
JULY

TACOMA POWER

2019

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

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CHRISTINE COOLEY

Member

CARLOS M. WATSON

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 (Unaudited)
July 31, 2019 and July 31, 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
UTILITY PLANT		
Electric Plant in Service	\$2,118,898,114	\$2,064,341,068
Less Depreciation and Amortization	(1,120,965,828)	(1,079,491,172)
Total	997,932,286	984,849,896
Construction Work in Progress	65,455,742	64,072,422
Net Utility Plant	1,063,388,028	1,048,922,318
NON-UTILITY PROPERTY	182,051	182,051
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
Provision for Debt Service	7,103,613	7,567,340
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve - State of Washington	2,668,401	2,617,232
Fish and Wildlife Reserves	23,991,074	-
Total Restricted Assets	38,760,727	15,182,211
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	137,123,996	148,536,910
Customers' and Contractors' Deposits	2,683,963	2,699,899
Conservation Loan Fund	3,890,830	3,784,723
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	17,918,472	18,664,890
Accrued Unbilled Revenue	30,730,773	30,701,425
Others	9,538,870	13,414,090
Provision for Uncollectibles	(2,384,626)	(1,093,548)
Materials and Supplies	6,573,118	7,026,410
Prepayments and Other	11,096,171	6,376,345
Total Current Assets	265,171,567	278,111,144
OTHER ASSETS		
Regulatory Asset - Conservation	48,132,571	47,981,239
Net Pension Asset	15,506,238	-
Conservation Loan Fund Receivables	2,485,961	2,432,638
Total Other Assets	66,124,770	50,413,877
Total Assets	1,433,627,143	1,392,811,601
DEFERRED OUTFLOWS		
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
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$1,454,470,057	\$1,431,238,343

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

NET POSITION, LIABILITIES AND DEFERRED INFLOWS	2019	2018
NET POSITION		
Net Investment in Capital Assets	\$608,132,354	\$636,994,345
Restricted for:		
Wynoochee Reserve - State of Washington	2,668,401	2,617,232
Fish and Wildlife Reserves	23,991,074	-
Debt Service	5,462,915	5,888,750
Net Pension Asset	15,506,238	-
Unrestricted	203,774,973	217,893,527
TOTAL NET POSITION	859,535,955	863,393,854
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	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	22,245,363	23,822,663
Net Bonded Indebtedness	395,820,363	406,762,663
Line of Credit	55,250,000	250,000
Total Long-Term Debt	451,070,363	407,012,663
CURRENT LIABILITIES		
Salaries and Wages Payable	3,289,341	2,746,016
Taxes and Other Payables	12,199,293	13,600,712
Purchases and Transmission of Power Accrued	12,863,513	11,828,575
Interest Payable	1,640,698	1,678,590
Customers' Deposits	2,644,616	2,704,864
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	43,093,789	43,697,992
LONG-TERM LIABILITIES		
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
TOTAL LIABILITIES	520,480,087	511,939,625
DEFERRED INFLOWS		
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
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$1,454,470,057	\$1,431,238,343

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
July 31, 2019 and July 31, 2018

	July 2019	July 2018
OPERATING REVENUES		
Sales of Electric Energy	\$26,720,266	\$32,651,743
Other Operating Revenues	2,216,251	1,571,742
Click! Network Operating Revenues	2,149,755	2,162,506
Total Operating Revenue	<u>31,086,272</u>	<u>36,385,991</u>
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,766,898	2,753,002
Other Production Expense	548,714	444,627
Total Expense Power Produced	<u>3,315,612</u>	<u>3,197,629</u>
Purchased Power	<u>11,480,230</u>	<u>10,951,687</u>
Total Production Expense	14,795,842	14,149,316
Transmission Expense	3,126,684	2,760,702
Distribution Expense	2,991,888	2,838,616
Click! Network Commercial Operations Expense	1,758,142	1,841,128
Customer Accounts Expense (CIS)	1,614,285	1,148,341
Conservation and Other Customer Assistance	1,481,482	1,202,562
Taxes	663,728	1,164,933
Depreciation	4,022,220	4,395,100
Administrative and General	3,511,906	2,517,611
Total Operating Expenses	<u>33,966,177</u>	<u>32,018,309</u>
OPERATING INCOME (LOSS)	<u>(2,879,905)</u>	<u>4,367,682</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	425,004	313,183
Contribution to Family Need	(41,667)	(8,333)
Other Net Non-Op Revenues and Deductions	49,666	148,368
Interest on Long-Term Debt	(1,767,378)	(1,710,002)
Amort of Debt Related Costs	129,158	134,639
Interest Charged to Construction	-	247,038
Total Non-Operating Revenues (Expenses)	<u>(1,205,217)</u>	<u>(875,107)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(4,085,122)	3,492,575
Capital Contributions		
Cash	510,373	619,134
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,313,133)	(2,521,008)
Transfers from (to) Other Funds	<u>-</u>	<u>(31,158)</u>
CHANGE IN NET POSITION	<u><u>(\$5,558,329)</u></u>	<u><u>\$1,889,096</u></u>
 TOTAL NET POSITION - January 1		
 TOTAL NET POSITION - July 31		

