
OCTOBER

TACOMA POWER

2019

**FINANCIAL
REPORT**



Public Utility Board

KAREN LARKIN

Chair

BRYAN FLINT

Vice-Chair

MARK PATTERSON

Secretary

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)
October 31, 2019 and October 31, 2018

ASSETS AND DEFERRED OUTFLOWS	2019	2018
UTILITY PLANT		
Electric Plant in Service	\$2,143,786,240	\$2,068,759,165
Less Depreciation and Amortization	<u>(1,131,681,967)</u>	<u>(1,089,890,589)</u>
Total	1,012,104,273	978,868,576
Construction Work in Progress	<u>53,053,298</u>	<u>80,803,234</u>
Net Utility Plant	<u>1,065,157,571</u>	<u>1,059,671,810</u>
 NON-UTILITY PROPERTY	 <u>182,051</u>	 <u>182,051</u>
 RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
Provision for Debt Service	14,366,950	15,126,869
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve - State of Washington	2,682,608	2,628,735
Fish and Wildlife Reserves	<u>24,118,804</u>	<u>-</u>
Total Restricted Assets	<u>46,166,001</u>	<u>22,753,243</u>
 CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	124,520,609	137,590,598
Customers' and Contractors' Deposits	2,731,677	2,699,678
Conservation Loan Fund	4,028,195	3,687,862
Rate Stabilization Fund	48,000,000	48,000,000
Receivables:		
Customers	18,248,009	14,333,252
Accrued Unbilled Revenue	30,730,773	30,701,425
Others	7,478,023	7,865,297
Provision for Uncollectibles	(2,046,223)	(1,272,973)
Materials and Supplies	6,365,662	6,715,185
Prepayments and Other	<u>11,438,228</u>	<u>7,773,143</u>
Total Current Assets	<u>251,494,953</u>	<u>258,093,467</u>
 OTHER ASSETS		
Regulatory Asset - Conservation	47,108,212	47,465,417
Net Pension Asset	15,506,238	-
Conservation Loan Fund Receivables	<u>2,446,734</u>	<u>2,603,775</u>
Total Other Assets	<u>65,061,184</u>	<u>50,069,192</u>
 Total Assets	 <u>1,428,061,760</u>	 <u>1,390,769,763</u>
 DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	19,885,557	38,426,742
Deferred Outflow for OPEB	<u>957,357</u>	<u>-</u>
Total Deferred Outflows	<u>20,842,914</u>	<u>38,426,742</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 <u>\$1,448,904,674</u>	 <u>\$1,429,196,505</u>

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	\$610,289,372	\$648,147,754
Restricted for:		
Wynoochee Reserve - State of Washington	2,682,608	2,628,735
Fish and Wildlife Reserves	24,118,804	-
Debt Service	7,804,166	8,412,500
Net Pension Asset	15,506,238	-
Unrestricted	184,810,911	196,149,080
TOTAL NET POSITION	845,212,099	855,338,069
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	21,857,890	23,418,745
Net Bonded Indebtedness	395,432,890	406,358,745
Line of Credit	-	250,000
Total Long-Term Debt	395,432,890	406,608,745
CURRENT LIABILITIES		
Salaries and Wages Payable	5,666,127	5,089,078
Taxes and Other Payables	12,503,858	11,863,426
Purchases and Transmission of Power Accrued	14,372,578	12,588,517
Interest Payable	6,562,784	6,714,369
Customers' Deposits	2,678,060	2,721,232
Current Portion of Long-Term Debt	64,615,000	10,095,000
Current Accrued Compensated Absences	1,091,328	1,044,235
Total Current Liabilities	107,489,735	50,115,857
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	529,238,560	517,953,572
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	\$1,448,904,674	\$1,429,196,505

