
JULY

TACOMA POWER

2016

**FINANCIAL
REPORT**



Public Utility Board

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Member

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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 - July 31, 2016 AND July 31, 2015

ASSETS AND DEFERRED OUTFLOWS	<u>2016</u>	<u>2015</u>
UTILITY PLANT		
Electric Plant in Service	\$1,908,570,143	\$1,827,264,907
Less Depreciation and Amortization	(976,358,560)	(925,299,030)
Total	<u>932,211,583</u>	<u>901,965,877</u>
Construction Work in Progress	81,082,052	79,486,009
Net Utility Plant	<u>1,013,293,635</u>	<u>981,451,886</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2010B Construction Fund	1,199,532	11,762,768
2013 Construction Fund	33,646,954	32,032,589
2015 Construction Fund	224,127	5,721,718
Provision for Debt Service	9,011,320	10,242,190
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve--State of Washington	2,555,980	2,532,160
Total Restricted Assets	<u>51,635,552</u>	<u>67,289,064</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	157,568,238	138,864,158
Customers' and Contractors' Deposits	2,892,858	3,027,514
Conservation Loan Fund	3,533,736	3,994,030
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	14,664,214	13,348,351
Accrued Unbilled Revenue	29,427,771	28,750,681
Others	8,633,084	8,774,303
Provision for Uncollectibles	(1,749,808)	(1,316,903)
Materials and Supplies	6,416,226	5,950,149
Prepayments and Other	5,518,309	4,933,845
Total Current Assets	<u>274,904,628</u>	<u>254,326,128</u>
OTHER ASSETS		
Regulatory Asset - Conservation	46,764,943	43,935,594
Net Pension Asset	3,823,476	-
Conservation Loan Fund Receivables	2,655,781	1,233,584
Total Other Assets	<u>53,244,200</u>	<u>45,169,178</u>
 Total Assets	 <u>1,393,260,066</u>	 <u>1,348,418,307</u>
DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	9,077,586	-
Unamortized Loss on Refunding Bonds	791,640	2,691,571
Total Deferred Outflows	<u>9,869,226</u>	<u>2,691,571</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 <u>\$1,403,129,292</u>	 <u>\$1,351,109,878</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	\$598,338,683	\$633,109,363
Restricted for:		
Wynoochee Reserve - State of Washington	2,555,980	2,532,160
Debt Service	7,425,835	8,595,420
Net Pension Asset	3,823,476	-
Unrestricted	<u>230,515,652</u>	<u>180,418,247</u>
 TOTAL NET POSITION	 <u>842,659,626</u>	 <u>824,655,190</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>19,681,894</u>	<u>21,329,828</u>
Net Bonded Indebtedness	378,016,894	392,394,828
Line of Credit	<u>65,250,000</u>	<u>20,250,000</u>
Total Long-Term Debt	<u>443,266,894</u>	<u>412,644,828</u>
 CURRENT LIABILITIES		
Salaries and Wages Payable	1,874,680	1,658,043
Taxes and Other Payables	11,760,588	11,569,123
Purchases and Transmission of Power Accrued	10,650,159	10,303,145
Interest Payable	1,585,485	1,646,770
Customers' Deposits	2,859,485	3,052,512
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>42,518,469</u>	<u>44,012,902</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>508,433,277</u>	 <u>478,454,688</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>\$1,403,129,292</u></u>	 <u><u>\$1,351,109,878</u></u>

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	July 2016	July 2015
OPERATING REVENUES		
Sales of Electric Energy	\$24,480,442	\$27,154,951
Other Operating Revenues	1,678,080	1,361,077
Click! Network Operating Revenues	2,251,346	2,368,584
Total Operating Revenue	28,409,868	30,884,612
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	4,177,542	2,482,626
Other Production Expense	427,591	345,808
Total Expense Power Produced	4,605,133	2,828,434
Purchased Power	10,694,678	10,310,333
Total Production Expense	15,299,811	13,138,767
Transmission Expense	2,668,293	2,124,628
Distribution Expense	3,166,078	2,784,341
Click! Network Commercial Operations Expense .	1,957,516	2,479,023
Customer Accounts Expense (CIS)	1,249,720	959,467
Conservation and Other Customer Assistance ...	1,001,775	870,078
Taxes	1,499,753	1,538,284
Depreciation	4,625,827	4,706,168
Administrative and General	2,091,270	3,790,764
Total Operating Expenses	33,560,043	32,391,520
OPERATING INCOME (LOSS)	(5,150,175)	(1,506,908)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	221,148	190,167
Contribution to Family Need	(40,000)	(40,000)
Other Net Non-Op Revenues and Deductions	106,020	271,719
Interest on Long-Term Debt	(1,662,402)	(1,671,114)
Amort. of Debt Related Costs	(25,294)	(3,642,571)
Interest Charged to Construction	288,082	293,717
Total Non-Operating Revenues (Expenses) ..	(1,112,446)	(4,598,082)
Net Income (Loss) Before Capital Contributions and Transfers	(6,262,621)	(6,104,990)
Capital Contributions		
Cash	408,202	372,038
Donated Fixed Assets	-	505,357
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,234,686)	(1,884,016)
Transfers from (to) Other Funds	-	-
CHANGE IN NET POSITION	(7,759,552)	(6,782,058)
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - July 31		

