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*MAY*

*TACOMA POWER*

2019

**FINANCIAL  
REPORT**





# Public Utility Board

WOODROW JONES

Chair

KAREN LARKIN

Vice-Chair

BRYAN FLINT

Secretary

MARK PATTERSON

Member

CHRISTINE COOLEY

Member

JACKIE FLOWERS

Director of Utilities

CHRIS ROBINSON

Power Superintendent/COO

ANDREW CHERULLO

Finance Director

DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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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 - May 31, 2019 AND May 31, 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
<b>UTILITY PLANT</b>		
Electric Plant in Service .....	\$2,118,872,713	\$2,062,467,533
Less Depreciation and Amortization .....	(1,115,599,516)	(1,071,641,330)
Total .....	1,003,273,197	990,826,203
Construction Work in Progress .....	60,480,150	51,918,461
Net Utility Plant .....	1,063,753,347	1,042,744,664
<b>NON-UTILITY PROPERTY .....</b>	<b>182,051</b>	<b>182,051</b>
<b>RESTRICTED ASSETS</b>		
Cash and Equity in Pooled Investments:		
Provision for Debt Service .....	12,105,563	12,599,212
Special Bond Reserves .....	4,997,639	4,997,639
Wynoochee Reserve - State of Washington .....	2,658,868	2,610,245
Fish and Wildlife Reserves .....	23,905,359	-
Total Restricted Assets .....	43,667,429	20,207,096
<b>CURRENT ASSETS</b>		
Cash and Equity in Pooled Investments:		
Current Fund .....	142,143,153	157,160,386
Customers' and Contractors' Deposits .....	2,648,748	2,707,332
Conservation Loan Fund .....	3,753,049	3,640,537
Rate Stabilization Fund .....	48,000,000	48,000,000
Receivables:		
Customers .....	21,691,652	19,359,613
Accrued Unbilled Revenue .....	30,730,773	30,701,425
Others .....	10,889,687	11,267,932
Provision for Uncollectibles .....	(1,328,340)	(1,029,658)
Materials and Supplies .....	6,819,907	7,360,550
Prepayments and Other .....	10,669,110	6,352,491
Total Current Assets .....	276,017,739	285,520,608
<b>OTHER ASSETS</b>		
Regulatory Asset - Conservation .....	49,018,205	48,442,664
Net Pension Asset .....	15,506,238	-
Conservation Loan Fund Receivables .....	2,602,072	2,628,273
Total Other Assets .....	67,126,515	51,070,937
<b>Total Assets .....</b>	<b>1,450,747,081</b>	<b>1,399,725,356</b>
<b>DEFERRED OUTFLOWS</b>		
Deferred Outflow for Pensions .....	19,885,557	38,426,742
Deferred Outflow for OPEB .....	957,357	-
Total Deferred Outflows .....	20,842,914	38,426,742
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS.....</b>	<b>\$1,471,589,995</b>	<b>\$1,438,152,098</b>

*These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report*

<b>NET POSITION, LIABILITIES AND DEFERRED INFLOWS</b>	<b>2019</b>	<b>2018</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets .....	\$608,239,358	\$630,547,413
Restricted for:		
Wynoochee Reserve - State of Washington .....	2,658,868	2,610,245
Fish and Wildlife Reserves .....	23,905,359	-
Debt Service .....	3,902,081	4,206,250
Net Pension Asset .....	15,506,238	-
Unrestricted .....	215,441,169	224,735,078
<b>TOTAL NET POSITION .....</b>	<b>869,653,073</b>	<b>862,098,986</b>
<b>LONG-TERM DEBT</b>		
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 .....	96,125,000	105,490,000
2013B Electric System Rev & Refunding Bonds .....	35,620,000	35,620,000
2017 Electric System Revenue Bonds .....	70,575,000	70,575,000
Total Bonded Indebtedness .....	373,575,000	382,940,000
Less: Unamortized Bond Premiums .....	22,503,678	24,091,941
Net Bonded Indebtedness .....	396,078,678	407,031,941
Line of Credit .....	55,250,000	250,000
Total Long-Term Debt .....	451,328,678	407,281,941
<b>CURRENT LIABILITIES</b>		
Salaries and Wages Payable .....	1,968,390	5,468,055
Taxes and Other Payables .....	12,916,916	13,147,523
Purchases and Transmission of Power Accrued .....	13,667,051	10,736,416
Interest Payable .....	8,203,482	8,392,962
Customers' Deposits .....	2,626,127	2,753,146
Current Portion of Long-Term Debt .....	9,365,000	10,095,000
Current Accrued Compensated Absences .....	1,091,328	1,044,235
Total Current Liabilities .....	49,838,294	51,637,337
<b>LONG-TERM LIABILITIES</b>		
Long-Term Accrued Compensated Absences .....	9,821,955	9,398,115
Net OPEB Liability .....	12,272,355	-
Net Pension Liability .....	-	36,687,245
Other Long-Term Liabilities .....	4,221,625	15,143,610
Total Long-Term Liabilities .....	26,315,935	61,228,970
<b>TOTAL LIABILITIES .....</b>	<b>527,482,907</b>	<b>520,148,248</b>
<b>DEFERRED INFLOWS</b>		
Deferred Inflow for Pensions .....	26,395,236	7,904,864
Deferred Inflow for OPEB .....	58,779	-
Rate Stabilization .....	48,000,000	48,000,000
Total Deferred Inflows .....	74,454,015	55,904,864
<b>TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS</b>	<b>\$1,471,589,995</b>	<b>\$1,438,152,098</b>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
May 31, 2019 AND May 31, 2018

