
JULY

TACOMA POWER

2014

**FINANCIAL
REPORT**



Public Utility Board

DAVID NELSON

Chair

WOODROW JONES

Vice-Chair

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Member

MONIQUE TRUDNOWSKI

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

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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, 2014 AND July 31, 2013

ASSETS	<u>2014</u>	<u>2013</u>
UTILITY PLANT		
Electric Plant in Service	\$1,784,741,934	\$1,696,816,208
Less Depreciation and Amortization	<u>(871,063,803)</u>	<u>(816,165,013)</u>
Total	913,678,131	880,651,195
Construction Work in Progress	<u>48,302,969</u>	<u>72,198,365</u>
Net Utility Plant	<u>961,981,100</u>	<u>952,849,560</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	-	1,049,652
2005 Construction Fund	-	6,657,758
2010B Construction Fund	18,664,060	34,610,211
2013 Construction Fund	63,092,571	88,699,581
Provision for Debt Service	20,952,607	19,555,473
Special Bond Reserves	16,997,639	16,997,639
Wynoochee Reserve--State of Washington	<u>2,511,152</u>	<u>2,489,449</u>
Total Restricted Assets	<u>122,218,029</u>	<u>170,059,763</u>
 CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	235,551,487	197,005,013
Customers' and Contractors' Deposits	2,882,478	2,824,985
Conservation Loan Fund	4,952,623	4,863,345
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	18,253,465	15,168,498
Accrued Unbilled Revenue	29,416,868	27,765,060
Others	12,955,536	15,088,196
Provision for Uncollectibles	<u>(2,612,164)</u>	<u>(2,458,649)</u>
Materials and Supplies	6,232,705	6,675,993
Prepayments and Other	<u>4,065,489</u>	<u>3,731,040</u>
Total Current Assets	<u>359,698,487</u>	<u>318,663,481</u>
 OTHER ASSETS		
Regulatory Asset - Conservation	40,367,793	36,201,939
Conservation Loan Fund Receivables	<u>1,279,416</u>	<u>1,362,813</u>
Total Other Assets	<u>41,647,209</u>	<u>37,564,752</u>
 Total Assets	 <u>1,485,726,876</u>	 <u>1,479,319,607</u>
 DEFERRED OUTFLOWS		
Unamortized Loss on Refunding Bonds	<u>10,081,889</u>	<u>18,446,340</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS.....	 <u>\$1,495,808,765</u>	 <u>\$1,497,765,947</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	\$514,480,631	\$532,694,334
Restricted for:		
Wynoochee Reserve - State of Washington	2,511,152	2,489,449
Debt Service	18,733,742	16,505,415
Unrestricted	293,964,125	251,225,596
TOTAL NET POSITION	<u>829,689,650</u>	<u>802,914,794</u>
LONG-TERM DEBT		
2005 Electric System Revenue Bonds, Series A	130,000	130,000
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	181,610,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
Total Bonded Indebtedness	<u>507,935,000</u>	<u>540,050,000</u>
Less: Unamortized Bond Premiums	23,589,366	25,991,727
Net Bonded Indebtedness	<u>531,524,366</u>	<u>566,041,727</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	4,546,149	4,044,448
Taxes and Other Payables	10,420,219	11,464,961
Purchases and Transmission of Power Accrued	11,736,951	9,922,413
Interest Payable	2,218,865	3,050,058
Customers' Deposits	2,857,884	2,775,812
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>64,921,567</u>	<u>60,519,537</u>
LONG TERM LIABILITIES		
Long Term Accrued Compensated Absences	9,238,488	8,701,604
Other Long Term Liabilities	12,434,694	11,588,285
Total Long Term Liabilities	<u>21,673,182</u>	<u>20,289,889</u>
TOTAL LIABILITIES	<u>618,119,115</u>	<u>646,851,153</u>
DEFERRED INFLOWS		
Rate Stabilization	48,000,000	48,000,000
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,495,808,765</u>	<u>\$1,497,765,947</u>

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

	July 2014	July 2013
OPERATING REVENUES		
Sales of Electric Energy	\$30,209,502	\$30,693,942
Other Operating Revenues	1,427,715	1,400,485
Click! Network Operating Revenues	2,331,695	2,263,950
Total Operating Revenue	33,968,912	34,358,377
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	1,795,814	2,505,084
Other Production Expense	300,934	304,071
Total Expense Power Produced	2,096,748	2,809,155
Purchased Power	9,099,657	8,792,038
Total Production Expense	11,196,405	11,601,193
Transmission Expense	2,181,270	1,999,001
Distribution Expense	3,113,280	2,022,963
Click! Network Commercial Operations Expense .	1,675,141	1,631,268
Customer Accounts Expense (CIS)	953,076	802,029
Conservation and Other Customer Assistance ...	849,540	709,034
Taxes	1,099,937	1,107,225
Depreciation	4,913,403	4,700,254
Administrative and General	3,740,484	3,250,803
Total Operating Expenses	29,722,536	27,823,770
OPERATING INCOME (LOSS)	4,246,376	6,534,607
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	287,901	209,334
Contribution to Family Need	(75,000)	(75,000)
Other Net Non-Op Revenues and Deductions	(188,003)	115,703
Interest on Long-Term Debt	(2,218,865)	(2,279,072)
Amort. of Debt Related Costs	(81,668)	(148,182)
Interest Charged to Construction	179,147	460,940
Total Non-Operating Revenues (Expenses) ..	(2,096,488)	(1,716,277)
Net Income (Loss) Before Capital Contributions and Transfers	2,149,888	4,818,330
Capital Contributions		
Cash	807,839	240,734
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(1,923,865)	(2,004,371)
Transfers from (to) Other Funds	-	-
CHANGE IN NET POSITION	\$1,363,415	\$3,384,246
TOTAL NET POSITION - January 1		
TOTAL NET POSITION - July 31		