YEAR TO DATE		2016 OVER (UNDER)	PERCENT CHANGE
July 31, 2016	July 31, 2015	2015	
\$227,120,548	\$221,860,778	\$5,259,770	2.4%
10,843,834	10,250,641	593,193	5.8%
15,555,703	16,008,076	(452,373)	-2.8%
<u>253,520,085</u>	<u>248,119,495</u>	<u>5,400,590</u>	2.2%
15,492,111	12,890,236	2,601,875	20.2%
3,056,893	2,475,342	581,551	23.5%
<u>18,549,004</u>	<u>15,365,578</u>	<u>3,183,426</u>	20.7%
74,083,849	76,060,978	(1,977,129)	-2.6%
<u>92,632,853</u>	<u>91,426,556</u>	<u>1,206,297</u>	1.3%
18,493,212	14,090,074	4,403,138	31.2%
19,012,796	14,408,827	4,603,969	32.0%
14,798,246	14,928,355	(130,109)	-0.9%
8,077,800	7,207,666	870,134	12.1%
6,899,667	6,390,354	509,313	8.0%
11,907,736	11,814,573	93,163	0.8%
32,409,937	34,032,803	(1,622,866)	-4.8%
13,549,813	26,816,327	(13,266,514)	-49.5%
<u>217,782,060</u>	<u>221,115,535</u>	<u>(3,333,475)</u>	-1.5%
<u>35,738,025</u>	<u>27,003,960</u>	<u>8,734,065</u>	32.3%
2,233,557	1,561,505	672,052	43.0%
(280,000)	(280,000)	-	0.0%
936,710	408,740	527,970	129.2%
(11,374,095)	(14,224,409)	2,850,314	-20.0%
(177,055)	(4,018,976)	3,841,921	-95.6%
<u>2,365,068</u>	<u>1,704,290</u>	<u>660,778</u>	38.8%
<u>(6,295,815)</u>	<u>(14,848,850)</u>	<u>8,553,035</u>	-57.6%
29,442,210	12,155,110	17,287,100	142.2%
3,102,323	2,639,327	462,996	17.5%
101,201	508,802	(407,601)	-80.1%
2,172,415	2,162,528	9,887	0.5%
(18,089,639)	(15,613,638)	(2,476,001)	15.9%
(2,181)	-	(2,181)	0.0%
<u>16,726,329</u>	<u>1,852,129</u>	<u>14,874,200</u>	803.1%
<u>825,933,297</u>	<u>822,803,061</u>	<u>3,130,236</u>	
<u>842,659,626</u>	<u>824,655,190</u>	<u>18,004,436</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
July 31, 2016 AND July 31, 2015

	<u>For the month of</u> <u>July 2016</u>	<u>For the month of</u> <u>July 2015</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$9,514,799	\$10,476,068
Commercial	1,988,066	2,351,117
General	8,619,286	8,984,737
Contract Industrial	1,828,736	1,797,583
Public Street and Highway Lighting	102,806	178,402
Sales to Other Electric Utilities	22,180	22,019
Total Sales to Customers	<u>22,075,873</u>	<u>23,809,926</u>
Bulk Power Sales	2,404,569	3,345,025
Total Sales of Electric Energy	<u>24,480,442</u>	<u>27,154,951</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	492,188	169,931
Wheeling	811,213	818,691
Service Fees and Other	374,679	372,455
Telecommunications Revenue	2,251,346	2,368,584
Total Other Operating Revenues	<u>3,929,426</u>	<u>3,729,661</u>
 TOTAL OPERATING REVENUES	 <u><u>\$28,409,868</u></u>	 <u><u>\$30,884,612</u></u>
 BILLINGS (Number of Months Billed)		
Residential	148,485	163,856
Commercial	14,646	17,151
General	2,190	2,557
Contract Industrial	2	2
Public Streets and Highway Lighting	1,063	1,115
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 <u><u>166,387</u></u>	 <u><u>184,682</u></u>

