
MAY

TACOMA POWER

2014

**FINANCIAL
REPORT**



Public Utility Board

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Chair

WOODROW JONES

Vice-Chair

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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

TABLE OF CONTENTS

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.

STATEMENTS OF NET POSITION	2 - 3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	4 - 5
SUMMARY OF REVENUES AND BILLINGS	6 - 7
GROSS GENERATION REPORT	8 - 9
CLICK! NETWORK OPERATIONAL SUMMARY	10 - 11
SUPPLEMENTAL DATA	13 - 18

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

STATEMENTS OF NET POSITION - May 31, 2014 AND May 31, 2013

ASSETS	<u>2014</u>	<u>2013</u>
UTILITY PLANT		
Electric Plant in Service	\$1,780,023,442	\$1,695,354,264
Less Depreciation and Amortization	(861,634,830)	(806,932,610)
Total	<u>918,388,612</u>	<u>888,421,654</u>
Construction Work in Progress	37,379,667	63,315,120
Net Utility Plant	<u>955,768,279</u>	<u>951,736,774</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	894,626	1,092,633
2005 Construction Fund	-	5,618,387
2010B Construction Fund	21,093,254	40,026,314
2013 Construction Fund	73,808,204	-
Provision for Debt Service	24,475,579	21,909,369
Special Bond Reserves	16,997,639	16,997,639
Wynoochee Reserve--State of Washington	2,507,514	2,485,795
Total Restricted Assets	<u>139,776,816</u>	<u>88,130,137</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	226,929,882	184,971,390
Customers' and Contractors' Deposits	2,870,525	2,832,909
Conservation Loan Fund	4,897,400	4,842,950
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	20,158,889	18,969,306
Accrued Unbilled Revenue	29,416,868	27,765,060
Others	16,745,596	14,426,844
Provision for Uncollectibles	(2,709,801)	(2,380,849)
Materials and Supplies	6,518,938	6,657,333
Prepayments and Other	3,944,551	3,653,028
Total Current Assets	<u>356,772,848</u>	<u>309,737,971</u>
OTHER ASSETS		
Regulatory Asset - Conservation	39,988,969	34,738,180
Conservation Loan Fund Receivables	1,323,095	1,404,918
Total Other Assets	<u>41,312,064</u>	<u>36,143,098</u>
 Total Assets	 <u>1,493,812,058</u>	 <u>1,385,930,031</u>
DEFERRED OUTFLOWS		
Unamortized Loss on Refunding Bonds	<u>11,091,746</u>	<u>9,396,715</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 <u>\$1,504,903,804</u>	 <u>\$1,395,326,746</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	\$522,044,951	\$532,683,376
Restricted for:		
Wynoochee Reserve - State of Washington	2,507,514	2,485,795
Debt Service	13,381,242	11,762,143
Unrestricted	292,040,152	253,380,366
TOTAL NET POSITION	<u>829,973,858</u>	<u>800,311,682</u>
LONG-TERM DEBT		
2004 Electric System Revenue Bonds	-	44,605,000
2005 Electric System Revenue Bonds, Series A	130,000	92,830,000
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	-
2013B Electric System Rev & Refunding Bonds	35,620,000	-
Total Bonded Indebtedness	<u>507,935,000</u>	<u>460,125,000</u>
Less: Unamortized Bond Premiums	23,966,909	2,000,919
Net Bonded Indebtedness	<u>531,901,909</u>	<u>462,125,919</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	3,506,076	3,303,886
Taxes and Other Payables	10,900,281	10,228,348
Purchases and Transmission of Power Accrued	11,043,935	9,096,386
Interest Payable	11,094,337	10,147,224
Customers' Deposits	2,848,059	2,796,305
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>72,534,187</u>	<u>64,833,994</u>
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,238,488	8,701,604
Other Long Term Liabilities	13,255,362	11,353,547
Total Long Term Liabilities	<u>22,493,850</u>	<u>20,055,151</u>
TOTAL LIABILITIES	<u>626,929,946</u>	<u>547,015,064</u>
DEFERRED INFLOWS		
Rate Stabilization	<u>48,000,000</u>	<u>48,000,000</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,504,903,804</u>	<u>\$1,395,326,746</u>

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

	May 2014	May 2013
OPERATING REVENUES		
Sales of Electric Energy	\$36,491,014	\$32,191,813
Other Operating Revenues	1,478,441	1,652,205
Click! Network Operating Revenues	2,144,641	2,201,364
Total Operating Revenue	40,114,096	36,045,382
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	1,655,444	902,029
Other Production Expense	350,937	308,854
Total Expense Power Produced	2,006,381	1,210,883
Purchased Power	9,234,741	8,421,566
Total Production Expense	11,241,122	9,632,449
Transmission Expense	1,814,937	2,031,807
Distribution Expense	1,792,821	1,926,682
Click! Network Commercial Operations Expense .	1,738,753	911,228
Customer Accounts Expense (CIS)	941,471	801,945
Conservation and Other Customer Assistance ...	860,311	735,534
Taxes	1,571,247	1,645,586
Depreciation	4,916,270	4,713,703
Administrative and General	4,356,922	3,296,842
Total Operating Expenses	29,233,854	25,695,776
OPERATING INCOME (LOSS)	10,880,242	10,349,606
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	(104,824)	313,397
Contribution to Family Need	(75,000)	(75,000)
Other Net Non-Op Revenues and Deductions	114,716	(21,388)
Interest on Long-Term Debt	(2,218,868)	(2,127,136)
Amort. of Debt Related Costs	(245,810)	76,992
Interest Charged to Construction	137,006	173,575
Total Non-Operating Revenues (Expenses) ..	(2,392,780)	(1,659,560)
Net Income (Loss) Before Capital Contributions and Transfers	8,487,462	8,690,046
Capital Contributions		
Cash	512,417	294,040
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,457,896)	(2,315,843)
Transfers from (to) Other Funds	-	14,299
CHANGE IN NET POSITION	\$6,871,536	\$7,012,095
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - May 31		

