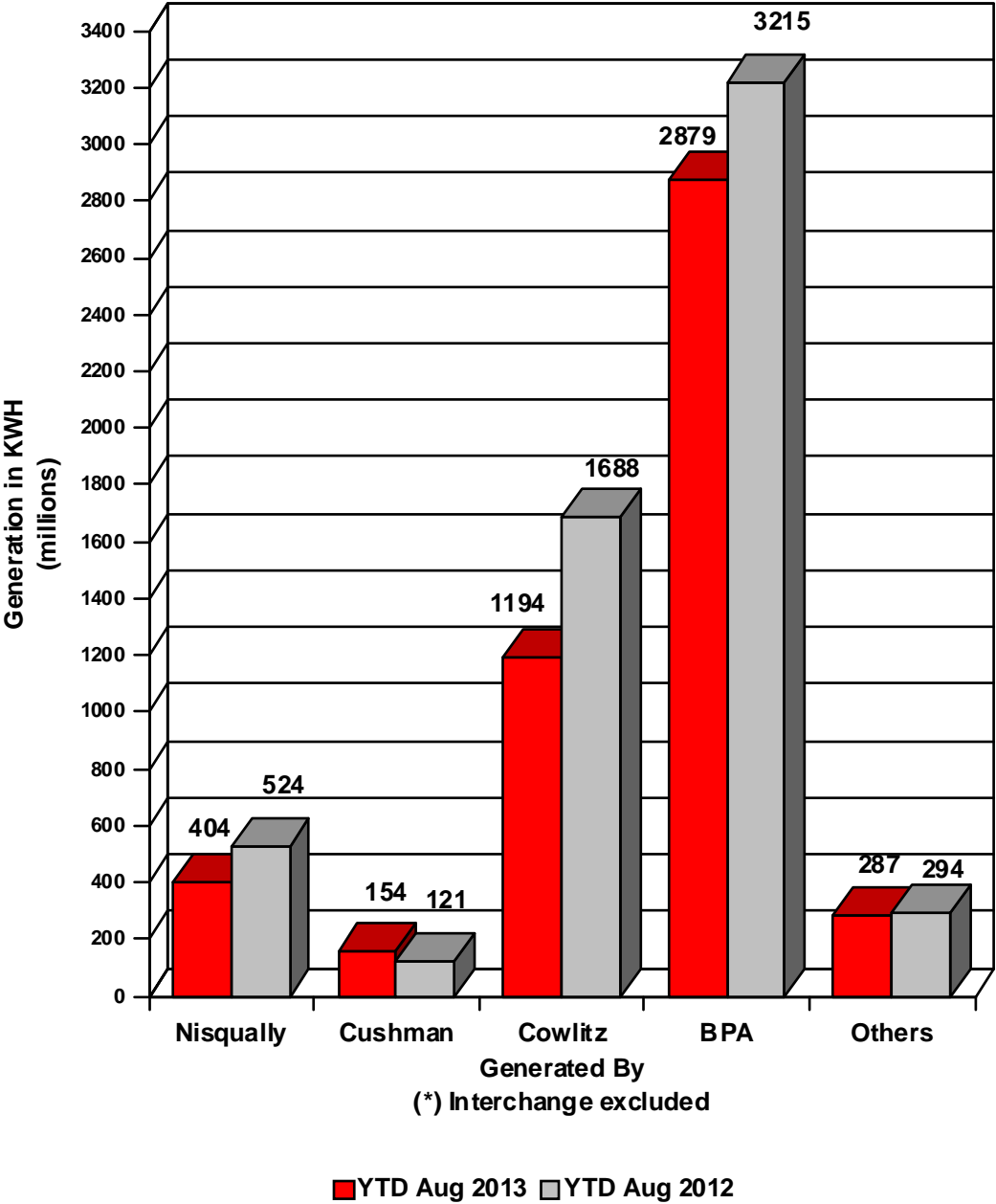
**SALES OF ELECTRIC ENERGY**  
**Year to Date - September 2013 (\$276,368,338)**