YEAR TO DATE		2016 OVER (UNDER)	PERCENT CHANGE
July 31, 2016	July 31, 2015	2015	
\$96,986,021	\$93,354,543	\$3,631,478	3.9%
16,583,295	16,166,294	417,001	2.6%
67,614,605	66,935,107	679,498	1.0%
12,276,286	12,267,893	8,393	0.1%
848,141	848,019	122	0.0%
204,155	195,579	8,576	4.4%
194,512,503	189,767,435	4,745,068	2.5%
32,608,045	32,093,343	514,702	1.6%
227,120,548	221,860,778	5,259,770	2.4%
2,188,806	1,750,810	437,996	25.0%
5,784,712	5,701,957	82,755	1.5%
2,870,316	2,797,874	72,442	2.6%
15,555,703	16,008,076	(452,373)	-2.8%
26,399,537	26,258,717	140,820	0.5%
\$253,520,085	\$248,119,495	\$5,400,590	2.2%
1,097,486	1,093,190	4,296	0.4%
109,116	109,793	(677)	-0.6%
18,287	18,822	(535)	-2.8%
14	14	-	0.0%
6,563	6,475	88	1.4%
7	7	-	0.0%
1,231,473	1,228,301	3,172	0.3%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	For the month of Jul 2016	For the month of Jul 2015
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	15,925,000	18,731,000
Generated - Alder	9,695,000	10,814,000
TOTAL NISQUALLY	25,620,000	29,545,000
Generated - Cushman No. 1	1,015,000	918,000
Generated - Cushman No. 2	1,258,000	1,162,000
TOTAL CUSHMAN	2,273,000	2,080,000
Generated - Mossyrock	47,800,000	58,484,000
Generated - Mayfield	28,243,000	31,184,000
TOTAL COWLITZ	76,043,000	89,668,000
Generated - Wynoochee	106,000	-
Generated - Hood Street	-	-
Tacoma's Share of Priest Rapids	2,081,000	1,647,000
Tacoma's Share of GCPHA	42,810,000	46,924,000
TOTAL KWH GENERATED - TACOMA SYSTEM	148,933,000	169,864,000
Purchased Power		
BPA Slice Contract	168,954,000	141,876,000
BPA Block Contract	112,089,000	117,895,000
Interchange Net	(77,542,000)	(52,679,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	352,434,000	376,956,000
Losses	2,503,461	3,243,057
Baldi Replacement	119,783	99,949
Ketron	14,035	16,658
NT PC Mutuals Schedules	(1,686,000)	(1,594,000)
PC Mutual Inadvertent	(242,902)	(479,704)
TACOMA SYSTEM FIRM LOAD	353,142,377	378,241,960
Maximum Kilowatts (System Firm Load)	599,463	664,394
Average Kilowatts (System Firm Load)	474,654	508,390
PIERCE COUNTY MUTUAL LOAD	94,943,000	101,049,000
KWH BILLED		
Residential Sales	107,275,099	118,868,915
Commercial Sales	22,408,657	26,654,057
General	145,964,415	155,272,353
Contract Industrial	43,663,860	42,888,300
Public Street and Highway Lighting	2,320,076	4,118,694
Sales to Other Electric Utilities	408,600	472,500
TOTAL FIRM	322,040,707	348,274,819
Bulk Power Sales	101,144,000	87,385,000
TOTAL KWH BILLED	423,184,707	436,109,819

YEAR TO DATE		2016 OVER (UNDER)	PERCENT CHANGE
Jul 31 2016	Jul 31 2015	2015	
233,555,000	198,714,000	34,841,000	17.5%
158,481,000	124,821,000	33,660,000	27.0%
<u>392,036,000</u>	<u>323,535,000</u>	<u>68,501,000</u>	21.2%
82,627,000	39,194,000	43,433,000	110.8%
139,123,000	54,068,000	85,055,000	157.3%
<u>221,750,000</u>	<u>93,262,000</u>	<u>128,488,000</u>	137.8%
774,918,000	525,024,000	249,894,000	47.6%
493,786,000	333,142,000	160,644,000	48.2%
<u>1,268,704,000</u>	<u>858,166,000</u>	<u>410,538,000</u>	47.8%
<u>21,084,000</u>	<u>1,919,000</u>	<u>19,165,000</u>	998.7%
<u>1,339,600</u>	<u>1,303,500</u>	<u>36,100</u>	2.8%
<u>17,116,000</u>	<u>16,179,000</u>	<u>937,000</u>	5.8%
<u>172,045,000</u>	<u>172,327,000</u>	<u>(282,000)</u>	-0.2%
2,094,074,600	1,466,691,500	627,383,100	42.8%
1,422,306,000	1,330,867,000	91,439,000	6.9%
912,066,000	959,314,000	(47,248,000)	-4.9%
<u>(1,653,412,000)</u>	<u>(986,726,000)</u>	<u>(666,686,000)</u>	-67.6%
2,775,034,600	2,770,146,500	4,888,100	0.2%
28,084,754	21,234,239	6,850,515	32.3%
1,258,665	1,374,646	(115,981)	-8.4%
138,286	159,136	(20,850)	-13.1%
<u>(16,866,000)</u>	<u>(16,335,000)</u>	<u>(531,000)</u>	-3.3%
574,675	352,661	222,014	63.0%
<u>2,788,224,980</u>	<u>2,776,932,182</u>	<u>11,292,798</u>	0.4%
824,789,000	812,482,000	12,307,000	1.5%
1,159,134,510	1,116,023,610	43,110,900	3.9%
191,022,549	186,766,438	4,256,111	2.3%
1,146,268,843	1,144,283,690	1,985,153	0.2%
261,736,710	291,117,253	(29,380,543)	-10.1%
19,232,581	19,749,172	(516,591)	-2.6%
3,701,700	3,757,500	(55,800)	-1.5%
<u>2,781,096,893</u>	<u>2,761,697,663</u>	<u>19,399,230</u>	0.7%
<u>1,853,634,000</u>	<u>1,203,361,000</u>	<u>650,273,000</u>	54.0%
<u>4,634,730,893</u>	<u>3,965,058,663</u>	<u>669,672,230</u>	16.9%