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

	October 2019	October 2018
OPERATING REVENUES		
Sales of Electric Energy	\$33,235,166	\$28,611,484
Other Operating Revenues	1,393,255	1,434,975
Click! Network Operating Revenues	2,115,724	2,103,275
Total Operating Revenue	<u>36,744,145</u>	<u>32,149,734</u>
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	3,063,866	3,171,012
Other Production Expense	664,400	516,990
Total Expense Power Produced	<u>3,728,266</u>	<u>3,688,002</u>
Purchased Power	<u>12,942,681</u>	<u>11,303,358</u>
Total Production Expense	16,670,947	14,991,360
Transmission Expense	3,143,528	3,107,453
Distribution Expense	3,079,380	2,909,681
Click! Network Commercial Operations Expense	1,669,090	1,845,099
Customer Accounts Expense (CIS)	1,081,771	1,222,506
Conservation and Other Customer Assistance	1,601,005	1,353,819
Taxes	198,681	1,615,431
Depreciation	3,998,553	4,317,580
Administrative and General	3,513,593	2,687,840
Total Operating Expenses	<u>34,956,548</u>	<u>34,050,769</u>
OPERATING INCOME (LOSS)	<u>1,787,597</u>	<u>(1,901,035)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	412,550	322,788
Contribution to Family Need	(41,667)	(8,333)
Other Net Non-Op Revenues and Deductions	107,776	178,517
Interest on Long-Term Debt	(1,755,579)	(1,733,202)
Amort of Debt Related Costs	129,158	134,639
Interest Charged to Construction	(293)	(66,763)
Total Non-Operating Revenues (Expenses)	<u>(1,148,055)</u>	<u>(1,172,354)</u>
Net Income (Loss) Before Capital Contributions and Transfers	639,542	(3,073,389)
Capital Contributions		
Cash	895,910	535,479
Donated Fixed Assets	6,607	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(2,888,422)	(1,976,067)
Transfers from (to) Other Funds	-	-
CHANGE IN NET POSITION	<u>(\$1,016,810)</u>	<u>(\$4,184,424)</u>
 TOTAL NET POSITION - January 1		
 TOTAL NET POSITION - October 31		

YEAR TO DATE			
October 31, 2019	October 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$339,978,341	\$344,336,509	(\$4,358,168)	-1.3%
15,900,647	15,162,064	738,583	4.9%
21,378,135	21,227,209	150,926	0.7%
377,257,123	380,725,782	(3,468,659)	-0.9%
31,305,074	25,058,034	6,247,040	24.9%
5,341,728	4,771,085	570,643	12.0%
36,646,802	29,829,119	6,817,683	22.9%
134,042,696	112,099,310	21,943,386	19.6%
170,689,498	141,928,429	28,761,069	20.3%
31,130,156	28,647,902	2,482,254	8.7%
29,185,102	26,355,358	2,829,744	10.7%
17,552,881	19,870,514	(2,317,633)	-11.7%
11,877,704	11,583,984	293,720	2.5%
15,155,779	12,629,741	2,526,038	20.0%
16,633,564	17,480,428	(846,864)	-4.8%
40,717,114	45,376,906	(4,659,792)	-10.3%
33,542,350	26,059,354	7,482,996	28.7%
366,484,148	329,932,616	36,551,532	11.1%
10,772,975	50,793,166	(40,020,191)	-78.8%
5,463,204	4,355,917	1,107,287	25.4%
(416,667)	(83,333)	(333,334)	-400.0%
1,662,479	1,619,127	43,352	2.7%
(17,599,481)	(17,018,394)	(581,087)	-3.4%
1,291,576	1,346,392	(54,816)	-4.1%
(5,557)	1,348,376	(1,353,933)	-100.4%
(9,604,446)	(8,431,915)	(1,172,531)	-13.9%
1,168,529	42,361,251	(41,192,722)	-97.2%
5,720,799	8,216,079	(2,495,280)	-30.4%
299,665	185,437	114,228	61.6%
3,078,632	3,165,029	(86,397)	-2.7%
(28,487,310)	(28,729,242)	241,932	0.8%
-	(31,158)	31,158	100.0%
(18,219,685)	25,167,396	(43,387,081)	-172.4%
863,431,784	830,170,673	33,261,111	4.0%
<u>\$845,212,099</u>	<u>\$855,338,069</u>	<u>(\$10,125,970)</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)
October 31, 2019 and October 31, 2018