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
July 31 2014	July 31 2013	2013	
\$246,009,273	\$225,435,451	\$20,573,822	9.1%
9,977,052	10,386,612	(409,560)	-3.9%
15,634,314	14,920,468	713,846	4.8%
<u>271,620,639</u>	<u>250,742,531</u>	<u>20,878,108</u>	8.3%
9,926,575	8,948,638	977,937	10.9%
2,240,926	2,083,184	157,742	7.6%
<u>12,167,501</u>	<u>11,031,822</u>	<u>1,135,679</u>	10.3%
74,678,757	75,056,485	(377,728)	-0.5%
<u>86,846,258</u>	<u>86,088,307</u>	<u>757,951</u>	0.9%
14,278,461	14,289,670	(11,209)	-0.1%
15,972,083	14,743,286	1,228,797	8.3%
11,392,531	10,844,719	547,812	5.1%
6,461,177	5,390,869	1,070,308	19.9%
6,084,930	5,254,800	830,130	15.8%
11,250,312	10,946,063	304,249	2.8%
34,449,400	32,831,190	1,618,210	4.9%
25,634,638	22,649,086	2,985,552	13.2%
<u>212,369,790</u>	<u>203,037,990</u>	<u>9,331,800</u>	4.6%
<u>59,250,849</u>	<u>47,704,541</u>	<u>11,546,308</u>	24.2%
1,936,937	519,244	1,417,693	273.0%
(525,000)	(525,000)	-	0.0%
(2,173,185)	(560,958)	(1,612,227)	-287.4%
(15,532,071)	(15,193,815)	(338,256)	-2.2%
(1,556,515)	(91,293)	(1,465,222)	-1605.0%
886,029	1,932,009	(1,045,980)	-54.1%
<u>(16,963,805)</u>	<u>(13,919,813)</u>	<u>(3,043,992)</u>	-21.8%
42,287,044	33,784,728	8,502,316	25.2%
2,736,976	3,184,211	(447,235)	-14.0%
26,169	40,754	(14,585)	-35.8%
2,164,505	2,134,846	29,659	1.4%
(16,603,704)	(15,316,017)	(1,287,687)	-8.4%
-	(120,213)	120,213	100.0%
<u>30,610,990</u>	<u>23,708,309</u>	<u>6,902,681</u>	29.1%
799,078,660	779,206,485	19,872,175	2.6%
<u>\$829,689,650</u>	<u>\$802,914,794</u>	<u>\$26,774,856</u>	3.3%

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

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS
July 31, 2014 AND July 31, 2013

	<u>For the month of</u> <u>July 2014</u>	<u>For the month of</u> <u>July 2013</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$9,774,243	\$9,614,056
Commercial	2,248,260	2,135,793
General	9,658,893	9,013,017
Contract Industrial	1,804,788	1,731,944
Public Street and Highway Lighting	159,341	175,278
Sales to Other Electric Utilities	20,884	19,933
Total Sales to Customers	<u>23,666,409</u>	<u>22,690,021</u>
Bulk Power Sales	6,543,093	8,003,921
Total Sales of Electric Energy	<u>30,209,502</u>	<u>30,693,942</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property ...	233,295	188,246
Wheeling	785,385	783,238
Service Fees and Other	409,035	429,001
Telecommunications Revenue	2,331,695	2,263,950
Total Other Operating Revenues	<u>3,759,410</u>	<u>3,664,435</u>
 TOTAL OPERATING REVENUES	 <u>\$33,968,912</u>	 <u>\$34,358,377</u>
 BILLINGS (Number of Months Billed)		
Residential	161,832	159,715
Commercial	17,151	16,938
General	2,915	2,813
Contract Industrial	2	2
Public Streets and Highway Lighting	1,099	1,086
Sales to Other Utilities	1	1
 TOTAL BILLINGS	 <u>183,000</u>	 <u>180,555</u>

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
July 31, 2014	July 31, 2013	2013	
\$97,403,152	\$94,486,122	\$2,917,030	3.1%
16,153,715	15,098,000	1,055,715	7.0%
67,367,455	63,836,239	3,531,216	5.5%
12,093,275	11,434,842	658,433	5.8%
1,131,571	799,833	331,738	41.5%
203,687	190,453	13,234	6.9%
194,352,855	185,845,489	8,507,366	4.6%
51,656,418	39,589,962	12,066,456	30.5%
246,009,273	225,435,451	20,573,822	9.1%
1,749,328	1,672,576	76,752	4.6%
5,476,026	5,927,465	(451,439)	-7.6%
2,751,698	2,786,571	(34,873)	-1.3%
15,634,314	14,920,468	713,846	4.8%
25,611,366	25,307,080	304,286	1.2%
\$271,620,639	\$250,742,531	\$20,878,108	8.3%
1,083,291	1,074,894	8,397	0.8%
109,042	108,485	557	0.5%
19,559	19,331	228	1.2%
14	14	-	0.0%
6,400	6,372	28	0.4%
7	7	-	0.0%
1,218,313	1,209,103	9,210	0.8%

CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
TACOMA POWER

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

	For the month of Jul 2014	For the month of Jul 2013
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	23,521,590	23,738,500
Generated - Alder	13,936,000	14,909,000
TOTAL NISQUALLY	<u>37,457,590</u>	<u>38,647,500</u>
Generated - Cushman No. 1	2,145,000	4,284,000
Generated - Cushman No. 2	3,147,000	5,694,000
TOTAL CUSHMAN	<u>5,292,000</u>	<u>9,978,000</u>
Generated - Mossyrook	67,282,000	76,129,000
Generated - Mayfield	35,043,000	39,928,000
TOTAL COWLITZ	<u>102,325,000</u>	<u>116,057,000</u>
Generated - Wynoochee	346,000	1,579,000
Generated - Hood Street	140,300	392,600
Grant Net Actual	(160,000)	(602,000)
Tacoma's Share of Priest Rapids	2,368,000	3,656,000
Tacoma's Share of GCPHA	46,309,000	46,259,000
TOTAL KWH GENERATED - TACOMA SYSTEM	194,077,890	215,967,100
Purchased Power		
BPA Slice Contract	210,291,000	212,571,000
BPA Block Contract	111,604,000	116,253,000
Interchange Net	(148,146,000)	(185,490,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED ..	<u>367,826,890</u>	<u>359,301,100</u>
Losses	4,235,761	4,487,868
Baldi Replacement	327,644	10,649
Ketron	15,935	16,799
NT PC Mutuals Schedules	(2,414,000)	(2,396,000)
PC Mutual Inadvertent	583,758	490,530
TACOMA SYSTEM FIRM LOAD	<u>370,575,988</u>	<u>361,910,946</u>
Maximum Kilowatts (System Firm Load)	640,523	630,315
Average Kilowatts (System Firm Load)	498,086	486,439
PIERCE COUNTY MUTUAL LOAD	97,700,000	95,754,000
KWH BILLED		
Residential Sales	114,513,855	117,461,574
Commercial Sales	26,008,917	25,837,450
General	160,605,389	160,664,769
Contract Industrial	43,352,227	43,786,440
Public Street and Highway Lighting	2,495,114	4,243,676
Sales to Other Electric Utilities	377,100	396,900
TOTAL FIRM	<u>347,352,602</u>	<u>352,390,809</u>
Bulk Power Sales	178,316,000	232,242,000
TOTAL KWH BILLED	<u>525,668,602</u>	<u>584,632,809</u>

YEAR TO DATE		2014 OVER (UNDER)	PERCENT CHANGE
Jul 31 2014	Jul 31 2013	2013	
239,436,650	212,862,800	26,573,850	12.5%
156,033,000	132,017,000	24,016,000	18.2%
<u>395,469,650</u>	<u>344,879,800</u>	<u>50,589,850</u>	14.7%
44,745,000	48,460,000	(3,715,000)	-7.7%
72,385,000	68,909,000	3,476,000	5.0%
<u>117,130,000</u>	<u>117,369,000</u>	<u>(239,000)</u>	-0.2%
719,967,000	604,192,000	115,775,000	19.2%
544,674,000	418,118,000	126,556,000	30.3%
<u>1,264,641,000</u>	<u>1,022,310,000</u>	<u>242,331,000</u>	23.7%
14,035,000	14,179,000	(144,000)	-1.0%
1,361,200	2,391,100	(1,029,900)	-43.1%
<u>(2,018,000)</u>	<u>(2,298,000)</u>	<u>280,000</u>	0.0%
14,499,000	22,897,000	(8,398,000)	-36.7%
185,042,000	175,310,000	9,732,000	5.6%
1,990,159,850	1,697,041,900	293,117,950	17.3%
1,497,226,000	1,415,281,000	81,945,000	5.8%
908,108,000	945,945,000	(37,837,000)	-4.0%
<u>(1,511,245,000)</u>	<u>(1,157,260,000)</u>	<u>(353,985,000)</u>	-30.6%
2,884,248,850	2,902,607,900	(18,359,050)	-0.6%
24,265,516	24,292,430	(26,914)	-0.1%
3,501,225	317,901	3,183,324	1001.4%
175,534	172,074	3,460	2.0%
<u>(20,305,000)</u>	<u>(20,083,000)</u>	<u>(222,000)</u>	-1.1%
3,257,618	3,888,549	(630,931)	-16.2%
<u>2,895,143,743</u>	<u>2,911,195,854</u>	<u>(16,052,111)</u>	-0.6%
852,110,000	859,008,000	(6,898,000)	-0.8%
1,216,766,776	1,227,985,255	(11,218,479)	-0.9%
193,761,128	190,085,482	3,675,646	1.9%
1,187,742,425	1,186,965,117	777,308	0.1%
298,629,979	287,901,132	10,728,847	3.7%
19,657,810	19,712,234	(54,424)	-0.3%
4,007,700	3,998,700	9,000	0.2%
<u>2,920,565,818</u>	<u>2,916,647,920</u>	<u>3,917,898</u>	0.1%
<u>1,929,591,000</u>	<u>1,570,509,000</u>	<u>359,082,000</u>	22.9%
<u>4,850,156,818</u>	<u>4,487,156,920</u>	<u>362,999,898</u>	8.1%