	May 2019	May 2018
<b>OPERATING REVENUES</b>		
Sales of Electric Energy .....	\$33,750,701	\$32,384,767
Other Operating Revenues .....	1,521,171	1,770,008
Click! Network Operating Revenues .....	2,155,264	2,150,361
Total Operating Revenue .....	<u>37,427,136</u>	<u>36,305,136</u>
<b>OPERATING EXPENSES</b>		
Production Expense		
Hydraulic Power Production .....	2,954,220	2,844,544
Other Production Expense .....	593,279	515,163
Total Expense Power Produced .....	3,547,499	3,359,707
Purchased Power .....	13,519,189	9,720,243
Total Production Expense .....	17,066,688	13,079,950
Transmission Expense .....	2,434,369	2,594,455
Distribution Expense .....	3,370,966	2,085,222
Click! Network Commercial Operations Expense .....	1,784,071	2,087,622
Customer Accounts Expense (CIS) .....	987,306	1,062,687
Conservation and Other Customer Assistance .....	1,631,481	1,249,730
Taxes .....	1,370,256	1,723,089
Depreciation .....	4,033,935	4,898,867
Administrative and General .....	3,707,926	1,751,263
Total Operating Expenses .....	<u>36,386,998</u>	<u>30,532,885</u>
<b>OPERATING INCOME (LOSS) .....</b>	<u>1,040,138</u>	<u>5,772,251</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	429,140	299,889
Contribution to Family Need .....	(41,667)	(8,333)
Other Net Non-Op Revenues and Deductions .....	580,415	375,942
Interest on Long-Term Debt .....	(1,752,634)	(1,689,835)
Amort. of Debt Related Costs .....	129,158	134,639
Interest Charged to Construction .....	-	187,277
Total Non-Operating Revenues (Expenses) .....	<u>(655,588)</u>	<u>(700,421)</u>
Net Income (Loss) Before Capital Contributions and Transfers .....	384,550	5,071,830
Capital Contributions		
Cash .....	529,846	463,639
Donated Fixed Assets .....	34,727	-
BABs and CREBs Interest Subsidies .....	329,553	329,553
Transfers		
City Gross Earnings Tax .....	(2,868,732)	(2,776,960)
<b>CHANGE IN NET POSITION .....</b>	<u><u>(\$1,590,056)</u></u>	<u><u>\$3,088,062</u></u>
<b>TOTAL NET POSITION - January 1 .....</b>		
<b>TOTAL NET POSITION - May 31 .....</b>		



YEAR TO DATE			
May 31, 2019	May 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$192,412,363	\$188,851,008	\$3,561,355	1.9%
8,013,827	7,530,804	483,023	6.4%
10,836,409	10,742,141	94,268	0.9%
211,262,599	207,123,953	4,138,646	2.0%
15,036,971	10,072,550	4,964,421	49.3%
2,526,444	2,401,278	125,166	5.2%
17,563,415	12,473,828	5,089,587	40.8%
72,745,904	54,715,242	18,030,662	33.0%
90,309,319	67,189,070	23,120,249	34.4%
15,469,057	14,111,794	1,357,263	9.6%
14,991,559	13,113,713	1,877,846	14.3%
8,928,898	10,213,633	(1,284,735)	-12.6%
5,442,075	5,546,340	(104,265)	-1.9%
7,742,131	6,178,865	1,563,266	25.3%
8,928,931	9,124,667	(195,736)	-2.1%
20,625,736	23,455,943	(2,830,207)	-12.1%
16,987,805	14,026,596	2,961,209	21.1%
189,425,511	162,960,621	26,464,890	16.2%
21,837,088	44,163,332	(22,326,244)	-50.6%
3,371,854	2,770,703	601,151	21.7%
(208,333)	(41,667)	(166,666)	400.0%
1,189,525	716,825	472,700	65.9%
(8,807,925)	(8,519,140)	(288,785)	3.4%
645,788	673,196	(27,408)	-4.1%
-	403,538	(403,538)	-100.0%
(3,809,091)	(3,996,545)	187,454	-4.7%
18,027,997	40,166,787	(22,138,790)	-55.1%
2,484,301	5,736,771	(3,252,470)	-56.7%
98,187	52,805	45,382	85.9%
1,553,460	1,647,766	(94,306)	-5.7%
(15,942,656)	(15,675,816)	(266,840)	1.7%
6,221,289	31,928,313	(25,707,024)	-80.5%
863,431,784	830,170,673	33,261,111	4.0%
<u>\$869,653,073</u>	<u>\$862,098,986</u>	<u>7,554,087</u>	