	For the month of October 2019	For the month of October 2018
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$15,717,717	\$11,725,216
Commercial	2,885,679	2,239,292
General	12,026,538	10,606,071
Contract Industrial	2,035,350	2,029,772
Public Street and Highway Lighting	73,825	140,745
Sales to Other Electric Utilities	30,385	28,677
Total Sales to Customers	32,769,494	26,769,773
Bulk Power Sales	465,672	1,841,711
Total Sales of Electric Energy	33,235,166	28,611,484
Other Operating Revenue		
Rentals and Leases from Elect. Property	190,065	195,343
Wheeling	874,782	840,948
Service Fees and Other	328,408	398,684
Telecommunications Revenue	2,115,724	2,103,275
Total Other Operating Revenues	3,508,979	3,538,250
 TOTAL OPERATING REVENUES	 \$36,744,145	 \$32,149,734
 BILLINGS (Number of Months Billed)		
Residential	206,797	163,270
Commercial	20,667	16,003
General	3,148	2,744
Contract Industrial	2	2
Public Streets and Highway Lighting	883	764
Sales to Other Electric Utilities	1	1
 TOTAL BILLINGS	 231,498	 182,784

YEAR TO DATE			
October 31, 2019	October 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$152,234,329	\$146,081,040	\$6,153,289	4.2%
25,194,397	24,604,702	589,695	2.4%
108,753,136	105,223,475	3,529,661	3.4%
19,679,628	19,445,872	233,756	1.2%
1,108,282	1,170,712	(62,430)	-5.3%
372,220	362,122	10,098	2.8%
307,341,992	296,887,923	10,454,069	3.5%
32,636,349	47,448,586	(14,812,237)	-31.2%
339,978,341	344,336,509	(4,358,168)	-1.3%
2,891,622	2,805,618	86,004	3.1%
8,633,215	8,275,043	358,172	4.3%
4,375,810	4,081,403	294,407	7.2%
21,378,135	21,227,209	150,926	0.7%
37,278,782	36,389,273	889,509	2.4%
<u>\$377,257,123</u>	<u>\$380,725,782</u>	<u>(\$3,468,659)</u>	-0.9%
1,637,109	1,605,872	31,237	1.9%
166,271	160,935	5,336	3.3%
25,955	26,008	(53)	-0.2%
20	20	-	0.0%
9,348	9,153	195	2.1%
10	10	-	0.0%
<u>1,838,713</u>	<u>1,801,998</u>	<u>36,715</u>	2.0%

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

	For the month of October 2019	For the month of October 2018
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	18,837,000	16,022,000
Generated - Alder	11,075,000	8,528,000
TOTAL NISQUALLY	29,912,000	24,550,000
Generated - Cushman No 1	12,611,000	11,203,000
Generated - Cushman No 2	20,710,000	17,007,000
TOTAL CUSHMAN	33,321,000	28,210,000
Generated - Mossyrock	46,182,000	53,685,000
Generated - Mayfield	34,602,000	34,901,000
TOTAL COWLITZ	80,784,000	88,586,000
Generated - Wynoochee	260,000	11,000
Generated - Hood Street	342,600	302,400
Tacoma's Share of Priest Rapids	1,298,000	1,373,000
Tacoma's Share of GCPHA	14,828,000	14,175,000
TOTAL KWH GENERATED - TACOMA SYSTEM	160,745,600	157,207,400
Purchased Power		
BPA Slice Contract	126,764,000	132,735,000
BPA Block Contract	96,313,000	106,118,000
Interchange Net	24,928,250	(5,584,833)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED	408,750,850	390,475,567
Losses	1,619,058	1,478,592
Baldi Replacement	17,857	19,849
Ketron	24,109	23,942
NT PC Mutuals Schedules	(2,725,000)	(2,422,000)
PC Mutual Inadvertent	(16,181)	69,362
TACOMA SYSTEM FIRM LOAD	407,670,693	389,645,312
Maximum Kilowatts (System Firm Load)	829,254	586,445
Average Kilowatts (System Firm Load)	547,944	523,717
PIERCE COUNTY MUTUAL LOAD	125,736,000	115,415,000
KWH BILLED		
Residential Sales	153,102,721	113,641,202
Commercial Sales	30,456,045	23,870,714
General	170,981,375	157,580,718
Contract Industrial	42,649,200	43,417,620
Public Street and Highway Lighting	1,172,531	1,206,873
Sales to Other Electric Utilities	489,600	486,900
TOTAL FIRM	398,851,473	340,204,027
Bulk Power Sales	42,016,000	42,339,000
TOTAL KWH BILLED	440,867,473	382,543,027