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

OPERATIONAL SUMMARY - JULY 31, 2016

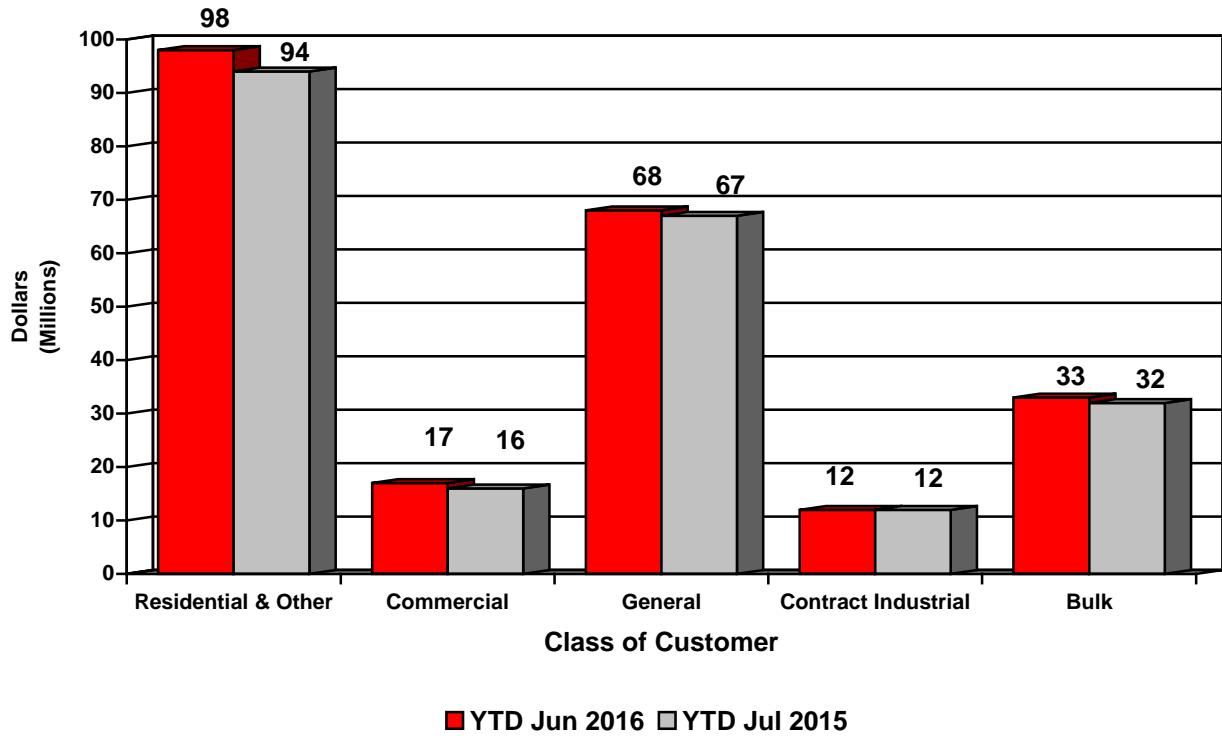
	<u>JULY</u> <u>2016</u>	<u>JULY</u> <u>2015</u>
TELECOMMUNICATIONS REVENUE		
CATV	\$1,528,134	\$1,684,036
Broadband	95,907	121,093
ISP	586,518	545,161
Interdepartmental	40,787	18,294
Total Operating Revenue	<u>2,251,346</u>	<u>2,368,584</u>
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	287,342	272,705
General Expense	34,272	55,360
Contract Services	921,556	1,424,373
IS & Intergovernmental Services	124,146	116,799
Fleet Services	209	783
Capitalized A & G Expense	(13,752)	(4,463)
Total Admin. & Sales Expense	<u>1,353,773</u>	<u>1,865,557</u>
Operations & Maintenance Expense ...		
Salaries & Wages Expense	474,719	513,012
General Expense	47,152	48,124
Contract Services	48,828	17,616
IS & Intergovernmental Services	3,189	4,408
Fleet Services	41,970	40,196
New Connect Capital	(12,115)	(9,890)
Total Oper. & Maint. Expense	<u>603,743</u>	<u>613,466</u>
Total Telecommunications Expense .	1,957,516	2,479,023
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	293,830	(110,439)
Taxes	310,054	322,397
Depreciation and Amortization	<u>220,625</u>	<u>278,522</u>
	530,679	600,919
NET OPERATING REVENUES (EXPENSES)	<u>(236,849)</u>	<u>(711,358)</u>

YEAR TO DATE			
JULY 31 2016	JULY 31 2015	2016/2015 VARIANCE	PERCENT CHANGE
\$10,593,509	\$11,429,630	(\$836,121)	-7.3%
684,657	687,637	(2,980)	-0.4%
4,082,678	3,756,440	326,238	8.7%
194,859	134,369	60,490	45.0%
<u>15,555,703</u>	<u>16,008,076</u>	<u>(452,373)</u>	-2.8%
1,923,099	1,923,973	(873)	0.0%
369,997	278,562	91,435	32.8%
7,651,792	7,934,747	(282,955)	-3.6%
825,943	788,017	30,710	3.9%
1,987	3,108	(1,121)	-36.1%
(24,976)	(51,084)	26,108	-51.1%
<u>10,747,843</u>	<u>10,877,323</u>	<u>(136,696)</u>	-1.3%
3,223,853	3,362,256	(138,403)	-4.1%
242,385	235,122	7,263	3.1%
383,291	231,684	151,608	65.4%
20,813	25,449	(4,636)	-18.2%
249,928	279,795	(29,867)	-10.7%
(69,867)	(83,274)	13,406	-16.1%
<u>4,050,403</u>	<u>4,051,032</u>	<u>(629)</u>	0.0%
14,798,246	14,928,355	(137,325)	-0.9%
757,457	1,079,721	(315,048)	-29.2%
2,136,082	2,185,628	(49,546)	-2.3%
1,575,843	2,277,625	(701,782)	-30.8%
<u>3,711,925</u>	<u>4,463,253</u>	<u>(751,328)</u>	-16.8%
<u>(2,954,468)</u>	<u>(3,383,532)</u>	<u>436,280</u>	12.9%