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$251,490,695	\$253,448,944	(\$1,958,249)	-0.8%
11,641,496	11,062,545	578,951	5.2%
15,076,695	14,979,257	97,438	0.7%
<u>278,208,886</u>	<u>279,490,746</u>	<u>(1,281,860)</u>	-0.5%
21,151,670	15,607,377	5,544,293	35.5%
<u>3,577,036</u>	<u>3,304,436</u>	<u>272,600</u>	8.2%
24,728,706	18,911,813	5,816,893	30.8%
<u>97,044,264</u>	<u>76,605,329</u>	<u>20,438,935</u>	26.7%
121,772,970	95,517,142	26,255,828	27.5%
21,676,688	19,517,003	2,159,685	11.1%
20,526,996	19,223,246	1,303,750	6.8%
12,615,413	14,156,407	(1,540,994)	-10.9%
8,803,334	8,032,831	770,503	9.6%
10,689,475	8,637,750	2,051,725	23.8%
12,300,097	12,472,990	(172,893)	-1.4%
28,679,283	32,296,692	(3,617,409)	-11.2%
<u>23,837,885</u>	<u>18,903,779</u>	<u>4,934,106</u>	26.1%
<u>260,902,141</u>	<u>228,757,840</u>	<u>32,144,301</u>	14.1%
<u>17,306,745</u>	<u>50,732,906</u>	<u>(33,426,161)</u>	-65.9%
4,236,164	3,389,165	846,999	25.0%
(291,667)	(58,333)	(233,334)	-400.0%
1,249,310	959,836	289,474	30.2%
(12,338,499)	(11,927,073)	(411,426)	-3.4%
904,104	942,474	(38,370)	-4.1%
-	895,622	(895,622)	-100.0%
<u>(6,240,588)</u>	<u>(5,798,309)</u>	<u>(442,279)</u>	-7.6%
11,066,157	44,934,597	(33,868,440)	-75.4%
3,569,409	6,978,856	(3,409,447)	-48.9%
224,602	168,031	56,571	33.7%
2,212,566	2,176,369	36,197	1.7%
(20,968,563)	(21,003,514)	34,951	0.2%
<u>-</u>	<u>(31,158)</u>	<u>31,158</u>	100.0%
(3,895,829)	33,223,181	(37,119,010)	-111.7%
<u>863,431,784</u>	<u>830,170,673</u>	<u>33,261,111</u>	4.0%
<u>\$859,535,955</u>	<u>\$863,393,854</u>	<u>(3,857,899)</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 (Unaudited)
July 31, 2019 and July 31, 2018

	For the month of July 2019	For the month of July 2018
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$12,126,040	\$11,690,330
Commercial	(664,134)	2,279,271
General	10,499,043	10,151,208
Contract Industrial	2,043,200	1,999,076
Public Street and Highway Lighting	41,755	44,090
Sales to Other Electric Utilities	29,862	28,611
Total Sales to Customers	24,075,766	26,192,586
Bulk Power Sales	2,644,500	6,459,157
Total Sales of Electric Energy	26,720,266	32,651,743
Other Operating Revenue		
Rentals and Leases from Elect Property	852,504	346,265
Wheeling	829,928	810,957
Service Fees and Other	533,819	414,520
Telecommunications Revenue	2,149,755	2,162,506
Total Other Operating Revenues	4,366,006	3,734,248
TOTAL OPERATING REVENUES	\$31,086,272	\$36,385,991
BILLINGS (Number of Months Billed)		
Residential	173,829	165,886
Commercial	18,798	16,513
General	2,739	2,557
Contract Industrial	2	2
Public Streets and Highway Lighting	1,142	1,116
Sales to Other Electric Utilities	1	1
TOTAL BILLINGS	196,511	186,075