These statements should be read in conjunction with the Notes to the Financial Statements contained in the previous year-end Financial Report

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER

SUMMARY OF REVENUES AND BILLINGS  
May 31, 2019 AND May 31, 2018

	For the month of May 2019	For the month of May 2018
<b>OPERATING REVENUE</b>		
Sales of Electric Energy		
Residential .....	\$15,104,861	\$14,039,346
Commercial .....	2,729,138	2,485,091
General .....	10,956,235	10,123,935
Contract Industrial .....	2,001,781	1,990,488
Public Street and Highway Lighting .....	107,726	(678,130)
Sales to Other Electric Utilities .....	33,868	35,381
Total Sales to Customers .....	30,933,609	27,996,111
Bulk Power Sales .....	2,817,092	4,388,656
Total Sales of Electric Energy .....	33,750,701	32,384,767
Other Operating Revenue		
Rentals and Leases from Elect. Property .....	182,115	538,756
Wheeling .....	867,813	807,659
Service Fees and Other .....	471,243	423,593
Telecommunications Revenue .....	2,155,264	2,150,361
Total Other Operating Revenues .....	3,676,435	3,920,369
 TOTAL OPERATING REVENUES .....	 <u>\$37,427,136</u>	 <u>\$36,305,136</u>
 <b>BILLINGS (Number of Months Billed)</b>		
Residential .....	171,729	159,225
Commercial .....	18,734	16,845
General .....	2,667	2,536
Contract Industrial .....	2	2
Public Streets and Highway Lighting .....	1,138	1,119
Sales to Other Electric Utilities .....	1	1
 TOTAL BILLINGS .....	 <u>194,271</u>	 <u>179,728</u>

YEAR TO DATE			
May 31, 2019	May 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$92,442,058	\$87,444,243	\$4,997,815	5.7%
13,628,036	13,178,912	449,124	3.4%
54,277,647	52,167,986	2,109,661	4.0%
9,345,495	9,146,249	199,246	2.2%
661,993	(495,606)	1,157,599	233.6%
217,691	210,980	6,711	3.2%
170,572,920	161,652,764	8,920,156	5.5%
21,839,443	27,198,244	(5,358,801)	-19.7%
192,412,363	188,851,008	3,561,355	1.9%
1,375,047	1,243,642	131,405	10.6%
4,502,671	4,188,221	314,450	7.5%
2,136,109	2,098,941	37,168	1.8%
10,836,409	10,742,141	94,268	0.9%
18,850,236	18,272,945	577,291	3.2%
\$211,262,599	\$207,123,953	\$4,138,646	2.0%
817,219	791,369	25,850	3.3%
82,806	79,687	3,119	3.9%
12,714	12,636	78	0.6%
10	10	-	0.0%
4,814	4,791	23	0.5%
5	5	-	0.0%
917,568	888,498	29,070	3.3%

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA POWER

GROSS GENERATION REPORT - May 31, 2019 AND May 31, 2018

	For the month of May 2019	For the month of May 2018
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande .....	24,651,000	32,183,000
Generated - Alder .....	14,461,000	20,509,000
TOTAL NISQUALLY .....	39,112,000	52,692,000
Generated - Cushman No. 1 .....	2,658,000	7,478,000
Generated - Cushman No. 2 .....	1,323,000	9,668,000
TOTAL CUSHMAN .....	3,981,000	17,146,000
Generated - Mossyrock .....	42,618,000	97,378,000
Generated - Mayfield .....	29,504,000	59,950,000
TOTAL COWLITZ .....	72,122,000	157,328,000
Generated - Wynoochee .....	-	-
Generated - Hood Street .....	360,700	391,300
Tacoma's Share of Priest Rapids .....	2,427,000	2,497,000
Tacoma's Share of GCPHA .....	39,200,000	39,063,000
TOTAL KWH GENERATED - TACOMA SYSTEM .....	157,202,700	269,117,300
Purchased Power		
BPA Slice Contract .....	224,086,000	282,464,000
BPA Block Contract .....	118,602,000	115,494,000
Interchange Net .....	(148,709,500)	(312,677,000)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED .....	351,181,200	354,398,300
Losses .....	4,668,044	3,561,588
Baldi Replacement .....	18,375	18,938
Ketron .....	14,960	16,514
NT PC Mutuals Schedules .....	(2,160,000)	(2,026,000)
PC Mutual Inadvertent .....	89,310	43,324
TACOMA SYSTEM FIRM LOAD .....	353,811,889	356,012,664
Maximum Kilowatts (System Firm Load) .....	612,661	598,803
Average Kilowatts (System Firm Load) .....	475,554	478,512
PIERCE COUNTY MUTUAL LOAD .....	97,663,000	96,408,000
KWH BILLED		
Residential Sales .....	153,356,975	146,229,963
Commercial Sales .....	29,157,732	26,856,730
General .....	160,988,208	153,503,489
Contract Industrial .....	41,675,160	42,755,760
Public Street and Highway Lighting .....	916,001	(14,683,224)
Sales to Other Electric Utilities .....	555,300	605,700
TOTAL FIRM .....	386,649,376	355,268,418
Bulk Power Sales .....	220,486,000	330,804,000
TOTAL KWH BILLED .....	607,135,376	686,072,418