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
May 31 2014	May 31 2013	2013	
\$186,743,027	\$167,144,012	\$19,599,015	11.7%
7,189,473	7,552,851	(363,378)	-4.8%
11,073,323	10,587,849	485,474	4.6%
<u>205,005,823</u>	<u>185,284,712</u>	<u>19,721,111</u>	10.6%
5,657,363	5,052,639	604,724	12.0%
1,608,043	1,474,132	133,911	9.1%
<u>7,265,406</u>	<u>6,526,771</u>	<u>738,635</u>	11.3%
55,458,458	55,686,230	(227,772)	-0.4%
<u>62,723,864</u>	<u>62,213,001</u>	<u>510,863</u>	0.8%
9,959,864	10,166,228	(206,364)	-2.0%
10,828,541	10,780,729	47,812	0.4%
8,092,850	7,695,708	397,142	5.2%
4,579,310	3,765,127	814,183	21.6%
4,288,259	3,687,209	601,050	16.3%
8,273,946	8,016,118	257,828	3.2%
24,620,588	23,421,253	1,199,335	5.1%
18,583,724	16,330,728	2,252,996	13.8%
<u>151,950,946</u>	<u>146,076,101</u>	<u>5,874,845</u>	4.0%
<u>53,054,877</u>	<u>39,208,611</u>	<u>13,846,266</u>	35.3%
1,026,292	(223,750)	1,250,042	558.7%
(375,000)	(375,000)	-	0.0%
(2,087,861)	451,561	(2,539,422)	-562.4%
(11,094,337)	(10,635,671)	(458,666)	4.3%
(1,229,037)	(96,466)	(1,132,571)	1174.1%
544,369	994,057	(449,688)	-45.2%
<u>(13,215,574)</u>	<u>(9,885,269)</u>	<u>(3,330,305)</u>	-33.7%
39,839,303	29,323,342	10,515,961	35.9%
1,889,216	1,565,802	323,414	20.7%
13,029	40,754	(27,725)	-68.0%
1,647,766	1,647,766	-	0.0%
(12,494,116)	(11,352,254)	(1,141,862)	10.1%
-	(120,213)	120,213	-100.0%
<u>30,895,198</u>	<u>21,105,197</u>	<u>9,790,001</u>	46.4%
799,078,660	779,206,485	19,872,175	2.6%
<u>\$829,973,858</u>	<u>\$800,311,682</u>	<u>\$29,662,176</u>	3.7%

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

CITY OF TACOMA, WASHINGTON

TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS

May 31, 2014 AND May 31, 2013

	For the month of May 2014	For the month of May 2013
	<u> </u>	<u> </u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$12,133,530	\$11,722,089
Commercial	2,352,102	2,215,017
General	9,549,983	9,661,175
Contract Industrial	2,405,862	1,595,501
Public Street and Highway Lighting	162,027	177,061
Sales to Other Electric Utilities	24,628	24,988
Total Sales to Customers	<u>26,628,132</u>	<u>25,395,831</u>
Bulk Power Sales	9,862,882	6,795,982
Total Sales of Electric Energy	<u>36,491,014</u>	<u>32,191,813</u>
 Other Operating Revenue		
Rentals and Leases from Elect. Property ...	432,638	467,088
Wheeling	651,849	789,308
Service Fees and Other	393,954	395,809
Telecommunications Revenue	2,144,641	2,201,364
Total Other Operating Revenues	<u>3,623,082</u>	<u>3,853,569</u>
 TOTAL OPERATING REVENUES	<u><u>\$40,114,096</u></u>	<u><u>\$36,045,382</u></u>
 BILLINGS (Number of Months Billed)		
Residential	161,980	160,020
Commercial	17,179	17,597
General	2,970	3,077
Contract Industrial	2	2
Public Streets and Highway Lighting	1,106	1,091
Sales to Other Utilities	<u>1</u>	<u>1</u>
 TOTAL BILLINGS	<u><u>183,238</u></u>	<u><u>181,788</u></u>