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$115,857,414	\$111,499,535	\$4,357,879	3.9%
18,179,905	17,778,068	401,837	2.3%
75,489,715	73,589,420	1,900,295	2.6%
13,463,495	13,187,769	275,726	2.1%
800,456	(416,958)	1,217,414	292.0%
277,978	268,953	9,025	3.4%
224,068,963	215,906,787	8,162,176	3.8%
27,421,732	37,542,157	(10,120,425)	-27.0%
251,490,695	253,448,944	(1,958,249)	-0.8%
2,420,120	2,341,890	78,230	3.3%
6,082,548	5,800,440	282,108	4.9%
3,138,828	2,920,215	218,613	7.5%
15,076,695	14,979,257	97,438	0.7%
26,718,191	26,041,802	676,389	2.6%
<u>\$278,208,886</u>	<u>\$279,490,746</u>	<u>(\$1,281,860)</u>	-0.5%
1,145,207	1,121,966	23,241	2.1%
116,381	112,028	4,353	3.9%
18,068	18,083	(15)	-0.1%
14	14	-	0.0%
6,699	6,504	195	3.0%
7	7	-	0.0%
<u>1,286,376</u>	<u>1,258,602</u>	<u>27,774</u>	2.2%

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Gross Generation Report (Unaudited)
July 31, 2019 and July 31, 2018

	For the month of July 2019	For the month of July 2018
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	17,381,000	24,378,000
Generated - Alder	10,067,000	13,847,000
TOTAL NISQUALLY	<u>27,448,000</u>	<u>38,225,000</u>
Generated - Cushman No 1	1,326,000	2,099,000
Generated - Cushman No 2	535,000	1,740,000
TOTAL CUSHMAN	<u>1,861,000</u>	<u>3,839,000</u>
Generated - Mossyrock	37,694,000	43,331,000
Generated - Mayfield	23,245,000	25,132,000
TOTAL COWLITZ	<u>60,939,000</u>	<u>68,463,000</u>
Generated - Wynoochee	<u>-</u>	<u>736,000</u>
Generated - Hood Street	<u>320,300</u>	<u>13,700</u>
Tacoma's Share of Priest Rapids	<u>1,604,000</u>	<u>2,373,000</u>
Tacoma's Share of GCPHA	<u>42,023,000</u>	<u>45,398,000</u>
TOTAL KWH GENERATED - TACOMA SYSTEM	134,195,300	159,047,700
Purchased Power		
BPA Slice Contract	157,499,000	190,790,000
BPA Block Contract	113,921,000	110,935,000
Interchange Net	<u>(56,921,500)</u>	<u>(88,817,500)</u>
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED	348,693,800	371,955,200
Losses	3,623,028	3,808,697
Baldi Replacement	15,362	15,928
Ketron	14,460	13,323
NT PC Mutuals Schedules	(2,040,000)	(1,966,000)
PC Mutual Inadvertent	<u>70,220</u>	<u>94,913</u>
TACOMA SYSTEM FIRM LOAD	<u>350,376,870</u>	<u>373,922,061</u>
Maximum Kilowatts (System Firm Load)	608,123	617,263
Average Kilowatts (System Firm Load)	470,937	502,583
PIERCE COUNTY MUTUAL LOAD	95,444,000	101,958,000
KWH BILLED		
Residential Sales	114,680,738	112,450,800
Commercial Sales	(13,495,416)	24,371,881
General	149,613,401	151,439,370
Contract Industrial	42,943,680	42,492,540
Public Street and Highway Lighting	733,610	791,551
Sales to Other Electric Utilities	<u>477,900</u>	<u>483,300</u>
TOTAL FIRM	294,953,913	332,029,442
Bulk Power Sales	<u>77,157,000</u>	<u>114,697,000</u>
TOTAL KWH BILLED	<u><u>372,110,913</u></u>	<u><u>446,726,442</u></u>

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
160,850,000	236,070,000	(75,220,000)	-31.9%
94,483,000	151,402,000	(56,919,000)	-37.6%
255,333,000	387,472,000	(132,139,000)	-34.1%
40,823,000	53,481,000	(12,658,000)	-23.7%
53,065,000	80,828,000	(27,763,000)	-34.3%
93,888,000	134,309,000	(40,421,000)	-30.1%
383,137,000	653,321,000	(270,184,000)	-41.4%
299,845,000	462,612,000	(162,767,000)	-35.2%
682,982,000	1,115,933,000	(432,951,000)	-38.8%
10,066,000	13,654,000	(3,588,000)	-26.3%
1,996,283	1,725,800	270,483	15.7%
13,216,000	18,535,000	(5,319,000)	-28.7%
147,636,000	161,780,000	(14,144,000)	-8.7%
1,205,117,283	1,833,408,800	(628,291,517)	-34.3%
1,292,015,000	1,691,862,000	(399,847,000)	-23.6%
926,972,000	902,678,000	24,294,000	2.7%
(602,172,750)	(1,578,055,083)	975,882,333	61.8%
2,821,931,533	2,849,893,717	(27,962,184)	-1.0%
21,848,664	29,399,907	(7,551,243)	-25.7%
146,451	370,017	(223,566)	-60.4%
173,220	187,656	(14,436)	-7.7%
(18,775,000)	(18,804,000)	29,000	0.2%
837,725	975,196	(137,471)	-14.1%
2,826,162,593	2,862,022,493	(35,859,900)	-1.3%
870,751,000	862,896,000	7,855,000	0.9%
1,236,881,169	1,226,098,083	10,783,086	0.9%
198,636,068	197,093,168	1,542,900	0.8%
1,142,381,296	1,146,380,224	(3,998,928)	-0.3%
280,875,660	287,829,900	(6,954,240)	-2.4%
6,424,429	(9,774,707)	16,199,136	165.7%
4,680,900	4,767,300	(86,400)	-1.8%
2,869,879,522	2,852,393,968	17,485,554	0.6%
1,881,070,000	1,800,835,000	179,926,000	10.0%
4,750,949,522	4,653,228,968	97,720,554	2.1%