YEAR TO DATE			
May 31 2019	May 31 2018	2019/2018 VARIANCE	PERCENT CHANGE
124,058,000	189,293,000	(65,235,000)	-34.5%
73,125,000	124,526,000	(51,401,000)	-41.3%
197,183,000	313,819,000	(116,636,000)	-37.2%
36,827,000	47,368,000	(10,541,000)	-22.3%
51,398,000	75,142,000	(23,744,000)	-31.6%
88,225,000	122,510,000	(34,285,000)	-28.0%
301,434,000	522,859,000	(221,425,000)	-42.3%
248,054,000	387,469,000	(139,415,000)	-36.0%
549,488,000	910,328,000	(360,840,000)	-39.6%
10,066,000	12,918,000	(2,852,000)	-22.1%
1,414,383	1,527,500	(113,117)	-7.4%
9,558,000	13,489,000	(3,931,000)	-29.1%
63,546,000	75,171,000	(11,625,000)	-15.5%
919,480,383	1,449,762,500	(530,282,117)	-36.6%
947,692,000	1,256,818,000	(309,126,000)	-24.6%
706,933,000	688,406,000	18,527,000	2.7%
(439,056,250)	(1,257,190,833)	818,134,583	65.1%
2,135,049,133	2,137,795,667	(2,746,534)	-0.1%
13,702,636	21,013,617	(7,310,981)	-34.8%
114,180	336,453	(222,273)	-66.1%
146,289	161,327	(15,038)	-9.3%
(14,657,000)	(14,781,000)	124,000	0.8%
598,149	435,287	162,862	37.4%
2,134,953,387	2,144,961,351	(10,007,964)	-0.5%
683,598,000	667,893,000	15,705,000	2.4%
1,013,417,632	992,142,282	21,275,350	2.1%
150,537,122	147,575,029	2,962,093	2.0%
837,952,111	825,760,242	12,191,869	1.5%
194,124,000	201,222,780	(7,098,780)	-3.5%
4,980,759	(11,003,297)	15,984,056	145.3%
3,712,500	3,780,900	(68,400)	-1.8%
2,204,724,124	2,159,477,935	45,246,189	2.1%
1,604,436,000	1,424,510,000	179,926,000	12.6%
3,809,160,124	3,583,987,935	225,172,189	6.3%

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

OPERATIONAL SUMMARY - May 31, 2019

	May 2019	May 2018
<b>TELECOMMUNICATIONS REVENUE</b>		
CATV .....	\$1,358,102	\$1,420,089
Broadband .....	79,867	88,476
ISP .....	693,935	619,088
Interdepartmental .....	23,360	22,708
Total Operating Revenue .....	<u>2,155,264</u>	<u>2,150,361</u>
<b>TELECOMMUNICATIONS EXPENSE-COMMERCIAL</b>		
Administration & Sales Expense .....		
Salaries & Wages Expense .....	194,981	293,464
General Expense .....	24,716	24,218
Contract Services .....	1,053,101	1,058,206
IS & Intergovernmental Services .....	124,633	135,114
Fleet Services .....	294	899
Capitalized A & G Expense .....	(1,569)	(6,003)
Total Admin. & Sales Expense .....	<u>1,396,156</u>	<u>1,505,898</u>
Operations & Maintenance Expense .....		
Salaries & Wages Expense .....	324,359	469,792
General Expense .....	14,357	31,266
Contract Services .....	23,932	62,929
IS & Intergovernmental Services .....	1,605	4,632
Fleet Services .....	27,448	20,706
New Connect Capital .....	(3,786)	(7,601)
Total Oper. & Maint. Expense .....	<u>387,915</u>	<u>581,724</u>
Total Telecommunications Expense .....	1,784,071	2,087,622
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization .....	371,193	62,739
Taxes .....	291,706	296,847
Depreciation and Amortization .....	<u>142,546</u>	<u>192,665</u>
	434,252	489,512
NET OPERATING REVENUES (EXPENSES) .....	<u>(\$63,059)</u>	<u>(\$426,773)</u>