YEAR TO DATE			
October 31, 2019	October 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
211,169,000	290,856,000	(79,687,000)	-27.4%
124,591,000	182,257,000	(57,666,000)	-31.6%
335,760,000	473,113,000	(137,353,000)	-29.0%
64,395,000	76,438,000	(12,043,000)	-15.8%
89,310,000	113,584,000	(24,274,000)	-21.4%
153,705,000	190,022,000	(36,317,000)	-19.1%
507,729,000	787,587,000	(279,858,000)	-35.5%
383,894,000	545,866,000	(161,972,000)	-29.7%
891,623,000	1,333,453,000	(441,830,000)	-33.1%
10,326,000	14,872,000	(4,546,000)	-30.6%
3,012,683	2,204,100	808,583	36.7%
17,306,000	23,222,000	(5,916,000)	-25.5%
220,239,000	241,233,000	(20,994,000)	-8.7%
1,631,971,683	2,278,119,100	(646,147,417)	-28.4%
1,692,102,000	2,111,410,000	(419,308,000)	-19.9%
1,243,324,000	1,223,069,000	20,255,000	1.7%
(634,546,750)	(1,669,698,166)	1,035,151,416	62.0%
3,932,850,933	3,942,899,934	(10,049,001)	-0.3%
29,624,693	36,113,230	(6,488,537)	-18.0%
194,492	421,700	(227,208)	-53.9%
223,539	236,744	(13,205)	-5.6%
(25,657,000)	(25,306,000)	(351,000)	-1.4%
721,214	(3,986,254)	4,707,468	118.1%
3,937,957,871	3,950,379,354	(12,421,483)	-0.3%
1,186,561,000	1,168,950,000	17,611,000	1.5%
1,587,582,233	1,560,316,210	27,266,024	1.7%
272,697,445	269,856,714	2,840,731	1.1%
1,625,644,430	1,619,282,963	6,361,467	0.4%
411,738,660	422,952,600	(11,213,940)	-2.7%
8,892,018	(972,366)	9,864,385	1014.5%
6,218,100	6,356,700	(138,600)	-2.2%
3,912,772,887	3,877,792,820	34,980,066	0.9%
2,113,386,000	1,972,313,000	179,926,000	9.1%
6,026,158,887	5,850,105,820	176,053,066	3.0%