City of Tacoma, Washington
Department of Public Utilities
Click! Network
Commercial Operations
Operational Summary (Unaudited)
July 31, 2019

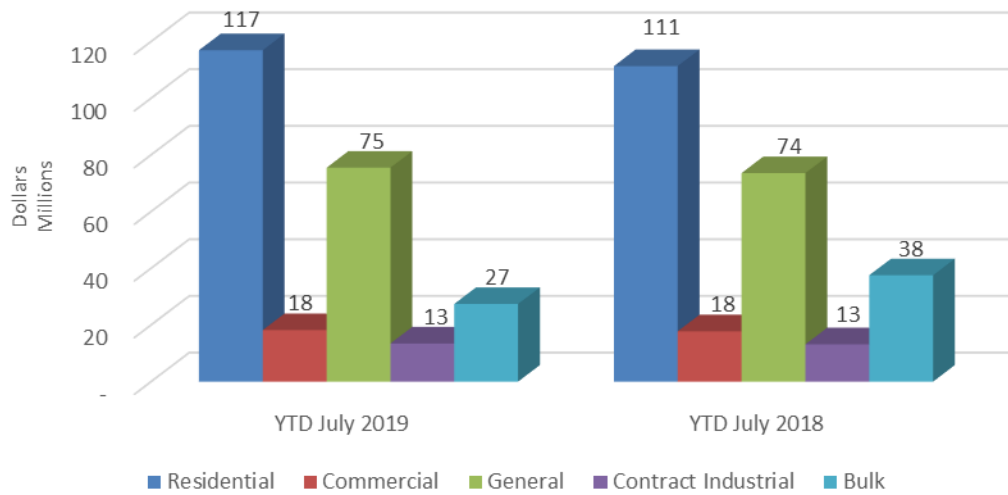
	July 2019	July 2018
TELECOMMUNICATIONS REVENUE		
CATV	\$1,337,763	\$1,422,723
Broadband	79,974	88,040
ISP	693,873	614,125
Interdepartmental	38,145	37,618
Total Operating Revenue	<u>2,149,755</u>	<u>2,162,506</u>
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	178,105	262,903
General Expense	26,605	29,181
Contract Services	1,055,279	972,955
IS & Intergovernmental Services	131,271	122,516
Fleet Services	558	1,877
Capitalized A & G Expense	(411)	(5,618)
Total Admin & Sales Expense	<u>1,391,407</u>	<u>1,383,814</u>
Operations & Maintenance Expense		
Salaries & Wages Expense	241,901	376,254
General Expense	12,423	21,773
Contract Services	84,045	45,316
IS & Intergovernmental Services	1,272	2,874
Fleet Services	33,590	18,464
New Connect Capital	(6,496)	(7,367)
Total Oper & Maint Expense	<u>366,735</u>	<u>457,314</u>
Total Telecommunications Expense	1,758,142	1,841,128
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	391,613	321,378
Taxes	288,701	295,352
Depreciation and Amortization	<u>142,475</u>	<u>188,696</u>
	431,176	484,048
NET OPERATING REVENUES (EXPENSES)	<u><u>(\$39,563)</u></u>	<u><u>(\$162,670)</u></u>