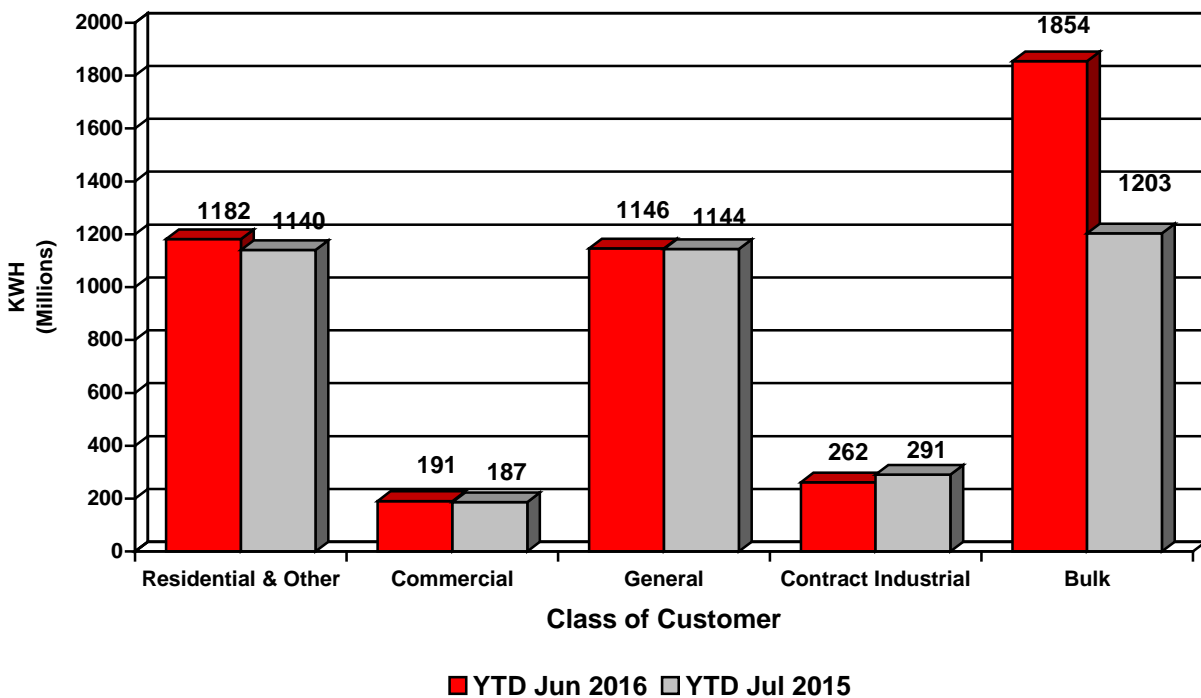
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Supplemental Data

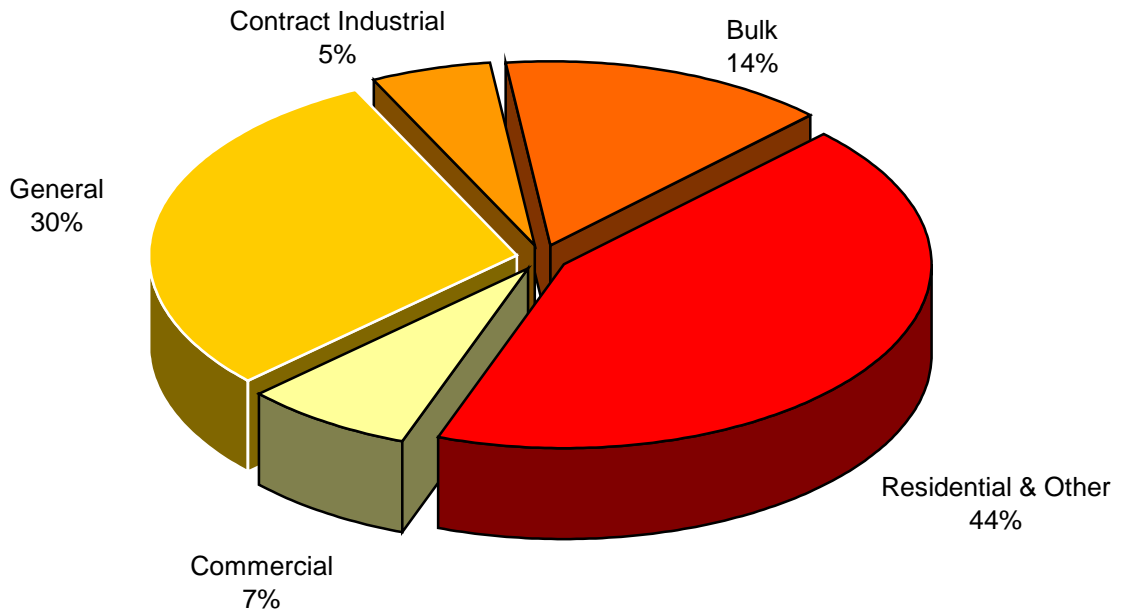
SALES OF ELECTRIC ENERGY
Year to Date - July 2016 & 2015