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
May 31, 2014	May 31, 2013	2013	
\$78,188,049	\$75,505,603	\$2,682,446	3.6%
12,138,579	11,278,356	860,223	7.6%
48,515,210	46,101,992	2,413,218	5.2%
9,106,679	7,970,737	1,135,942	14.3%
818,220	529,650	288,570	54.5%
160,410	149,209	11,201	7.5%
<u>148,927,147</u>	<u>141,535,547</u>	<u>7,391,600</u>	<u>5.2%</u>
<u>37,815,880</u>	<u>25,608,465</u>	<u>12,207,415</u>	<u>47.7%</u>
<u>186,743,027</u>	<u>167,144,012</u>	<u>19,599,015</u>	<u>11.7%</u>
1,315,996	1,342,308	(26,312)	-2.0%
3,909,139	4,235,529	(326,390)	-7.7%
1,964,338	1,975,014	(10,676)	-0.5%
11,073,323	10,587,849	485,474	4.6%
<u>18,262,796</u>	<u>18,140,700</u>	<u>122,096</u>	<u>0.7%</u>
<u>\$205,005,823</u>	<u>\$185,284,712</u>	<u>\$19,721,111</u>	<u>10.6%</u>
775,165	770,627	4,538	0.6%
78,057	77,879	178	0.2%
14,063	13,894	169	1.2%
10	10	-	0.0%
4,627	4,608	19	0.4%
5	5	-	0.0%
<u>871,927</u>	<u>867,023</u>	<u>4,904</u>	<u>0.6%</u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	For the month of May 2014	For the month of May 2013
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	37,697,000	39,738,300
Generated - Alder	24,737,000	26,078,000
TOTAL NISQUALLY	<u>62,434,000</u>	<u>65,816,300</u>
Generated - Cushman No. 1	9,146,000	7,184,000
Generated - Cushman No. 2	15,135,000	10,194,000
TOTAL CUSHMAN	<u>24,281,000</u>	<u>17,378,000</u>
Generated - Mossyrock	153,017,000	100,369,000
Generated - Mayfield	88,247,000	62,368,000
TOTAL COWLITZ	<u>241,264,000</u>	<u>162,737,000</u>
Generated - Wynoochee	-	-
Generated - Hood Street	125,000	318,800
Grant Net Actual	(596,000)	(552,000)
Tacoma's Share of Priest Rapids	2,296,000	3,528,000
Tacoma's Share of GCPHA	44,943,000	43,450,000
TOTAL KWH GENERATED - TACOMA SYSTEM	374,747,000	292,676,100
Purchased Power		
BPA Slice Contract	253,683,000	232,186,000
BPA Block Contract	116,191,000	121,031,000
Interchange Net	(379,033,000)	(277,540,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	<u>365,588,000</u>	<u>368,353,100</u>
Losses	5,208,344	5,161,362
Baldi Replacement	-	15,272
Ketron	16,954	17,378
NT PC Mutuals Schedules	(2,621,000)	(2,683,000)
PC Mutual Inadvertent	650,877	499,315
TACOMA SYSTEM FIRM LOAD	<u>368,843,175</u>	<u>371,363,427</u>
Maximum Kilowatts (System Firm Load)	604,024	680,577
Average Kilowatts (System Firm Load)	495,757	499,194
PIERCE COUNTY MUTUAL LOAD	98,730,000	101,075,000
KWH BILLED		
Residential Sales	146,579,894	147,373,653
Commercial Sales	26,812,431	27,580,940
General	163,615,242	170,794,642
Contract Industrial	57,236,058	41,650,560
Public Street and Highway Lighting	2,563,290	4,407,715
Sales to Other Electric Utilities	475,200	505,800
TOTAL FIRM	<u>397,282,115</u>	<u>392,313,310</u>
Bulk Power Sales	419,268,000	322,983,000
TOTAL KWH BILLED	<u><u>816,550,115</u></u>	<u><u>715,333,310</u></u>

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
May 30 2014	May 30 2013	2013	
193,819,570	167,128,400	26,691,170	16.0%
129,360,000	103,713,000	25,647,000	24.7%
<u>323,179,570</u>	<u>270,841,400</u>	<u>52,338,170</u>	19.3%
39,746,000	35,242,000	4,504,000	12.8%
64,507,000	49,939,000	14,568,000	29.2%
<u>104,253,000</u>	<u>85,181,000</u>	<u>19,072,000</u>	22.4%
600,918,000	434,725,000	166,193,000	38.2%
415,121,000	325,050,000	90,071,000	27.7%
<u>1,016,039,000</u>	<u>759,779,000</u>	<u>256,260,000</u>	33.7%
13,689,000	12,600,000	1,089,000	8.6%
924,000	1,640,700	(716,700)	-43.7%
<u>(1,294,000)</u>	<u>(1,234,000)</u>	<u>(60,000)</u>	0.0%
9,965,000	15,463,000	(5,498,000)	-35.6%
94,283,000	91,728,000	2,555,000	2.8%
1,561,038,570	1,235,999,100	325,039,470	26.3%
1,051,980,000	999,776,000	52,204,000	5.2%
692,544,000	721,401,000	(28,857,000)	-4.0%
<u>(1,131,451,000)</u>	<u>(759,627,000)</u>	<u>(371,824,000)</u>	-48.9%
2,174,111,570	2,199,149,100	(25,037,530)	-1.1%
15,473,843	15,383,826	90,017	0.6%
2,770,070	295,790	2,474,280	836.5%
143,948	141,162	2,786	2.0%
<u>(15,484,000)</u>	<u>(15,267,000)</u>	<u>(217,000)</u>	1.4%
2,154,279	2,873,244	(718,965)	-25.0%
<u>2,179,169,710</u>	<u>2,202,576,122</u>	<u>(23,406,412)</u>	-1.1%
564,887,730	671,972,000	(107,084,270)	-15.9%
990,669,361	995,478,532	(4,809,171)	-0.5%
146,539,860	143,835,701	2,704,159	1.9%
868,954,590	871,022,158	(2,067,568)	-0.2%
226,521,060	210,508,380	16,012,680	7.6%
14,778,902	13,176,793	1,602,109	12.2%
3,213,000	3,166,200	46,800	1.5%
<u>2,250,676,773</u>	<u>2,237,187,764</u>	<u>13,489,009</u>	0.6%
1,419,606,000	1,024,577,000	395,029,000	38.6%
<u>3,670,255,773</u>	<u>3,261,764,764</u>	<u>408,491,009</u>	12.5%