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

OPERATIONAL SUMMARY - JULY 31, 2014

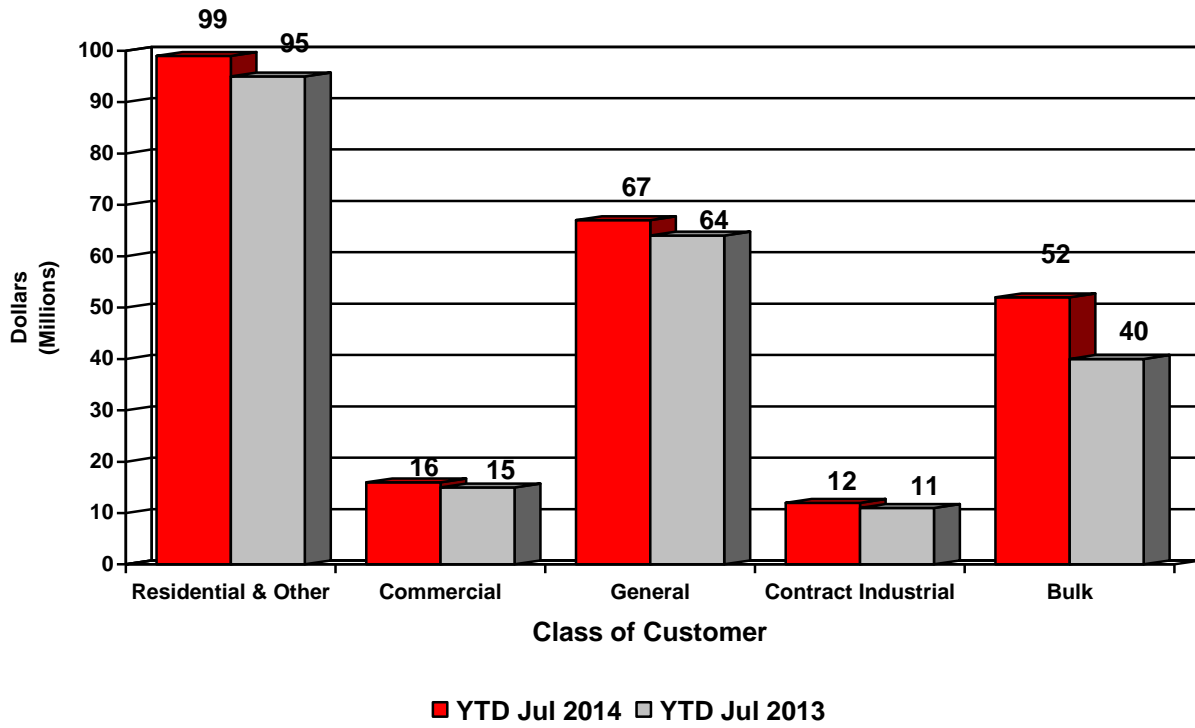
	<u>JULY</u> <u>2014</u>	<u>JULY</u> <u>2013</u>
TELECOMMUNICATIONS REVENUE		
CATV	\$1,703,147	\$1,704,709
Broadband	94,344	92,388
ISP	493,470	450,863
Interdepartmental	40,734	15,990
Total Operating Revenue	<u>2,331,695</u>	<u>2,263,950</u>
 TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	233,777	237,439
General Expense	53,476	60,906
Contract Services	1,049,390	1,054,810
IS & Intergovernmental Services	54,727	55,292
Fleet Services	901	996
Capitalized A & G Expense	(8,189)	(7,570)
Total Admin. & Sales Expense	<u>1,384,082</u>	<u>1,401,873</u>
 Operations & Maintenance Expense ...		
Salaries & Wages Expense	255,169	196,779
General Expense	21,969	9,360
Contract Services	9,246	8,751
IS & Intergovernmental Services	1,551	1,645
Fleet Services	12,230	12,891
New Connect Capital	(9,106)	(31)
Total Oper. & Maint. Expense	<u>291,059</u>	<u>229,395</u>
 Total Telecommunications Expense .	 1,675,141	 1,631,268
 Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	 656,554	 632,682
 Taxes	 324,028	 321,494
Depreciation and Amortization	 427,409	 436,154
	<u>751,437</u>	<u>757,648</u>
 NET OPERATING REVENUES (EXPENSES)	 <u>(94,883)</u>	 <u>(124,966)</u>

YEAR TO DATE			
JULY 31 2014	JULY 31 2013	2014/2013 VARIANCE	PERCENT CHANGE
\$11,426,653	\$11,026,366	\$400,287	3.6%
644,871	651,351	(6,480)	-1.0%
3,428,137	3,101,147	326,990	10.5%
134,653	141,604	(6,951)	-4.9%
<u>15,634,314</u>	<u>14,920,468</u>	<u>713,846</u>	4.8%
1,651,111	1,702,672	(51,561)	-3.0%
262,448	292,573	(30,125)	-10.3%
7,456,567	6,894,164	562,403	8.2%
351,984	329,853	22,131	6.7%
7,440	7,776	(336)	-4.3%
(36,427)	(84,062)	47,635	56.7%
<u>9,693,123</u>	<u>9,142,976</u>	<u>550,147</u>	6.0%
1,475,393	1,429,966	45,427	3.2%
132,912	100,221	32,691	32.6%
48,999	91,586	(42,587)	-46.5%
13,913	15,590	(1,677)	-10.8%
84,878	87,272	(2,394)	-2.7%
(56,687)	(22,892)	(33,795)	-147.6%
<u>1,699,408</u>	<u>1,701,743</u>	<u>(2,335)</u>	-0.1%
11,392,531	10,844,719	547,812	5.1%
4,241,782	4,075,749	166,034	4.1%
2,200,567	2,246,839	(46,272)	-2.1%
2,991,957	3,028,276	(36,319)	-1.2%
<u>5,192,524</u>	<u>5,275,115</u>	<u>(82,591)</u>	-1.6%
<u>(950,742)</u>	<u>(1,199,366)</u>	<u>248,625</u>	20.7%