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

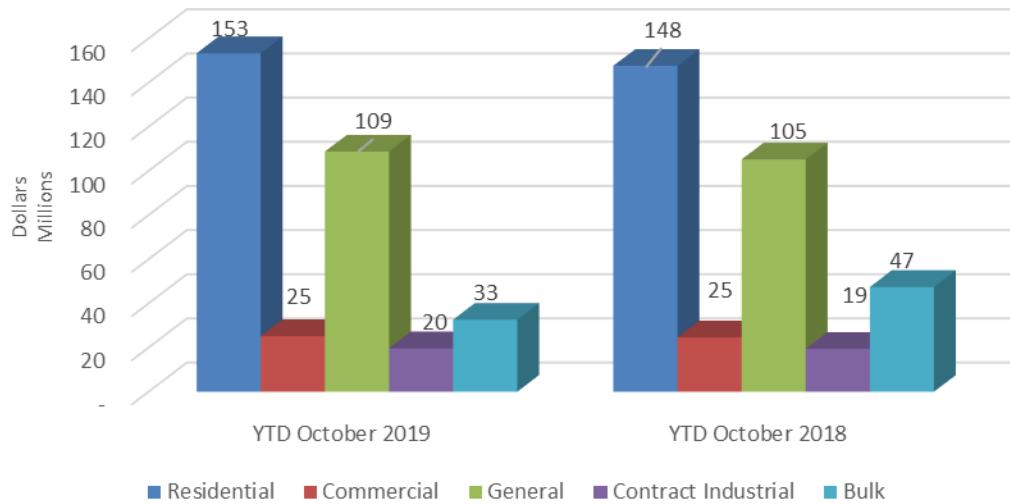
	October 2019	October 2018
TELECOMMUNICATIONS REVENUE		
CATV	\$1,324,858	\$1,381,948
Broadband	80,228	82,893
ISP	688,345	613,026
Interdepartmental	22,293	25,408
Total Operating Revenue	<u>2,115,724</u>	<u>2,103,275</u>
TELECOMMUNICATIONS EXPENSE-COMMERCIAL		
Administration & Sales Expense		
Salaries & Wages Expense	141,938	231,155
General Expense	72,238	29,284
Contract Services	1,027,273	1,047,144
IS & Intergovernmental Services	119,183	131,467
Fleet Services	1,646	208
Capitalized A & G Expense	(137)	(1,055)
Total Admin & Sales Expense	<u>1,362,141</u>	<u>1,438,203</u>
Operations & Maintenance Expense		
Salaries & Wages Expense	233,629	323,335
General Expense	18,355	25,645
Contract Services	44,245	45,693
IS & Intergovernmental Services	2,403	3,344
Fleet Services	17,462	18,521
New Connect Capital	(9,145)	(9,642)
Total Oper & Maint Expense	<u>306,949</u>	<u>406,896</u>
Total Telecommunications Expense	1,669,090	1,845,099
Net Revenues (Expenses) Before Taxes and Depreciation and Amortization	446,634	258,176
Taxes	287,462	289,349
Depreciation and Amortization	<u>142,210</u>	<u>189,291</u>
	429,672	478,640
NET OPERATING REVENUES (EXPENSES)	<u><u>\$16,962</u></u>	<u><u>(\$220,464)</u></u>

YEAR TO DATE			
October 31, 2019	October 31, 2018	2019/2018 VARIANCE	PERCENT CHANGE
\$13,413,171	\$13,977,301	(\$564,130)	-4.0%
812,833	877,907	(65,074)	-7.4%
6,898,654	6,128,615	770,039	12.6%
253,477	243,386	10,091	4.1%
<u>21,378,135</u>	<u>21,227,209</u>	<u>150,926</u>	0.7%
1,644,685	2,551,017	(906,332)	-35.5%
422,958	360,132	62,826	17.4%
10,746,512	10,912,398	(165,886)	-1.5%
1,187,899	1,329,785	(141,886)	-10.7%
5,663	6,569	(906)	-13.8%
(21,472)	(27,010)	5,538	20.5%
<u>13,986,245</u>	<u>15,132,891</u>	<u>(1,146,646)</u>	-7.6%
2,607,668	3,805,345	(1,197,677)	-31.5%
150,267	284,581	(134,314)	-47.2%
623,558	524,750	98,808	18.8%
21,808	27,196	(5,388)	-19.8%
229,684	180,387	49,297	27.3%
(66,349)	(84,636)	18,287	21.6%
<u>3,566,636</u>	<u>4,737,623</u>	<u>(1,170,987)</u>	-24.7%
17,552,881	19,870,514	(2,317,633)	-11.7%
3,825,254	1,356,695	2,468,559	182.0%
2,895,066	2,915,884	(20,818)	-0.7%
1,429,944	1,899,968	(470,024)	-24.7%
<u>4,325,010</u>	<u>4,815,852</u>	<u>(490,842)</u>	
<u>(\$499,756)</u>	<u>(\$3,459,157)</u>	<u>\$2,959,401</u>	85.6%