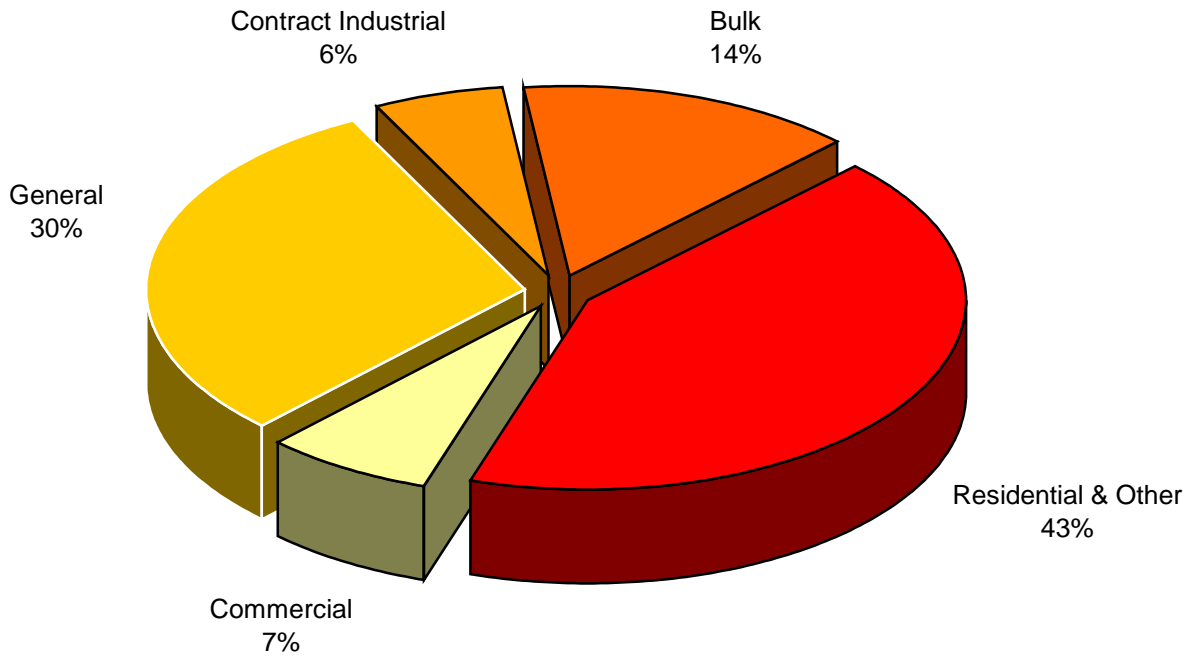
TOTAL POWER BILLED
Year to Date - July 2016 & 2015



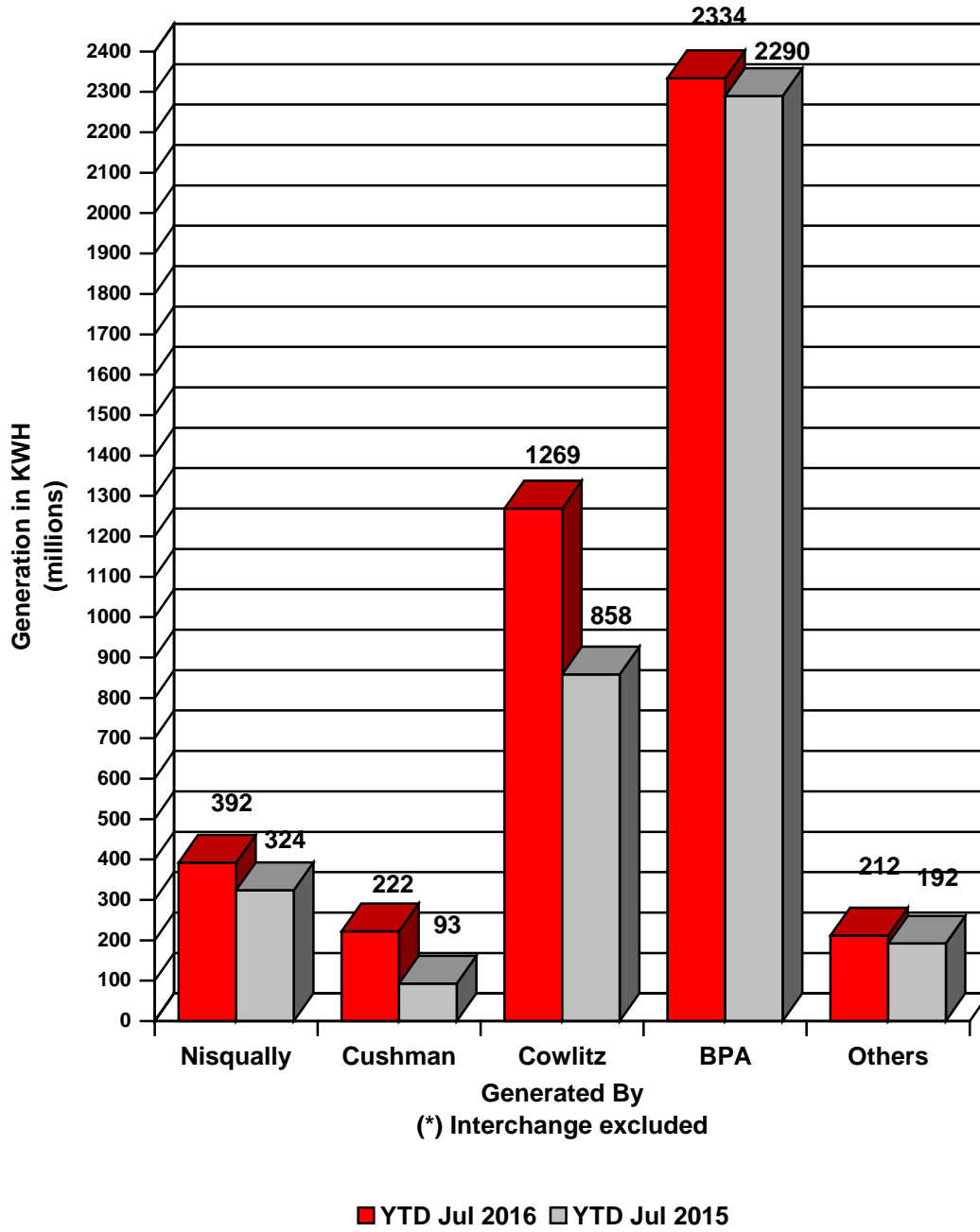
SALES OF ELECTRIC ENERGY
Year to Date - Jul 2016 (\$227,120,548)