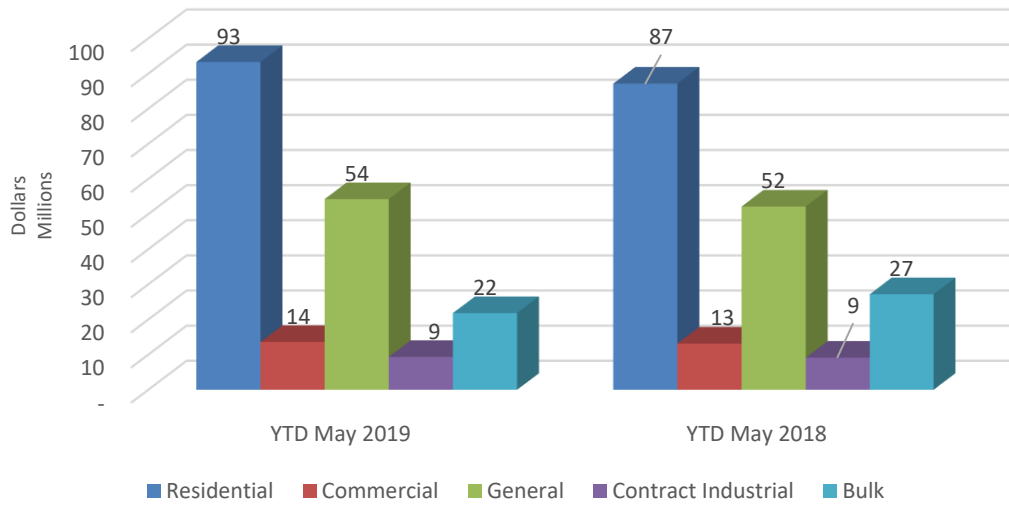
YEAR TO DATE			
May 31 2019	May 31 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$6,867,439	\$7,125,498	(\$258,059)	-3.6%
407,329	440,526	(\$33,197)	-7.5%
3,438,682	3,062,647	\$376,035	12.3%
122,959	113,470	\$9,489	8.4%
10,836,409	10,742,141	94,268	0.9%
890,252	1,310,923	(420,671)	-32.1%
202,486	176,733	25,753	14.6%
5,359,748	5,529,527	(169,779)	-3.1%
593,245	683,358	(90,113)	-13.2%
2,750	2,136	614	28.7%
(10,975)	(18,716)	7,741	-41.4%
7,037,506	7,683,961	(646,455)	-8.4%
1,440,364	2,002,742	(562,378)	-28.1%
73,321	130,952	(57,631)	-44.0%
276,906	319,318	(42,412)	-13.3%
8,996	14,640	(5,644)	-38.6%
124,338	100,903	23,435	23.2%
(32,533)	(38,883)	6,350	-16.3%
1,891,392	2,529,672	(638,280)	-25.2%
8,928,898	10,213,633	(1,284,735)	-12.6%
1,907,511	528,508	1,379,003	260.9%
1,473,476	1,479,822	(6,346)	-0.4%
718,041	955,632	(237,591)	-24.9%
2,191,517	2,435,454	(243,937)	
(\$284,006)	(\$1,906,946)	\$1,622,940	-85.1%

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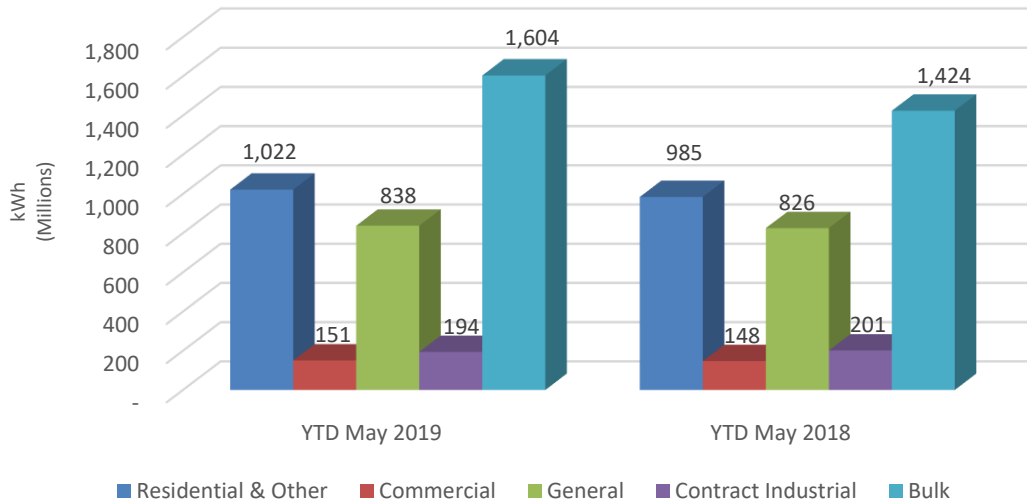