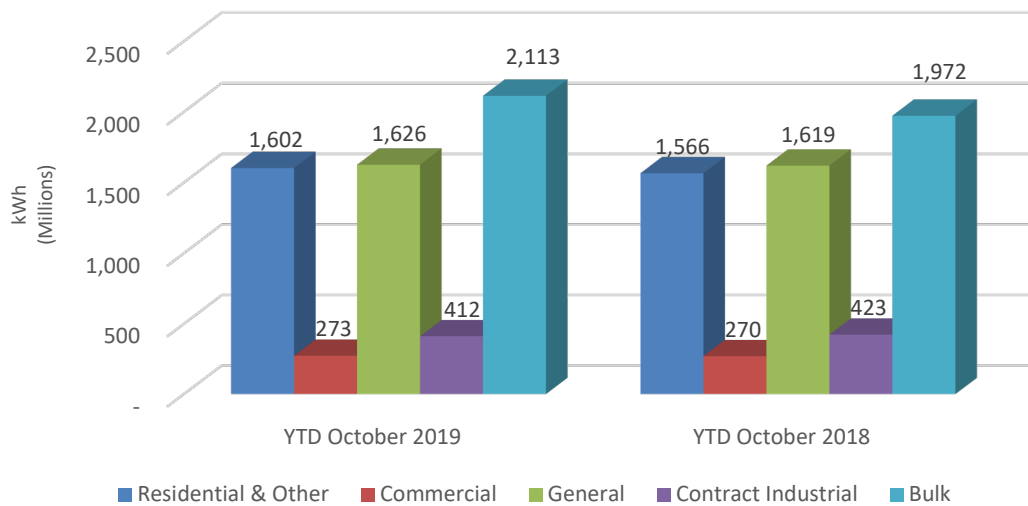
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Supplemental Data

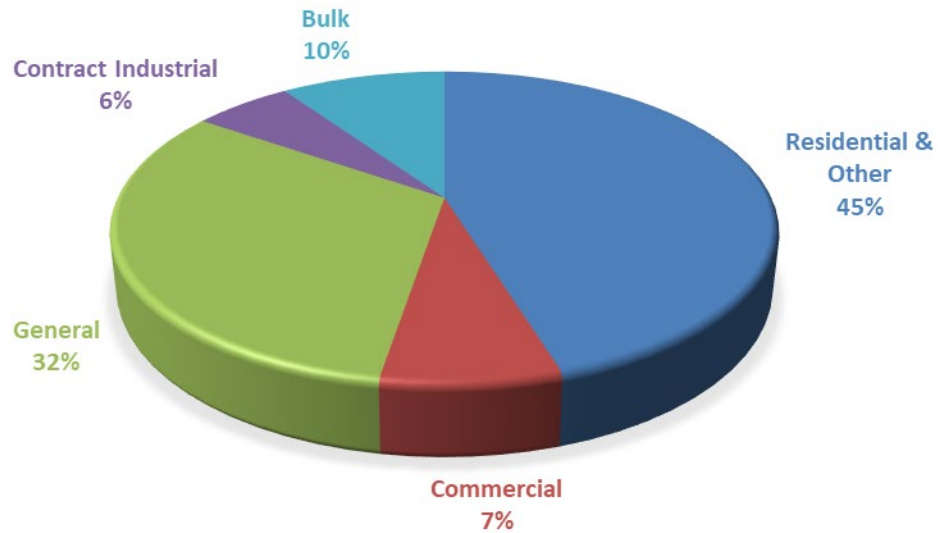
Sales of Electric Energy Year to Date - October 2019 & 2018