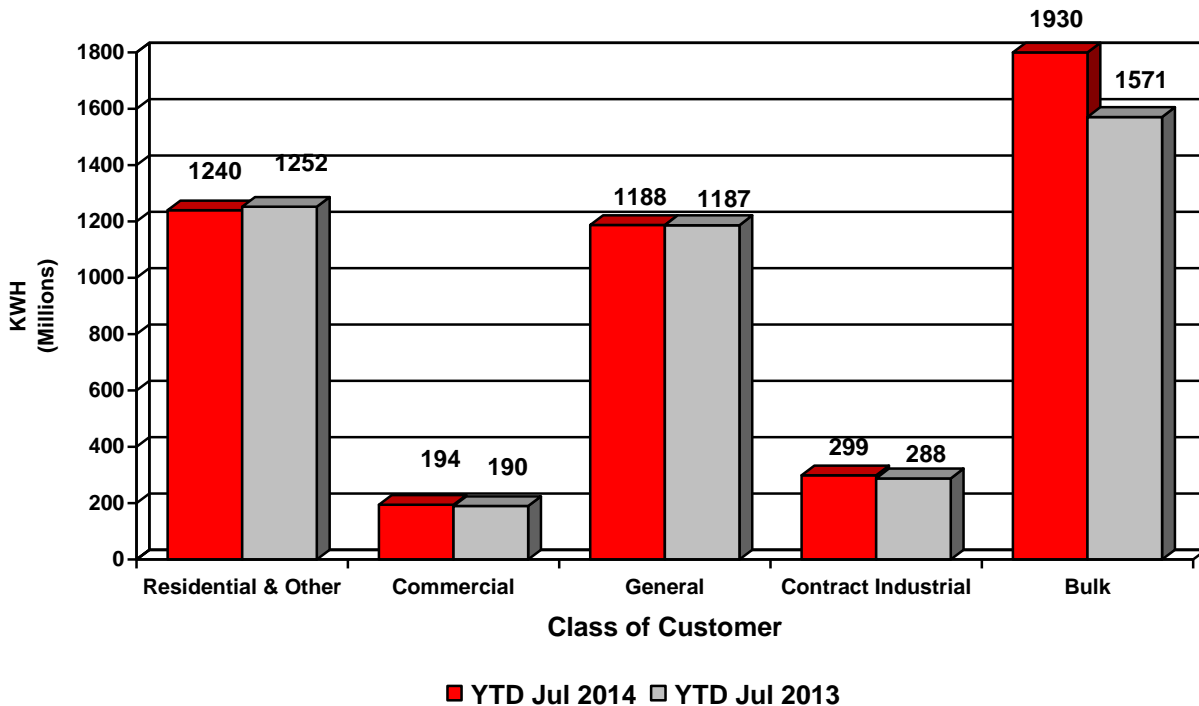
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Supplemental Data

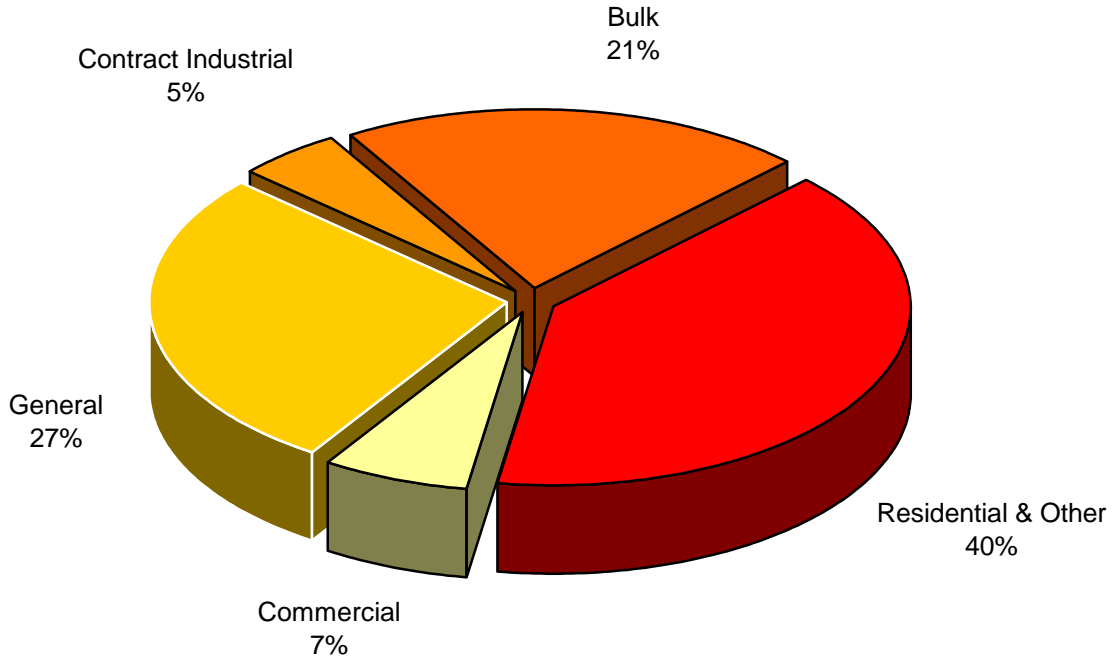
SALES OF ELECTRIC ENERGY
Year to Date - July 2014 & 2013