YEAR TO DATE			
July 31, 2019	July 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$9,497,588	\$9,896,457	(\$398,869)	-4.0%
568,529	622,180	(53,651)	-8.6%
4,826,114	4,286,824	539,290	12.6%
184,464	173,796	10,668	6.1%
<u>15,076,695</u>	<u>14,979,257</u>	<u>97,438</u>	0.7%
1,218,042	1,835,274	(617,232)	-33.6%
260,685	242,463	18,222	7.5%
7,652,373	7,673,978	(21,605)	-0.3%
837,008	937,353	(100,345)	-10.7%
3,531	5,013	(1,482)	-29.6%
(19,897)	(25,939)	6,042	23.3%
<u>9,951,742</u>	<u>10,668,142</u>	<u>(716,400)</u>	-6.7%
1,933,746	2,778,325	(844,579)	-30.4%
103,028	183,628	(80,600)	-43.9%
483,287	422,652	60,635	14.3%
12,227	18,745	(6,518)	-34.8%
176,470	138,182	38,288	27.7%
(45,087)	(53,267)	8,180	15.4%
<u>2,663,671</u>	<u>3,488,265</u>	<u>(824,594)</u>	-23.6%
12,615,413	14,156,407	(1,540,994)	-10.9%
2,461,282	822,850	1,638,432	199.1%
2,041,970	2,058,981	(17,011)	-0.8%
<u>1,003,023</u>	<u>1,332,795</u>	<u>(329,773)</u>	-24.7%
3,044,993	3,391,776	(346,784)	
<u>(\$583,711)</u>	<u>(\$2,568,926)</u>	<u>\$1,985,216</u>	77.3%

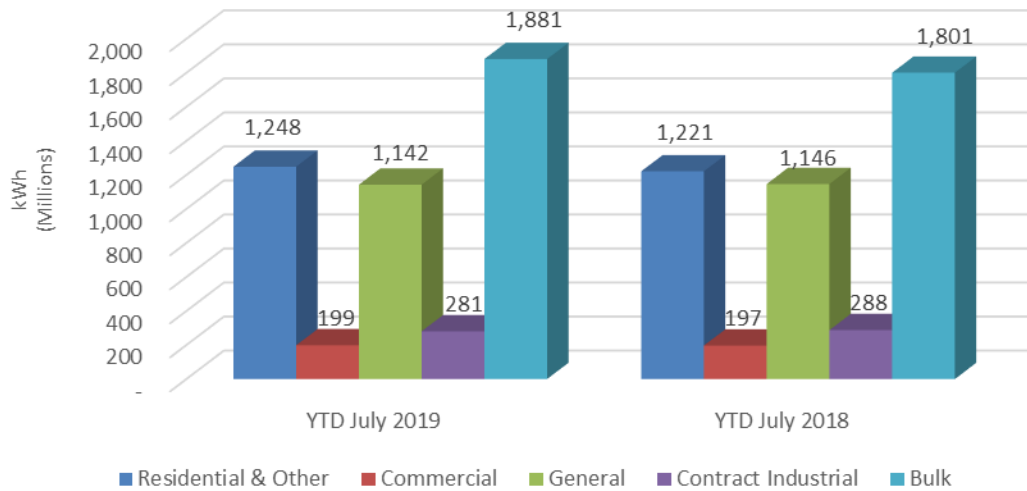
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Supplemental Data

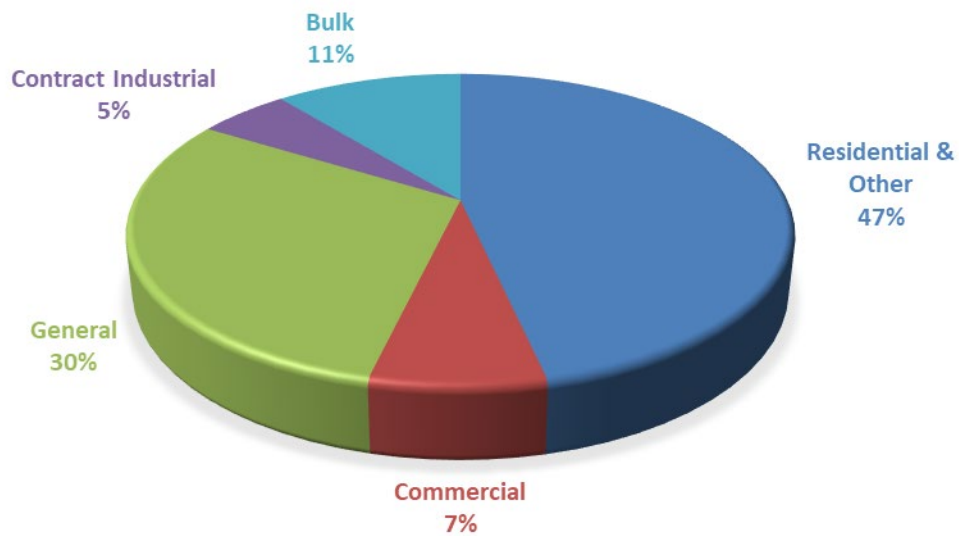
Sales of Electric Energy Year to Date - July 2019 & 2018