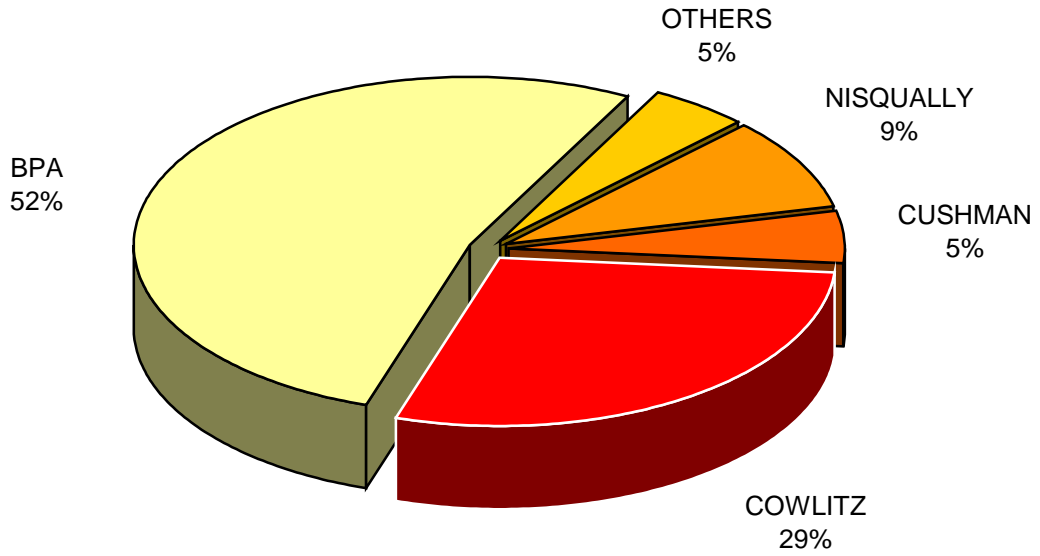
SALES OF ELECTRIC ENERGY
Year to Date - Jul 2015 (\$221,860,778)



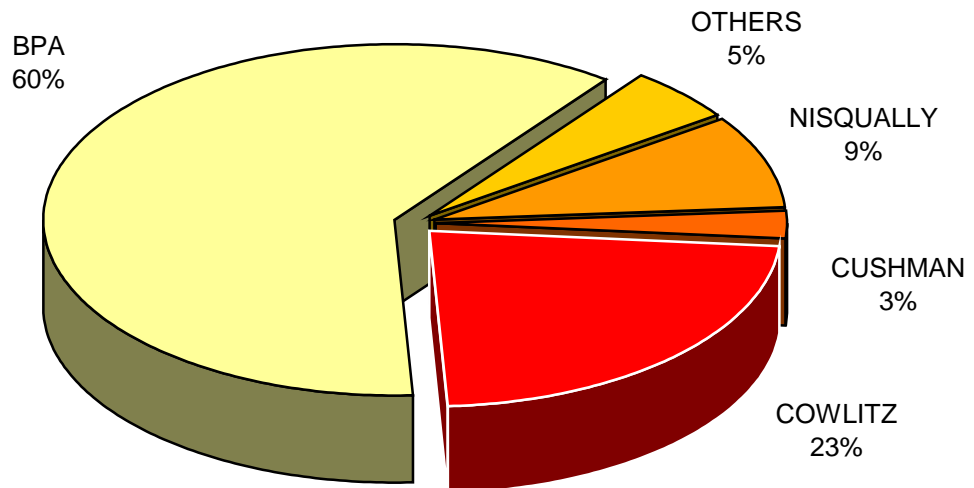
POWER SOURCES (*) Year to Date Jul 2016 & 2015