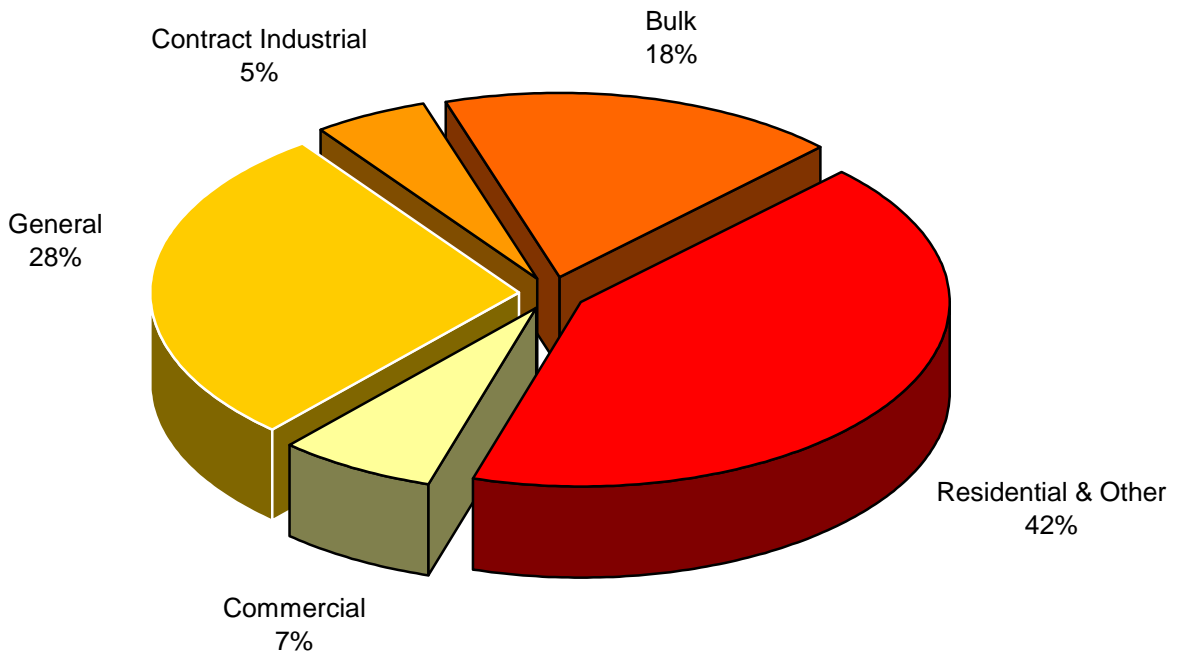
TOTAL POWER BILLED
Year to Date - July 2014 & 2013



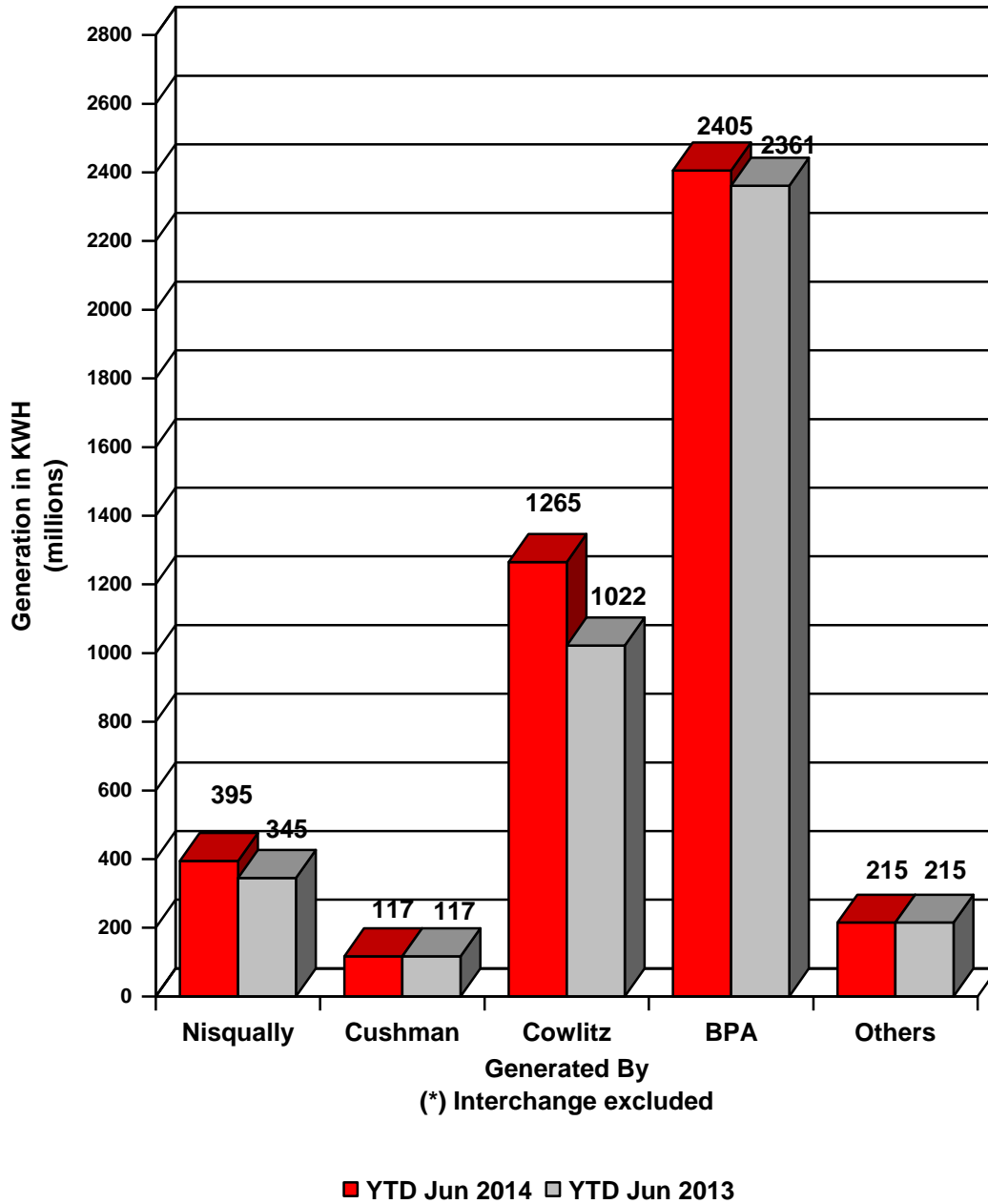
SALES OF ELECTRIC ENERGY
Year to Date - July 2014 (\$246,009,273)