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

OPERATIONAL SUMMARY - MAY 31, 2014

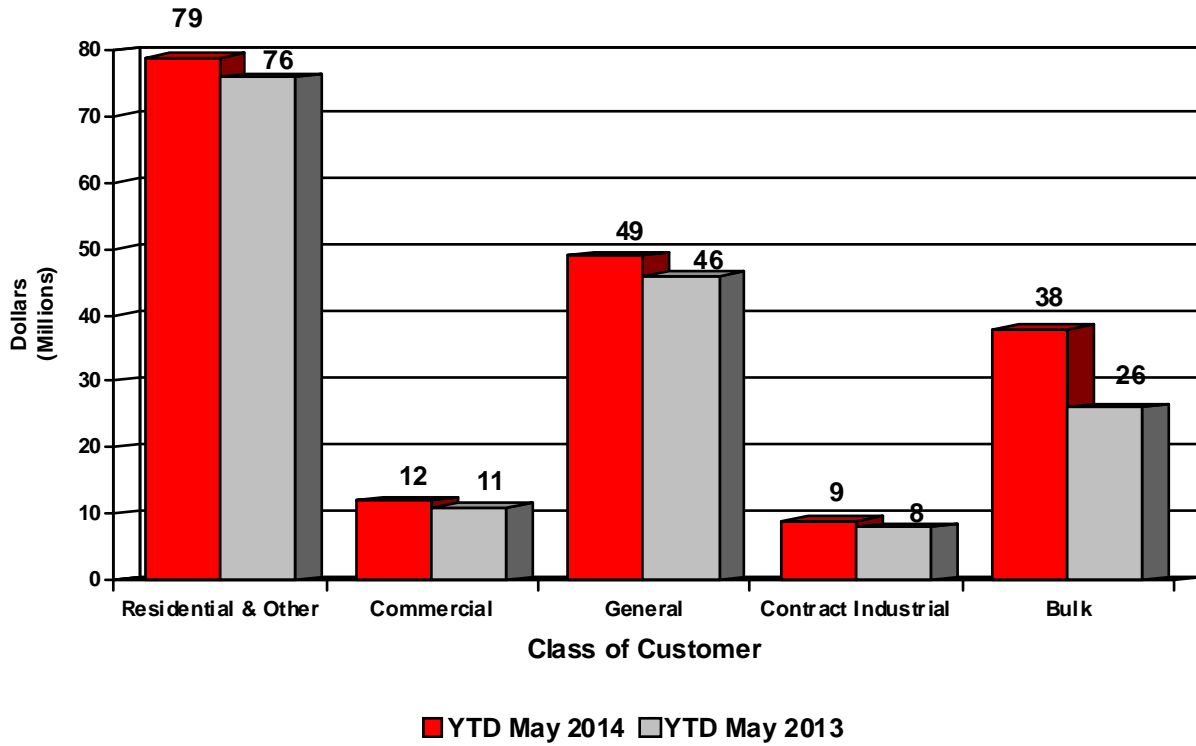
	MAY 2014	MAY 2013
TELECOMMUNICATIONS REVENUE		
CATV	\$1,548,934	\$1,646,153
Broadband	94,958	47,280
ISP	484,255	440,206
Interdepartmental	16,494	67,725
Total Operating Revenue	2,144,641	2,201,364
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	240,983	249,960
General Expense	52,720	59,315
Contract Services	1,158,438	312,137
IS & Intergovernmental Services	53,250	49,201
Fleet Services	918	1,409
Capitalized A & G Expense	(7,730)	(15,743)
Total Admin. & Sales Expense	1,498,579	656,279
Operations & Maintenance Expense ...		
Salaries & Wages Expense	203,652	203,677
General Expense	25,297	17,159
Contract Services	3,642	20,230
IS & Intergovernmental Services	1,619	2,360
Fleet Services	13,061	11,523
New Connect Capital	(7,097)	-
Total Oper. & Maint. Expense	240,174	254,949
Total Telecommunications Expense .	1,738,753	911,228
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	405,888	1,290,136
Taxes	293,490	276,549
Depreciation and Amortization	427,418	436,154
	720,908	712,703
NET OPERATING REVENUES (EXPENSES)	(315,020)	577,433

YEAR TO DATE			
MAY 31 2014	MAY 31 2013	2014/2013 VARIANCE	PERCENT CHANGE
\$8,097,827	\$7,813,453	\$284,374	3.6%
457,611	462,963	(5,352)	-1.2%
2,439,528	2,201,809	237,719	10.8%
78,357	109,624	(31,267)	-28.5%
<u>11,073,323</u>	<u>10,587,849</u>	<u>485,474</u>	4.6%
1,183,442	1,246,227	(62,785)	-5.0%
152,965	171,870	(18,905)	-11.0%
5,346,848	4,899,450	447,398	9.1%
239,699	224,976	14,723	6.5%
5,196	5,690	(494)	-8.7%
(21,686)	(71,822)	50,137	69.8%
<u>6,906,464</u>	<u>6,476,391</u>	<u>430,073</u>	6.6%
1,028,665	1,037,918	(9,253)	-0.9%
88,713	75,437	13,276	17.6%
36,014	55,577	(19,563)	-35.2%
10,692	11,316	(624)	-5.5%
62,341	61,930	411	0.7%
(40,039)	(22,861)	(17,178)	-75.1%
<u>1,186,386</u>	<u>1,219,317</u>	<u>(32,931)</u>	-2.7%
8,092,850	7,695,708	397,142	5.2%
2,980,473	2,892,141	88,332	3.1%
1,554,840	1,622,672	(67,832)	-4.2%
<u>2,137,133</u>	<u>2,155,968</u>	<u>(18,835)</u>	-0.9%
<u>3,691,973</u>	<u>3,778,640</u>	<u>(86,667)</u>	-2.3%
<u>(711,500)</u>	<u>(886,499)</u>	<u>174,999</u>	19.7%