**SALES OF ELECTRIC ENERGY**  
**Year to Date - September 2012 (\$265,922,265)**

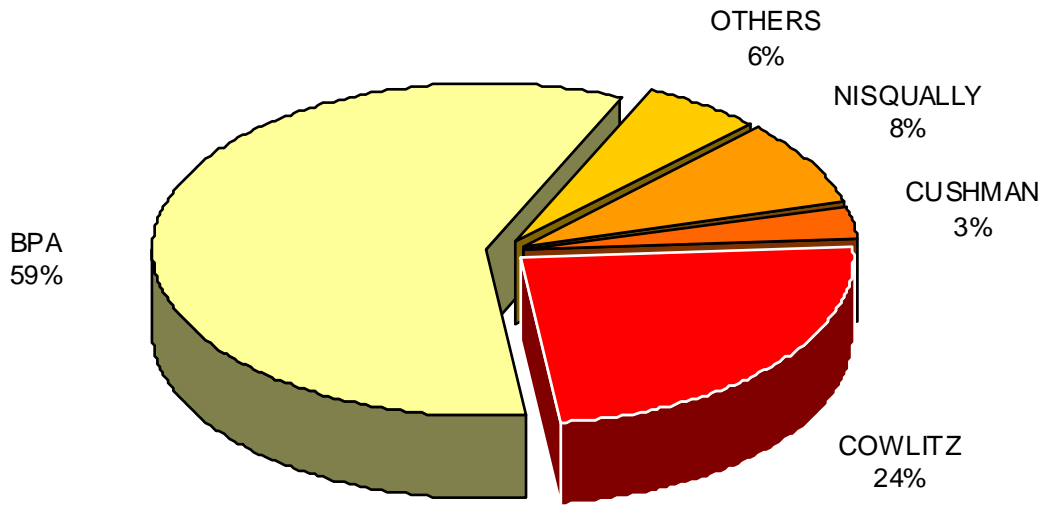


**POWER SOURCES (\*)**  
**Year to Date September 2013 & 2012**

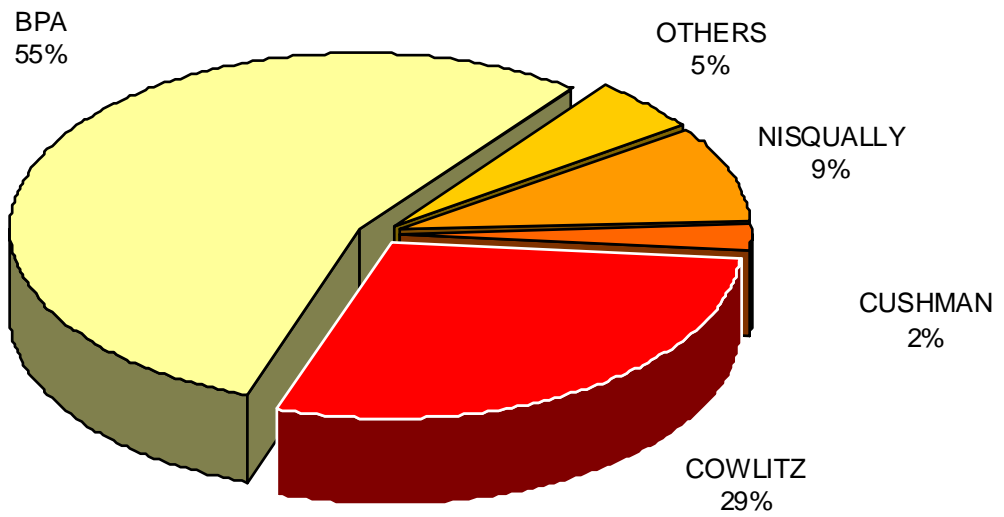




**POWER SOURCES (\*)**  
**Year to Date - September 2013**

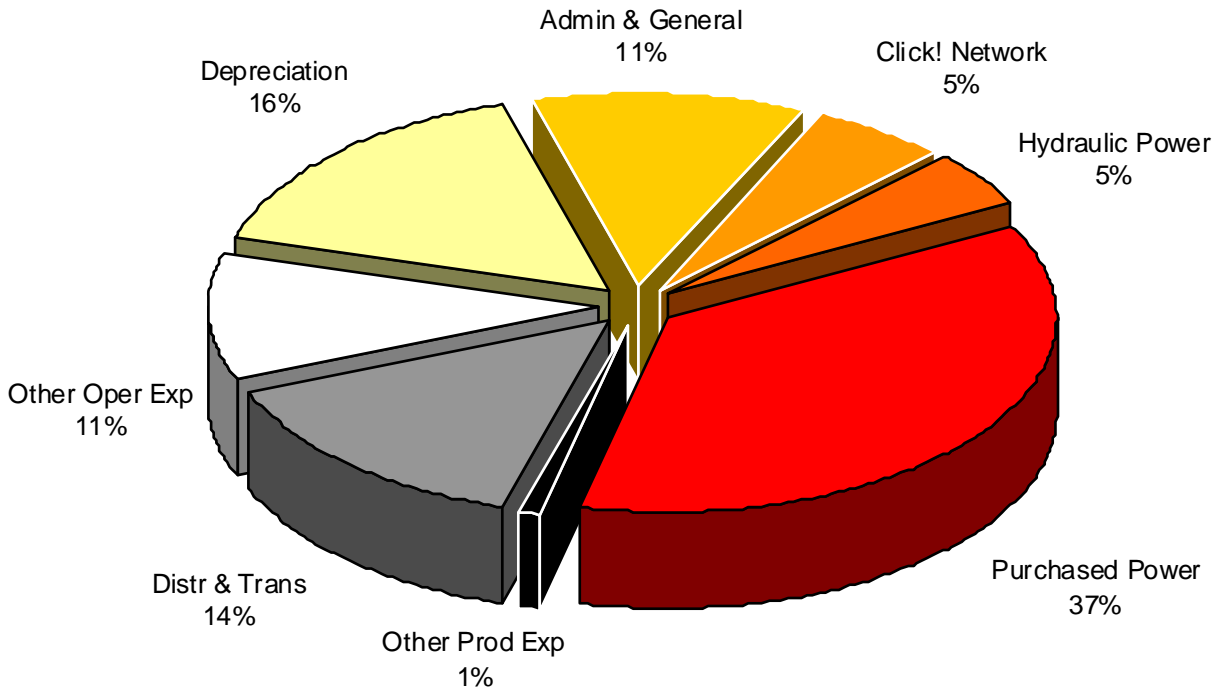