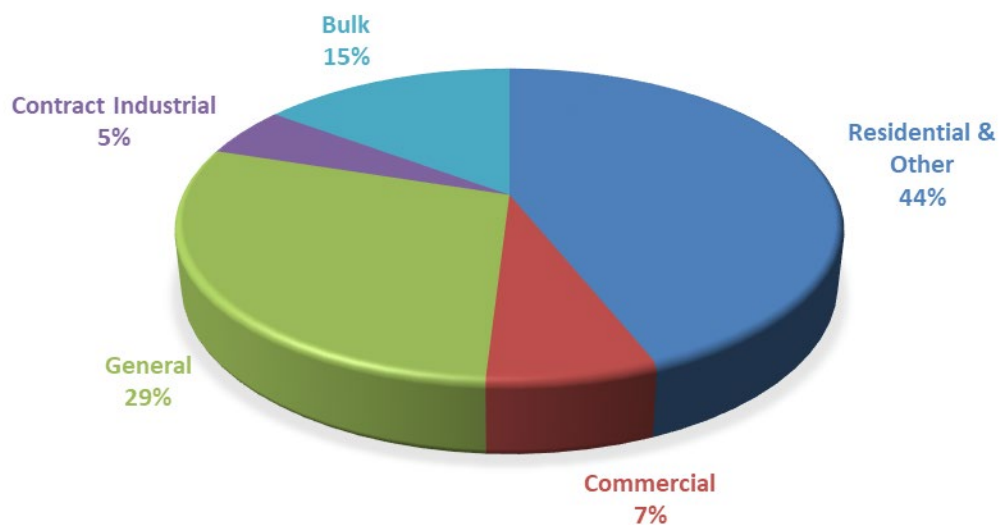
Total Power Billed Year to Date - July 2019 & 2018



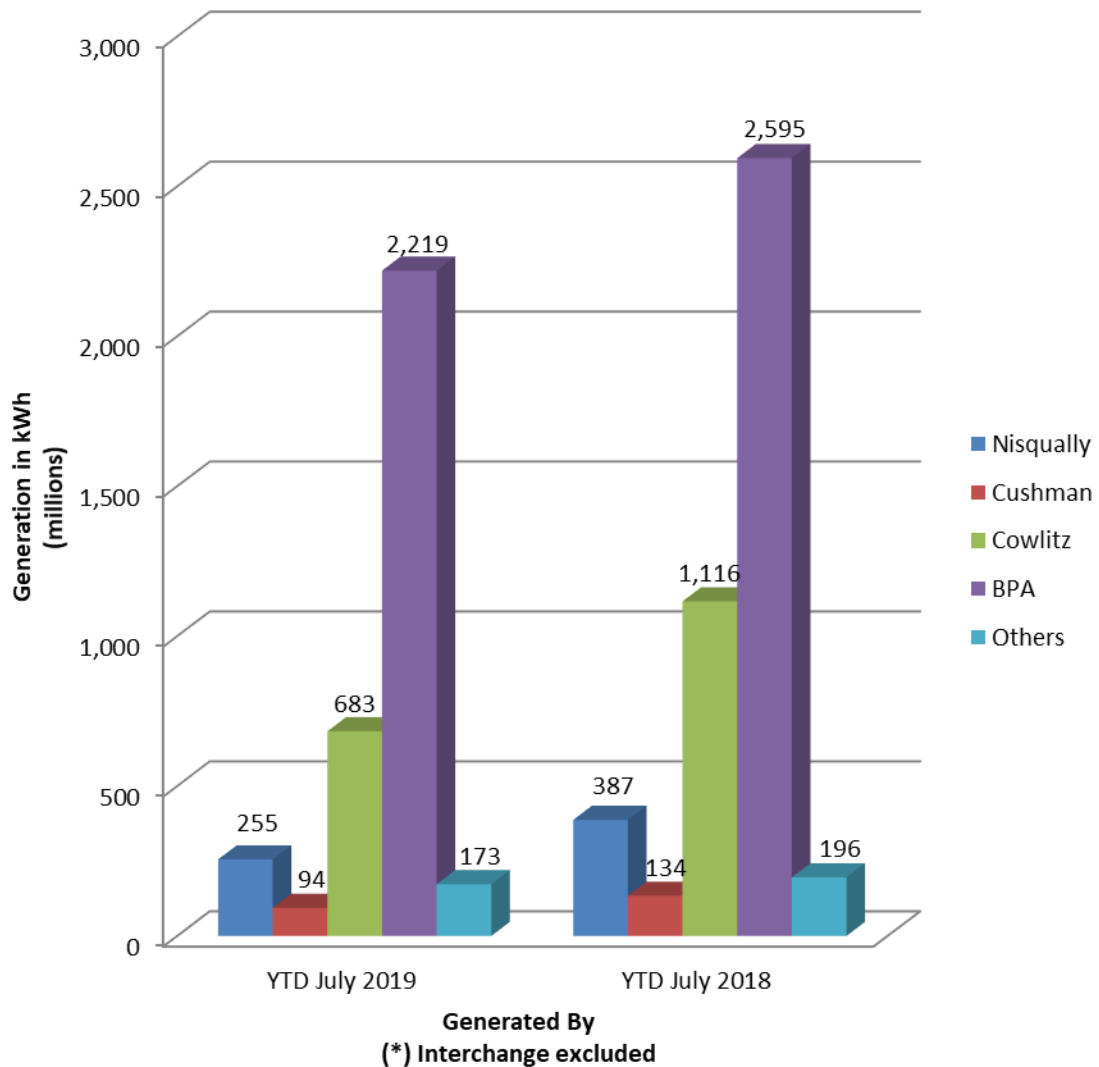
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2019 (\$251,490,695)**