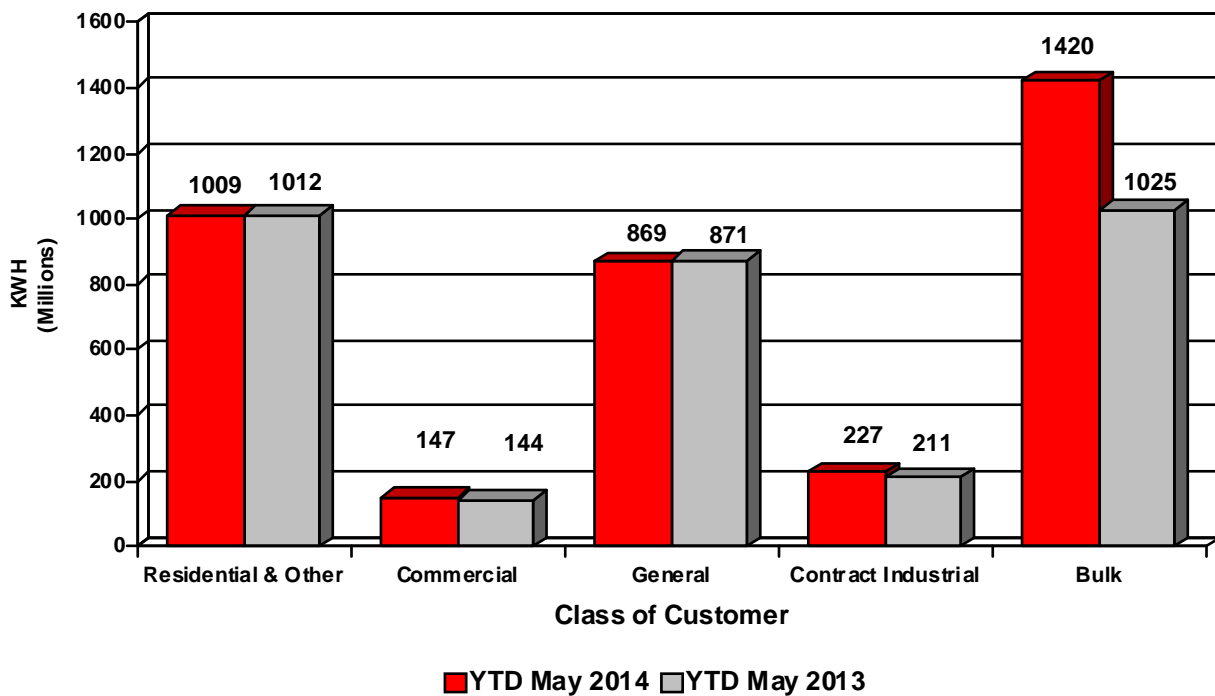
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Supplemental Data

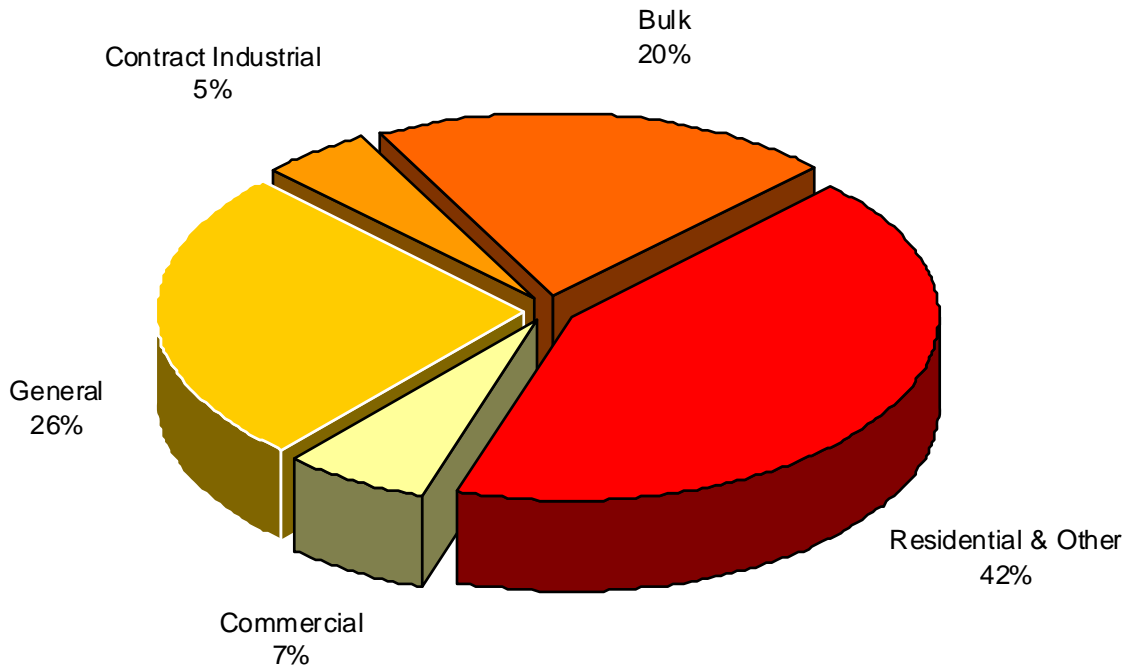
SALES OF ELECTRIC ENERGY
Year to Date - May 2014 & 2013