**POWER SOURCES (\*)**  
**Year to Date - September 2012**

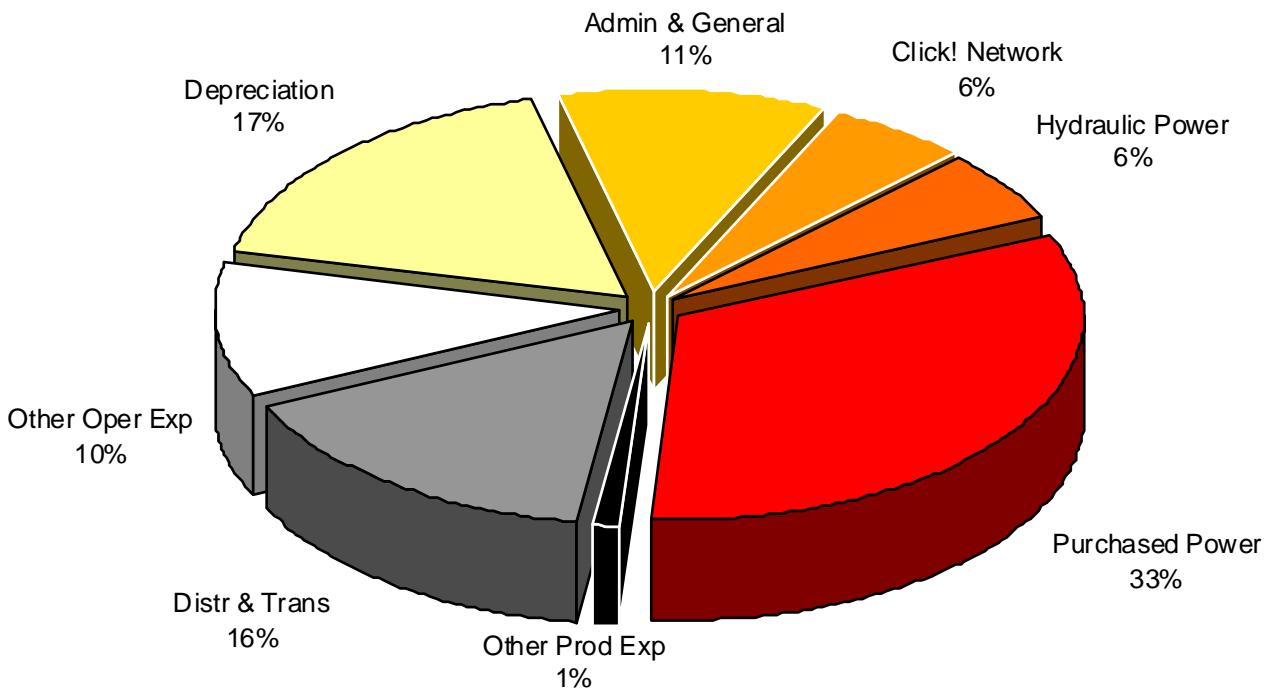


(\*) Interchange excluded

**TOTAL OPERATING EXPENSES \***  
**Year to Date - September 2013 (\$262,920,692)**



**TOTAL OPERATING EXPENSES \***  
**Year to Date - September 2012 (\$250,625,291)**



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



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