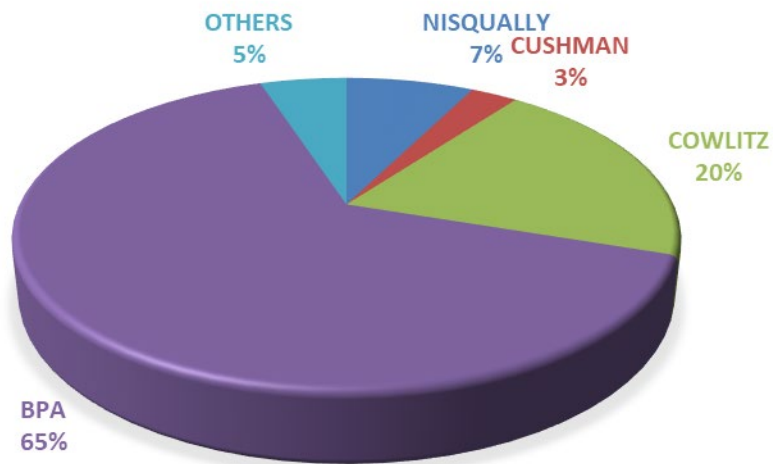
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2018 (\$253,448,944)**



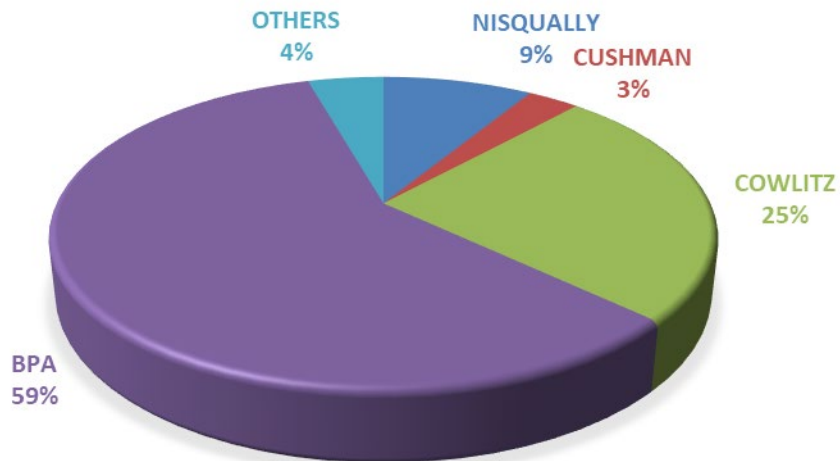
Power Sources (*) Year to Date July 2019 & 2018