## Supplemental Data

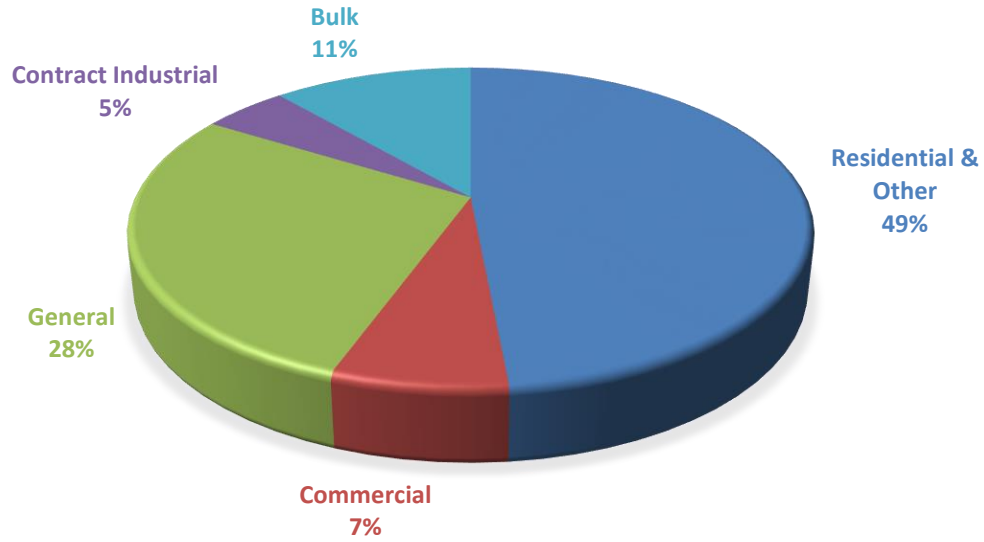
### Sales of Electric Energy Year to Date - May 2019 & 2018



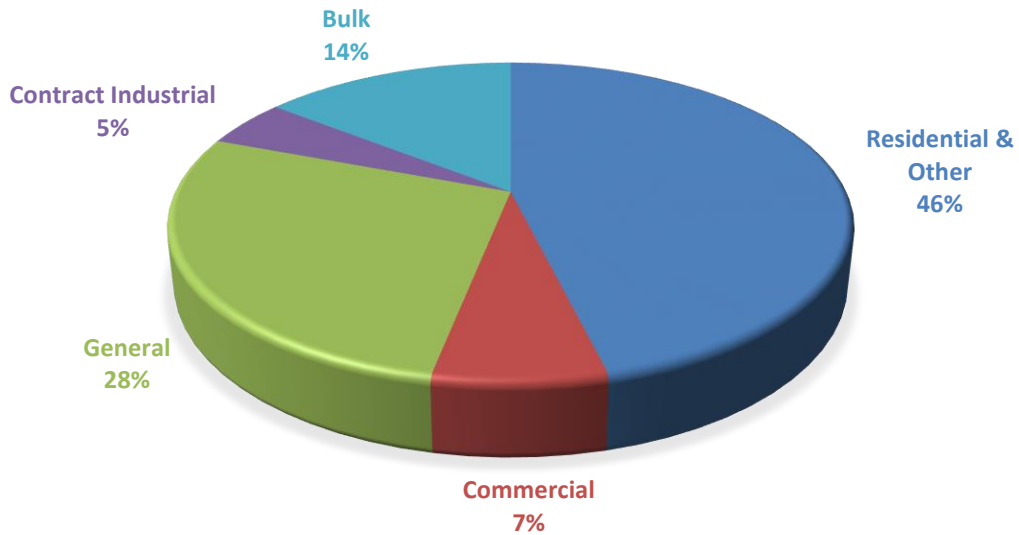
### Total Power Billed Year to Date - May 2019 & 2018