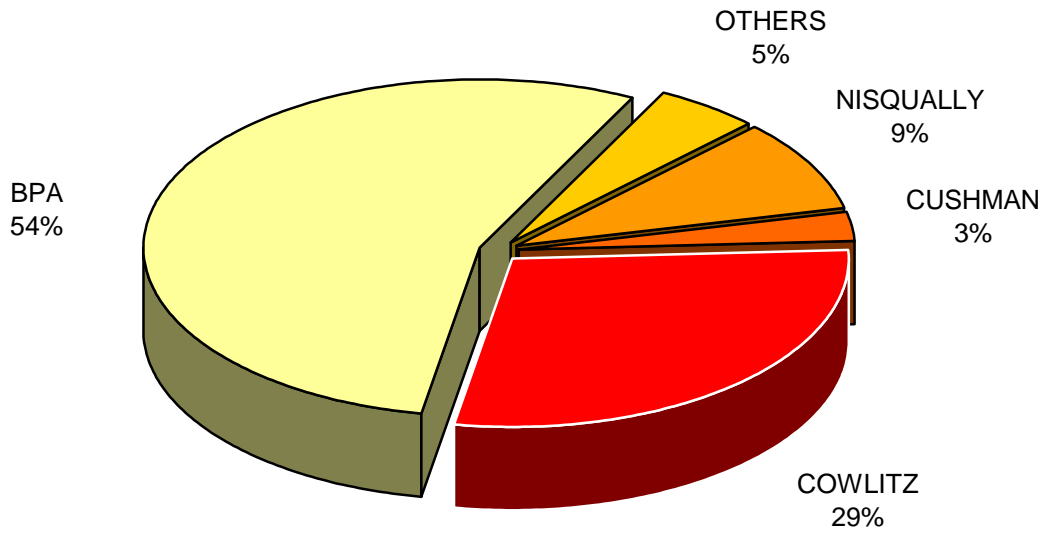
SALES OF ELECTRIC ENERGY
Year to Date - July 2013 (\$225,435,451)



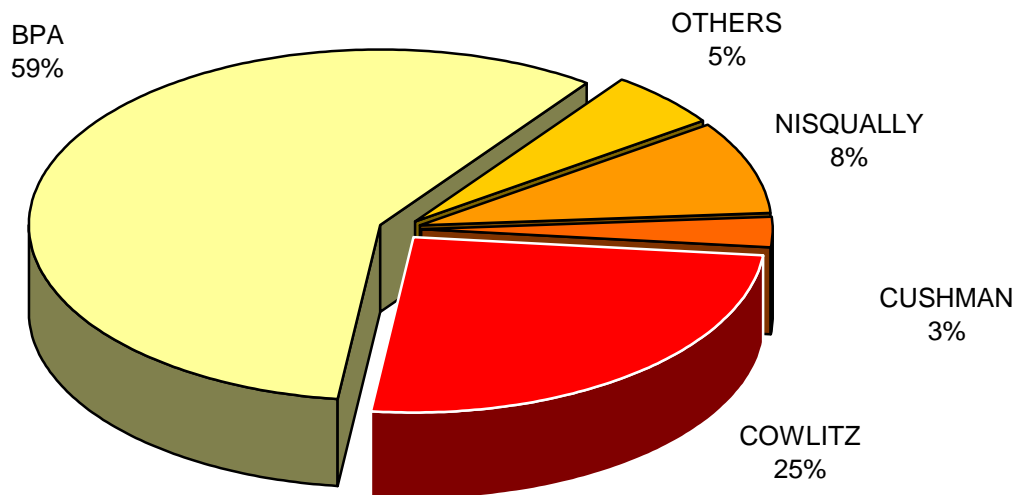
POWER SOURCES (*)
Year to Date July 2014 & 2013