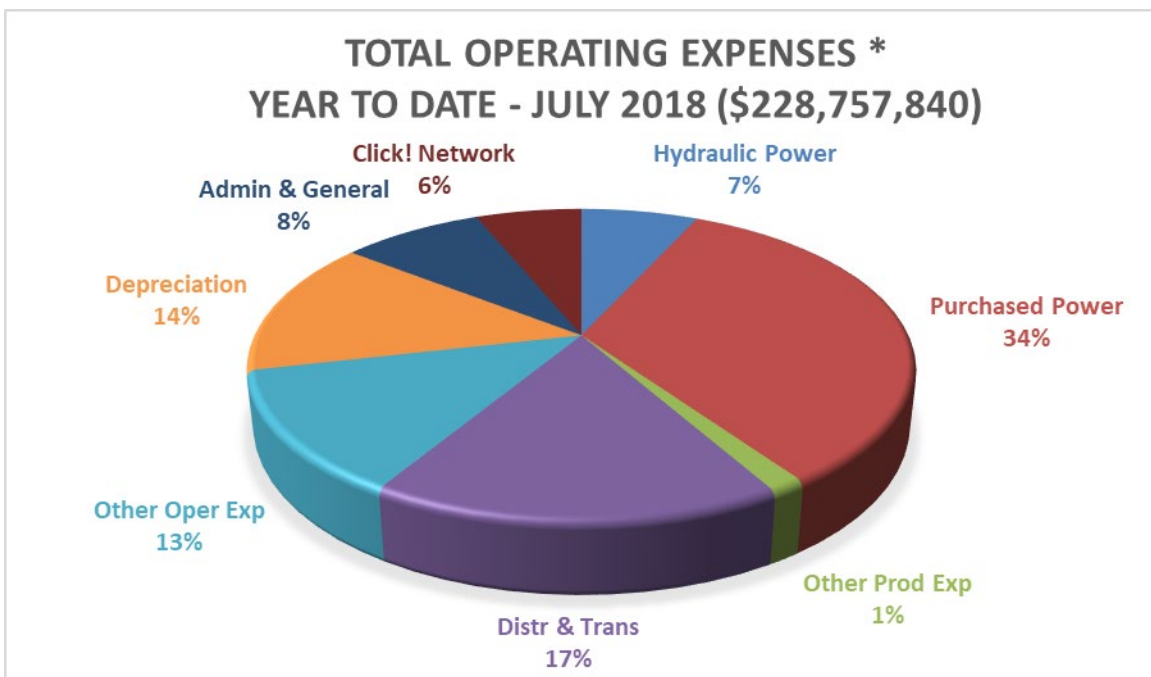
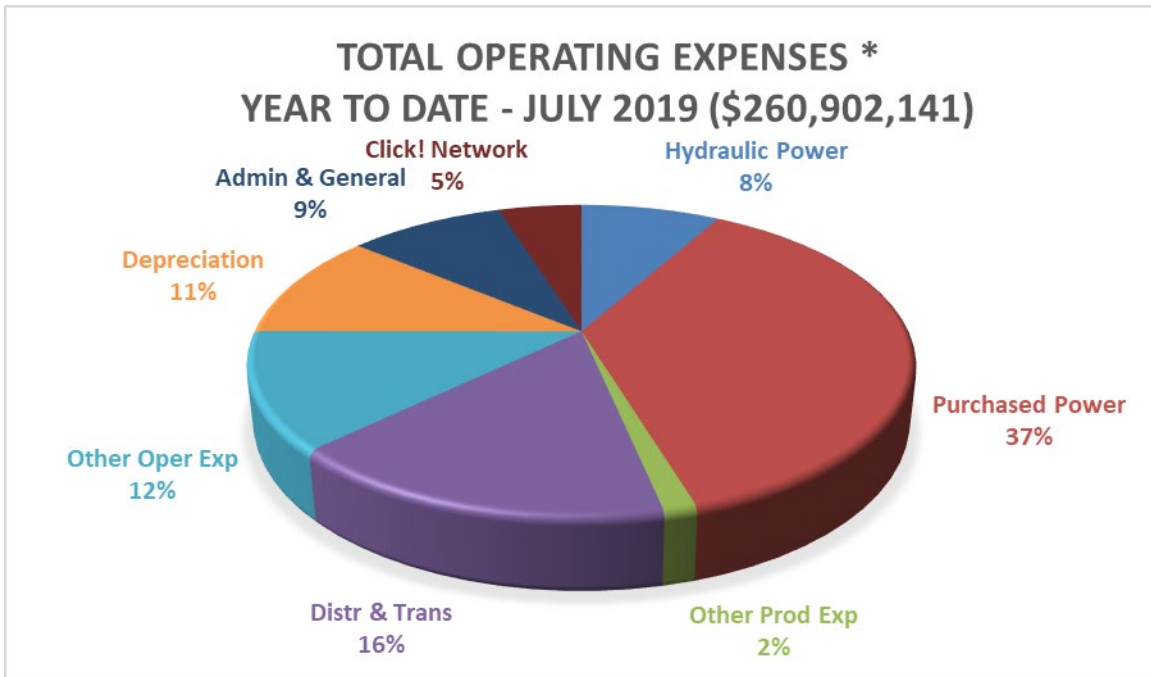
POWER SOURCES (*)
YEAR TO DATE - JULY 2019



POWER SOURCES (*)
YEAR TO DATE - JULY 2018



(*) Interchange excluded



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

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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.