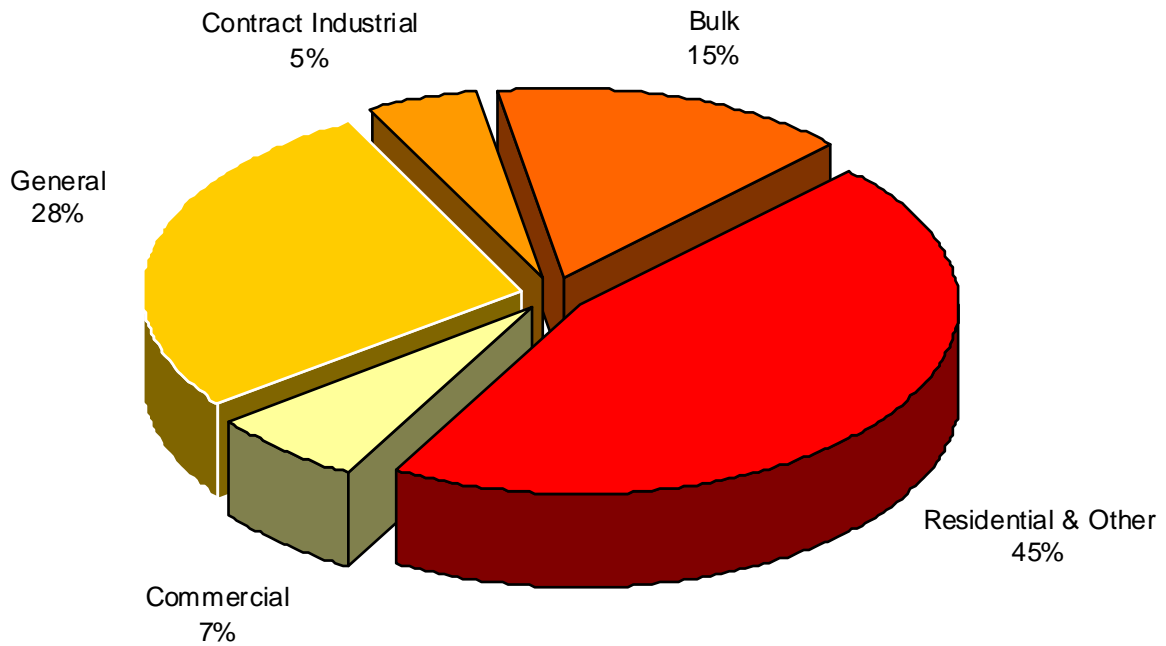
TOTAL POWER BILLED
Year to Date - May 2014 & 2013



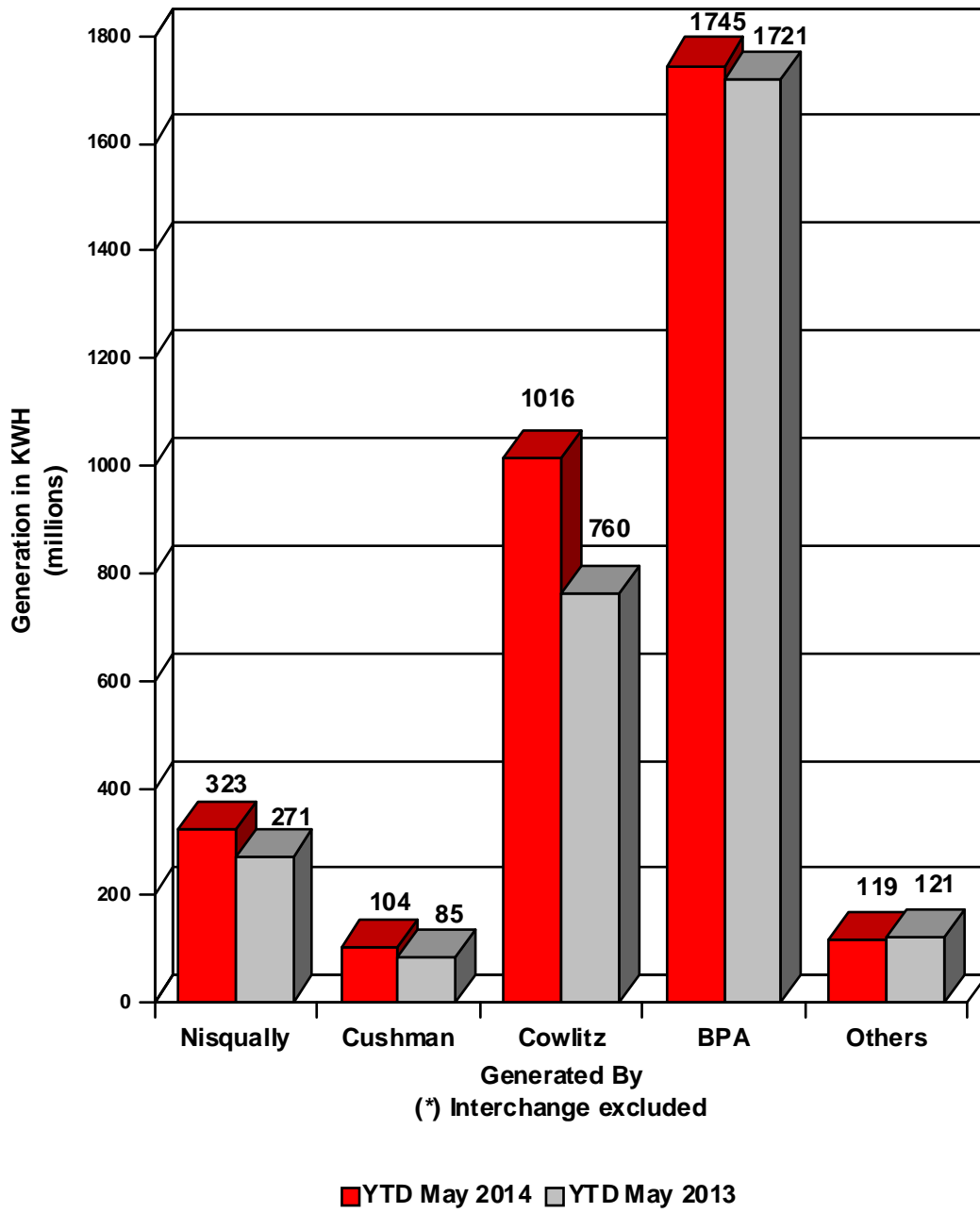
SALES OF ELECTRIC ENERGY
Year to Date - May 2014 (\$186,743,027)