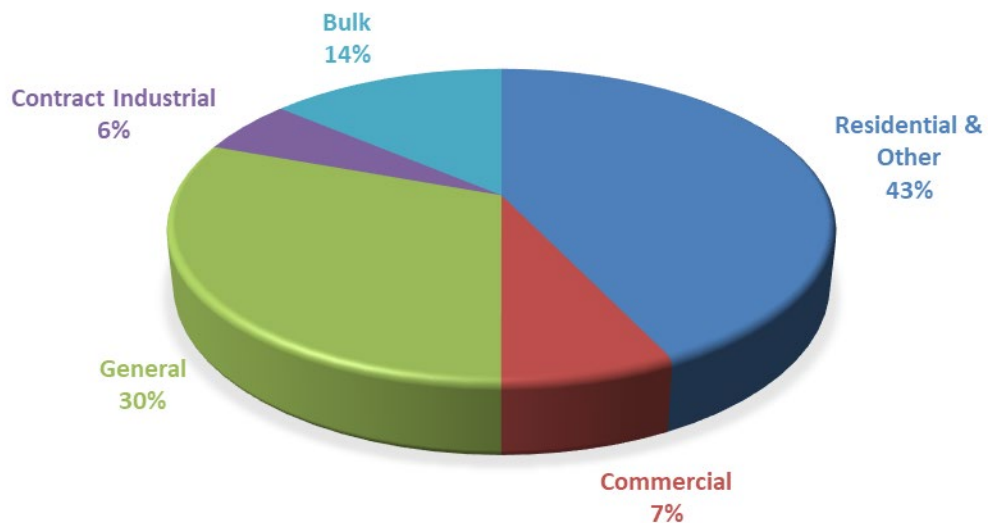
Total Power Billed Year to Date - October 2019 & 2018



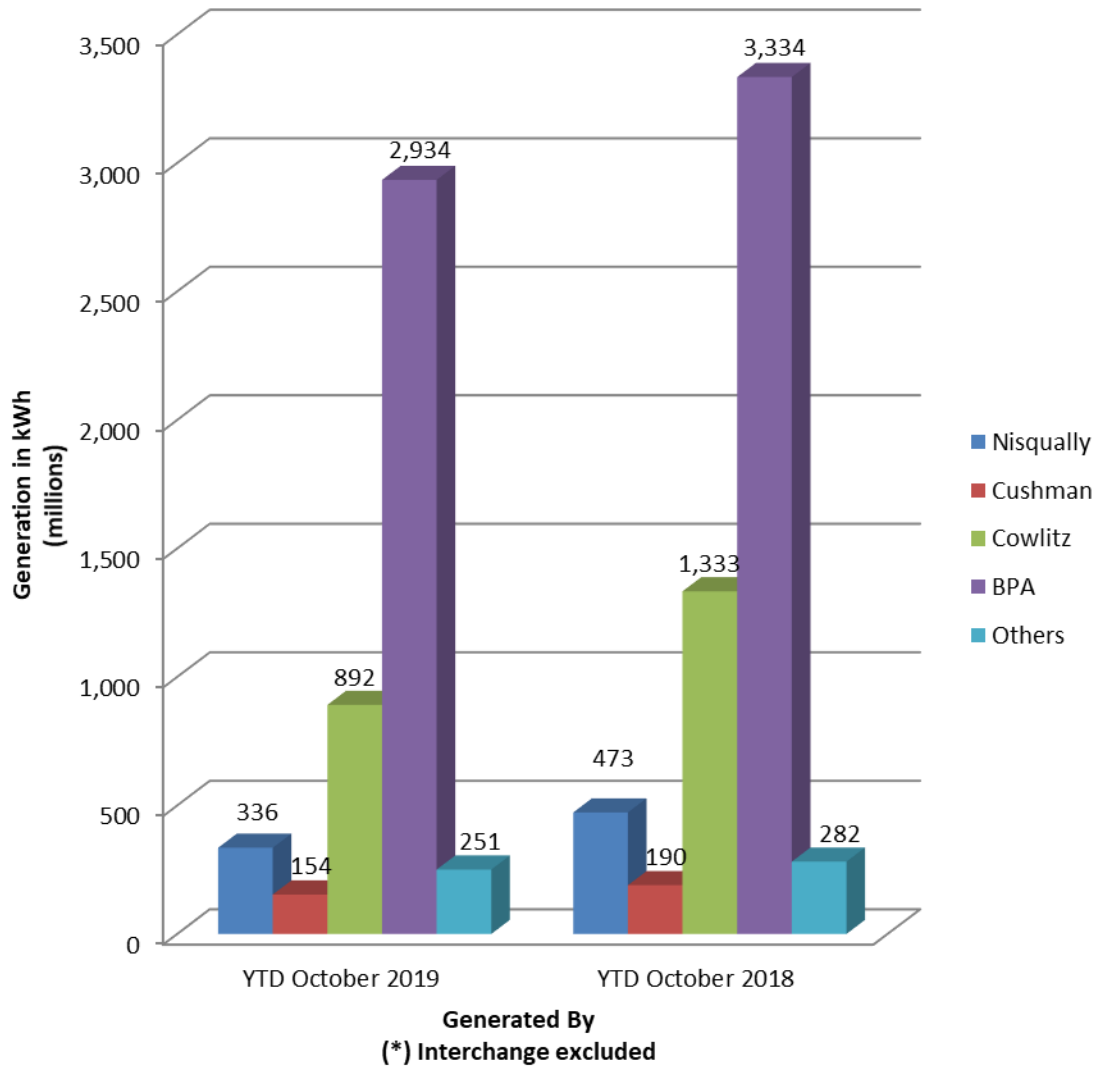
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - OCTOBER 2019 (\$339,978,341)**