POWER SOURCES (*)
Year to Date - July 2014

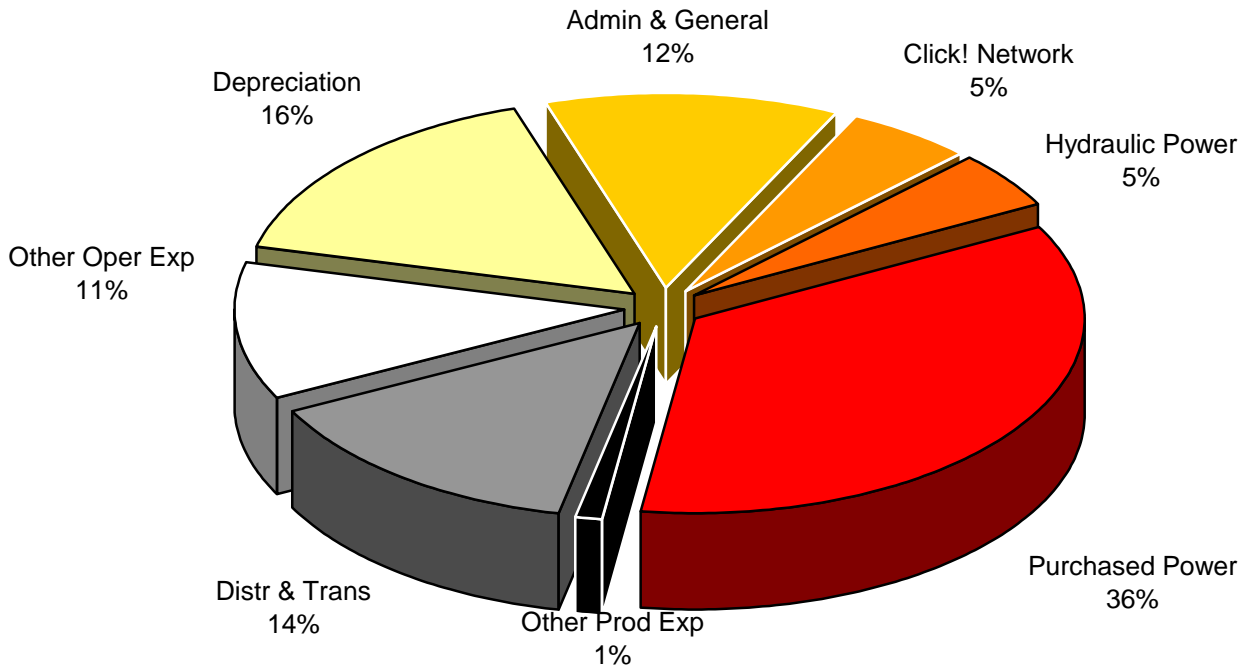


POWER SOURCES (*)
Year to Date - July 2013

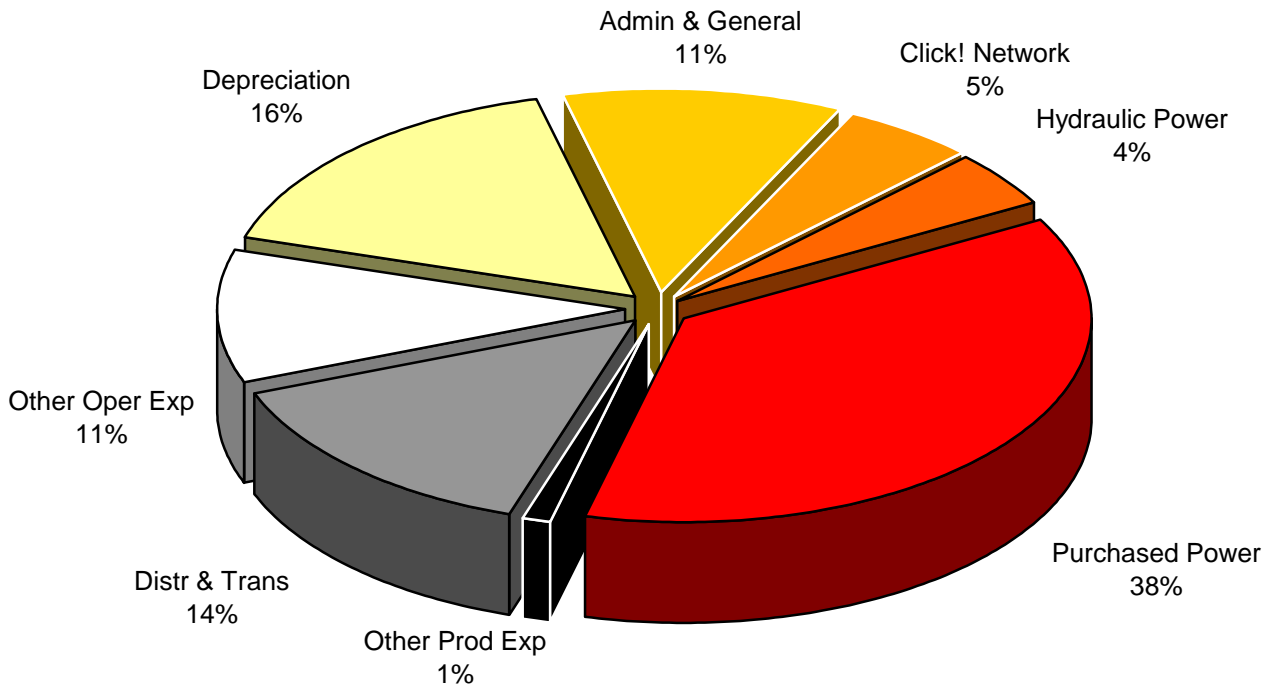


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
Year to Date - July 2014 (\$212,369,790)



TOTAL OPERATING EXPENSES *
Year to Date - July 2013 (\$203,037,990)



* 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.