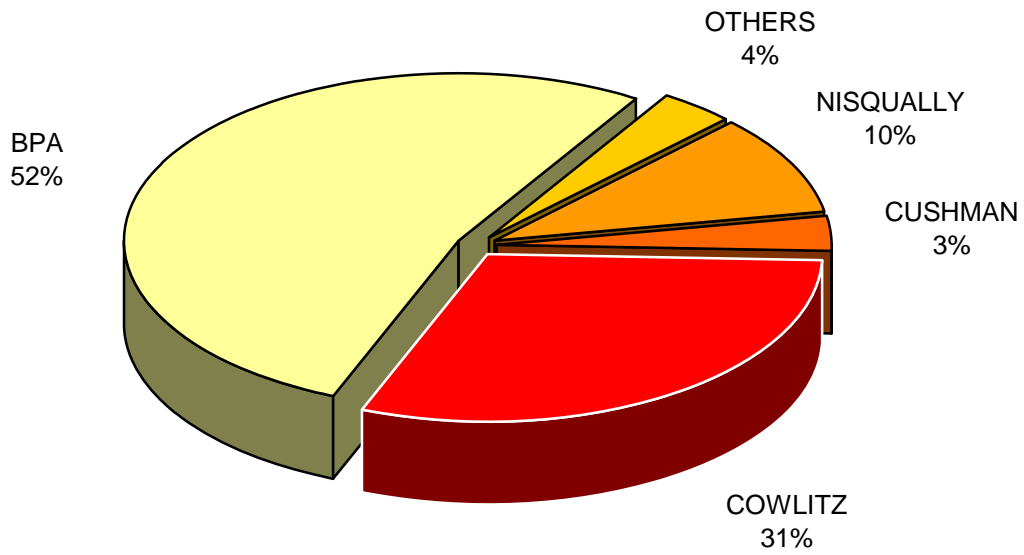
SALES OF ELECTRIC ENERGY
Year to Date - May 2013 (\$167,144,012)



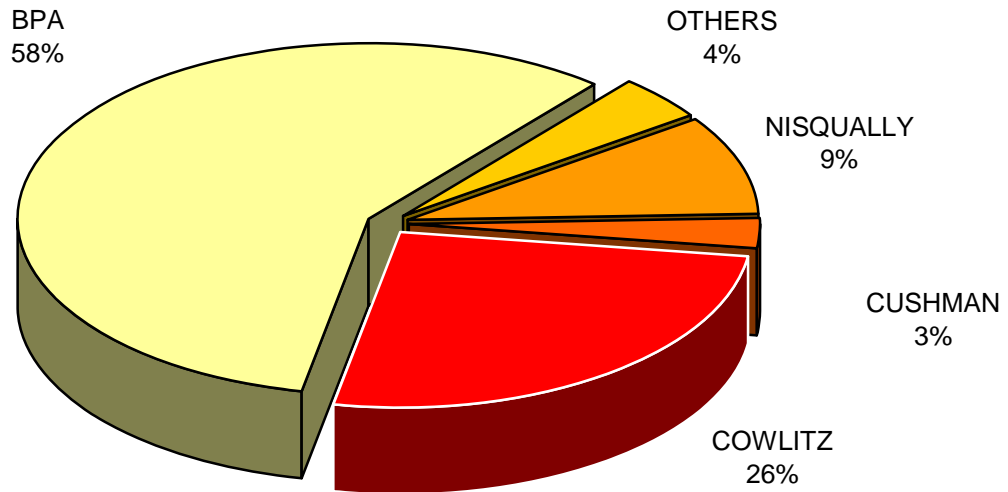
POWER SOURCES (*) Year to Date May 2014 & 2013