POWER SOURCES (*)
Year to Date - Jul 2016

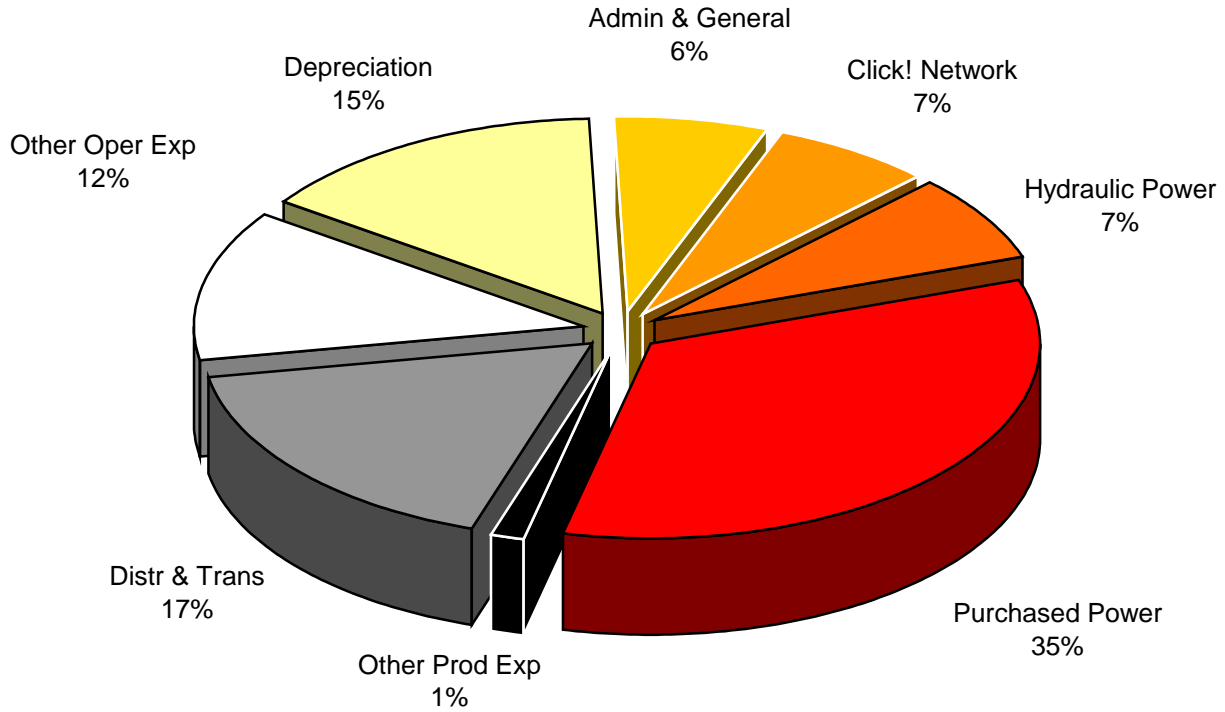


POWER SOURCES (*)
Year to Date - Jul 2015

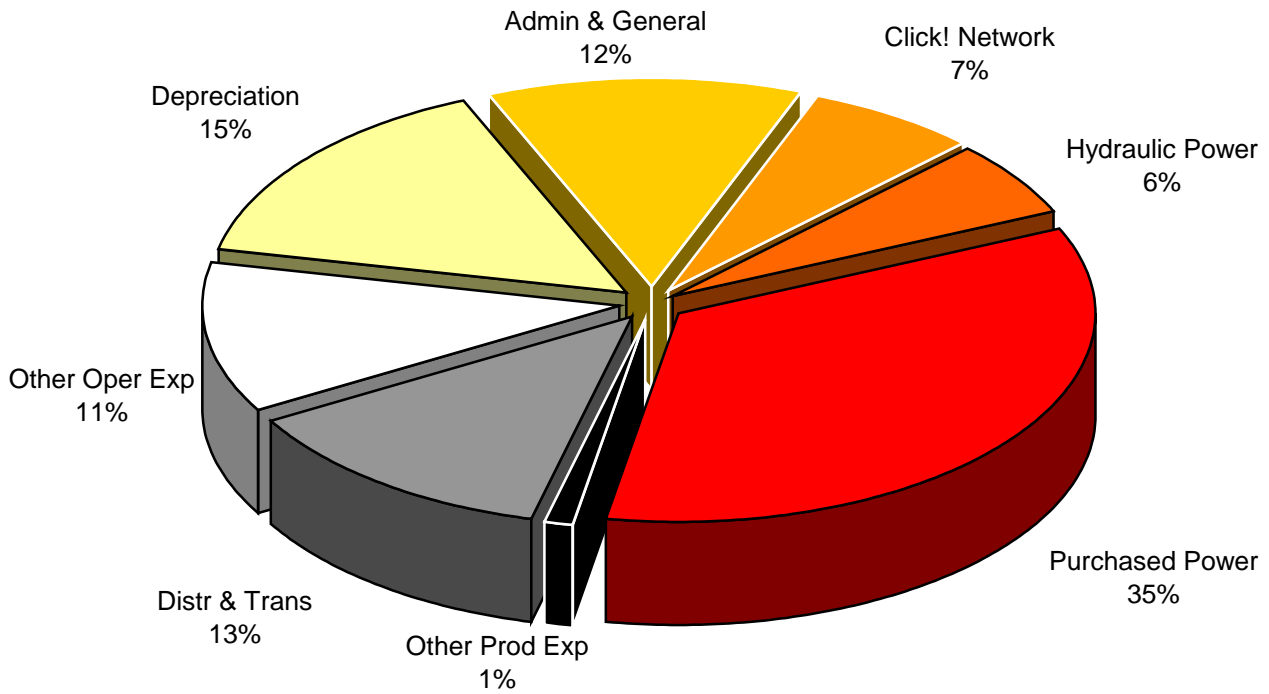


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - Jul 2016 (\$217,782,060)



TOTAL OPERATING EXPENSES *
Year to Date - Jul 2015 (\$221,115,535)



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



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