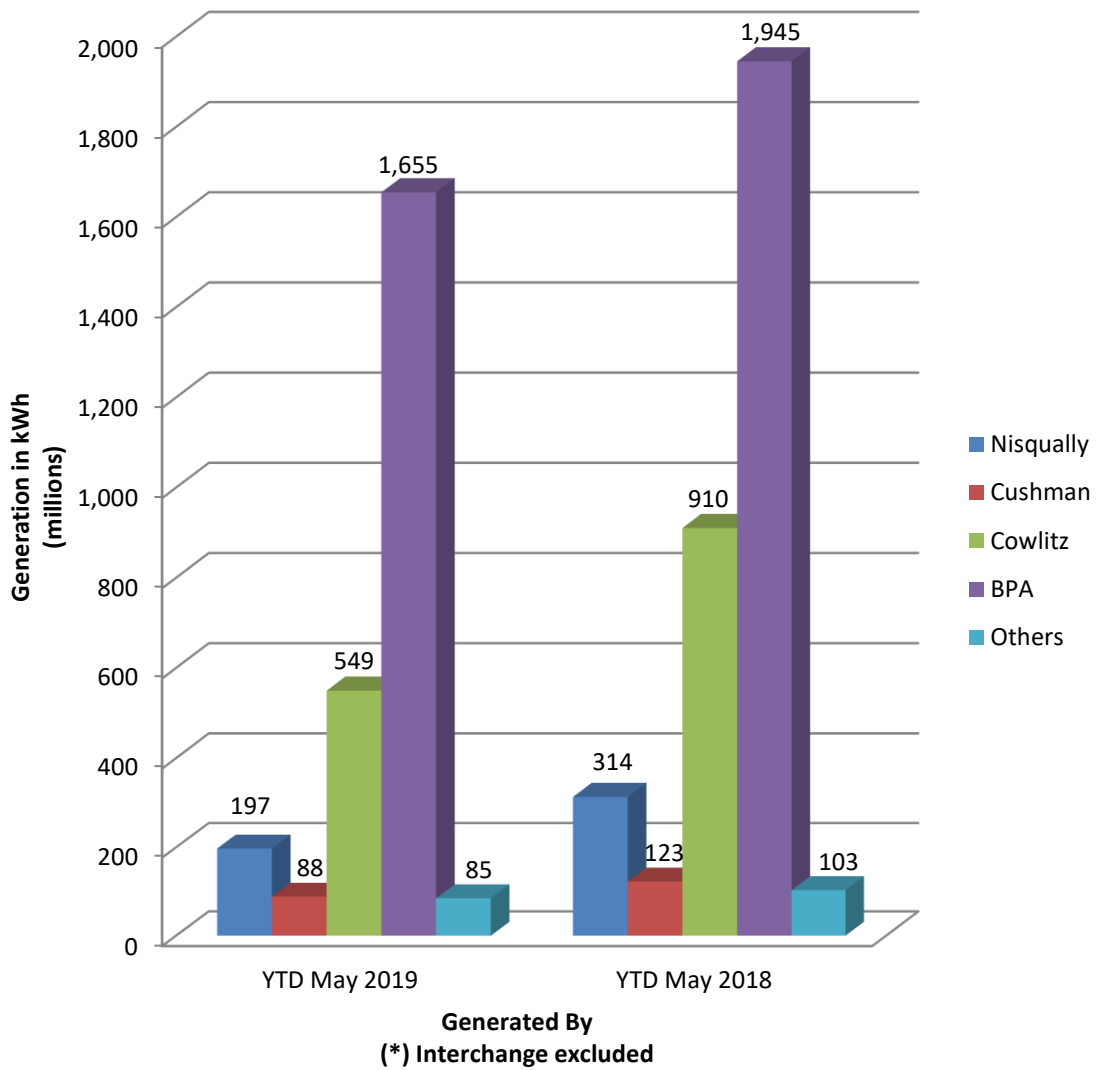
**SALES OF ELECTRIC ENERGY  
YEAR TO DATE - MAY 2019 (\$192,412,363)**



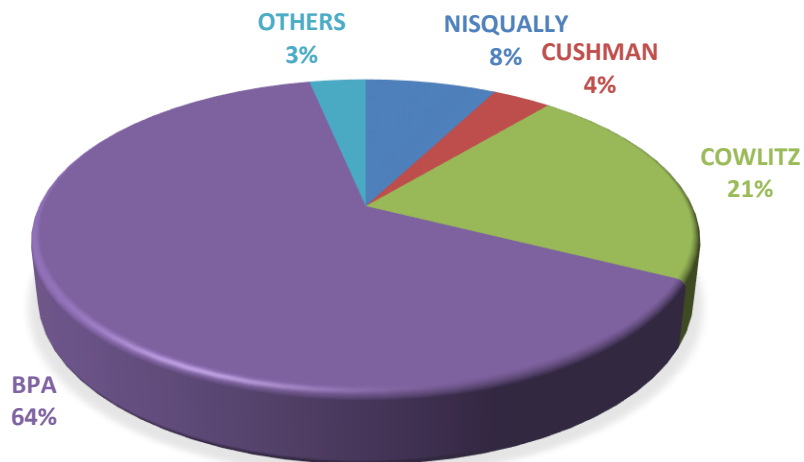
**SALES OF ELECTRIC ENERGY  
YEAR TO DATE - MAY 2018 (\$188,851,008)**



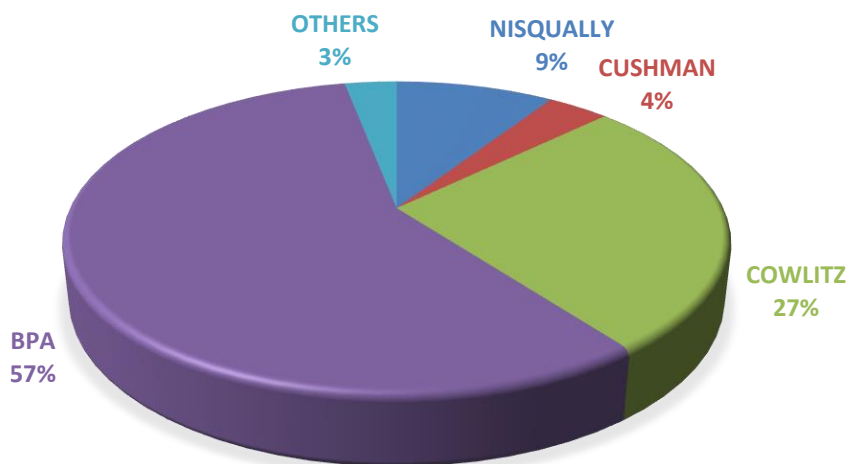
## Power Sources (\*) Year to Date May 2019 & 2018