POWER SOURCES (*)
Year to Date - May 2014

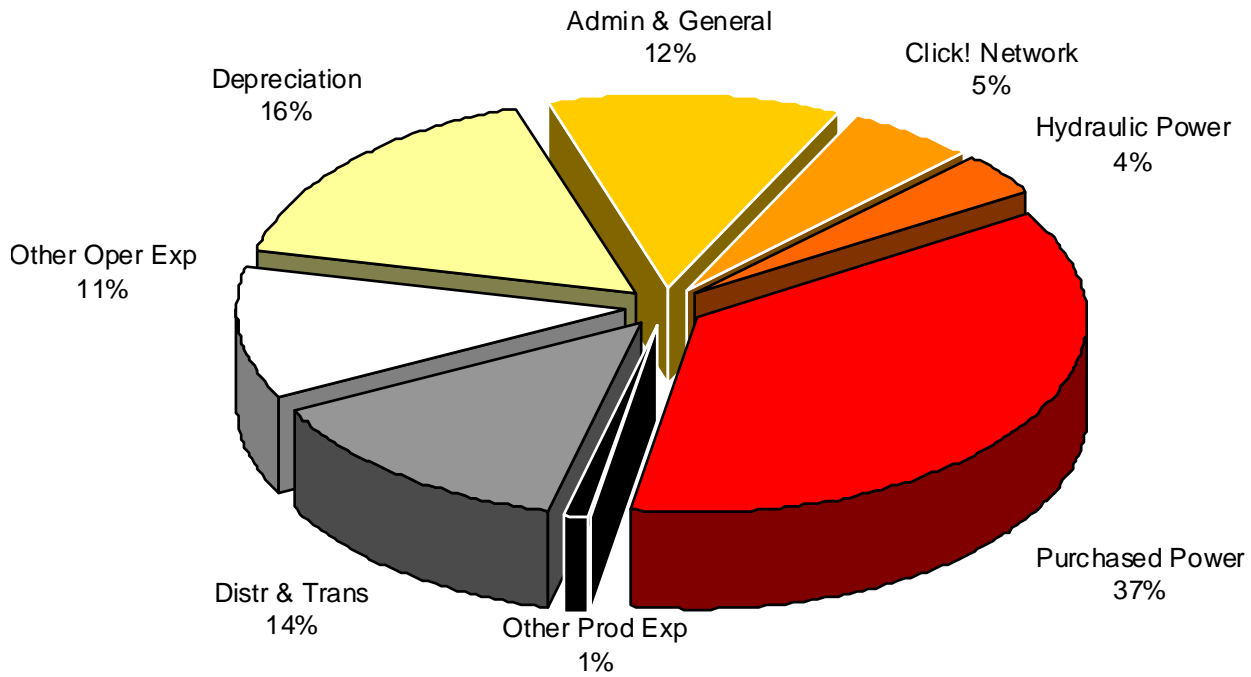


POWER SOURCES (*)
Year to Date - May 2013

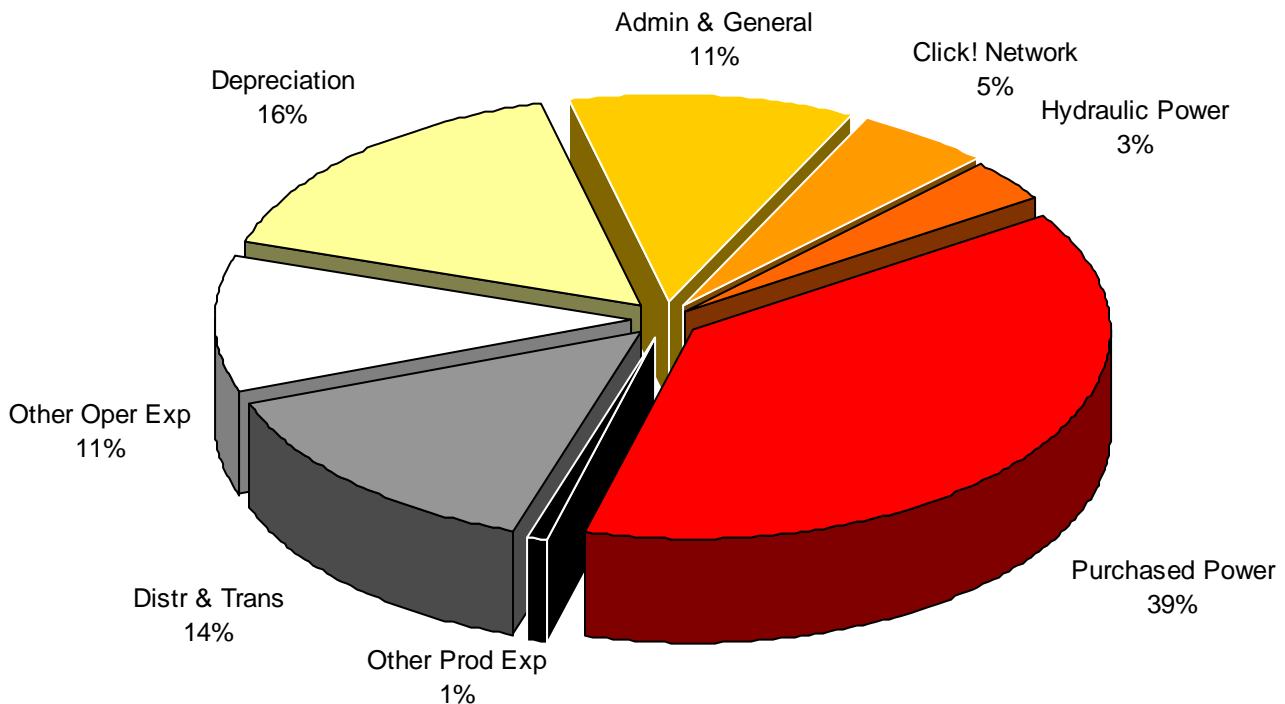


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - May 2014 (\$151,950,946)



TOTAL OPERATING EXPENSES *
Year to Date - May 2013 (\$146,076,101)



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



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