# **POWER SOURCES (\*)** **YEAR TO DATE - MAY 2019**

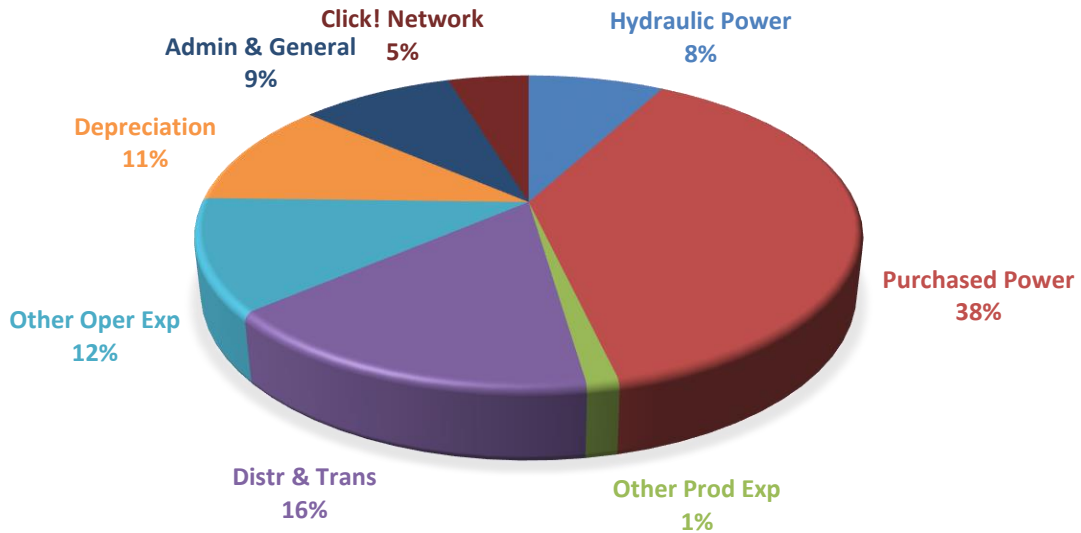


# **POWER SOURCES (\*)** **YEAR TO DATE - MAY 2018**

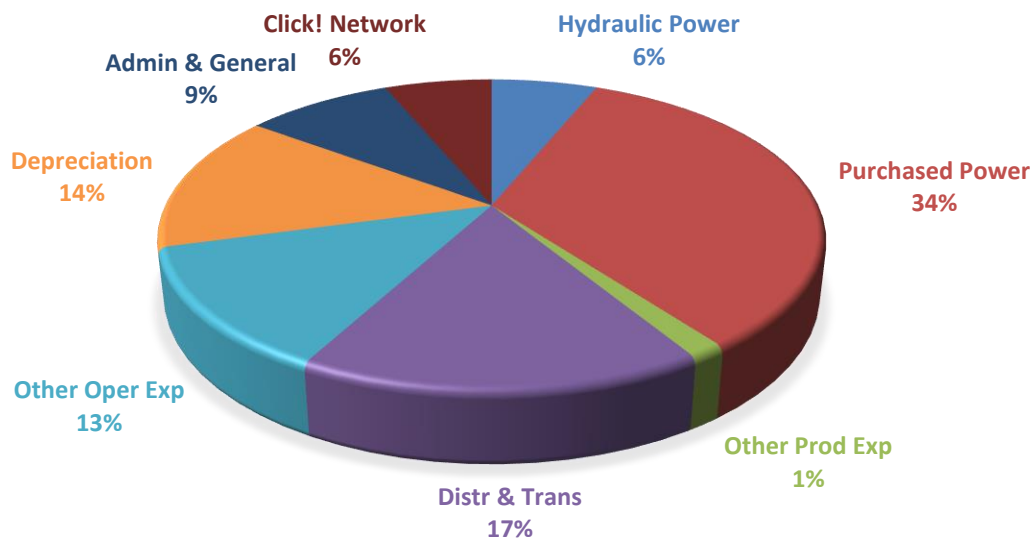


(\*) Interchange excluded

**TOTAL OPERATING EXPENSES \***  
**YEAR TO DATE - MAY 2019 (\$189,425,511)**



**TOTAL OPERATING EXPENSES \***  
**YEAR TO DATE - MAY 2018 (\$162,960,621)**



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

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