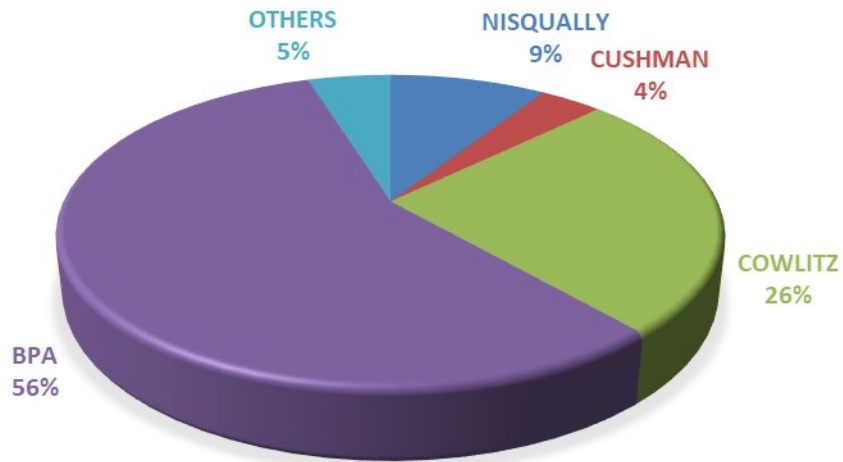
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - OCTOBER 2018 (\$344,336,509)**



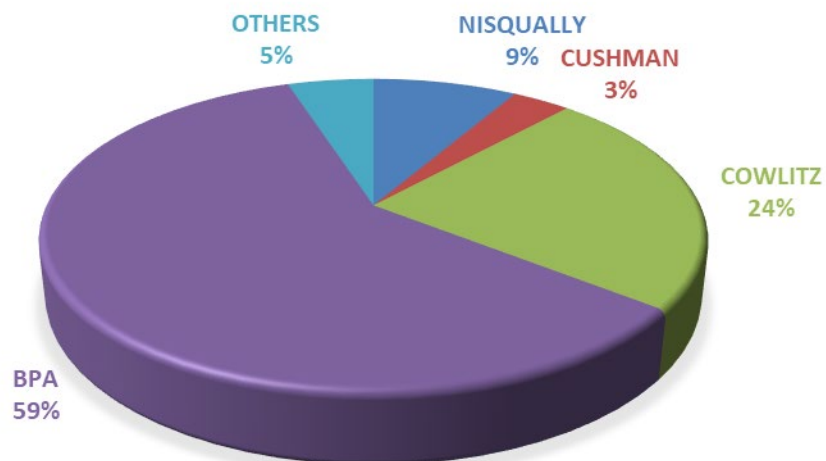
Power Sources (*) Year to Date October 2019 & 2018



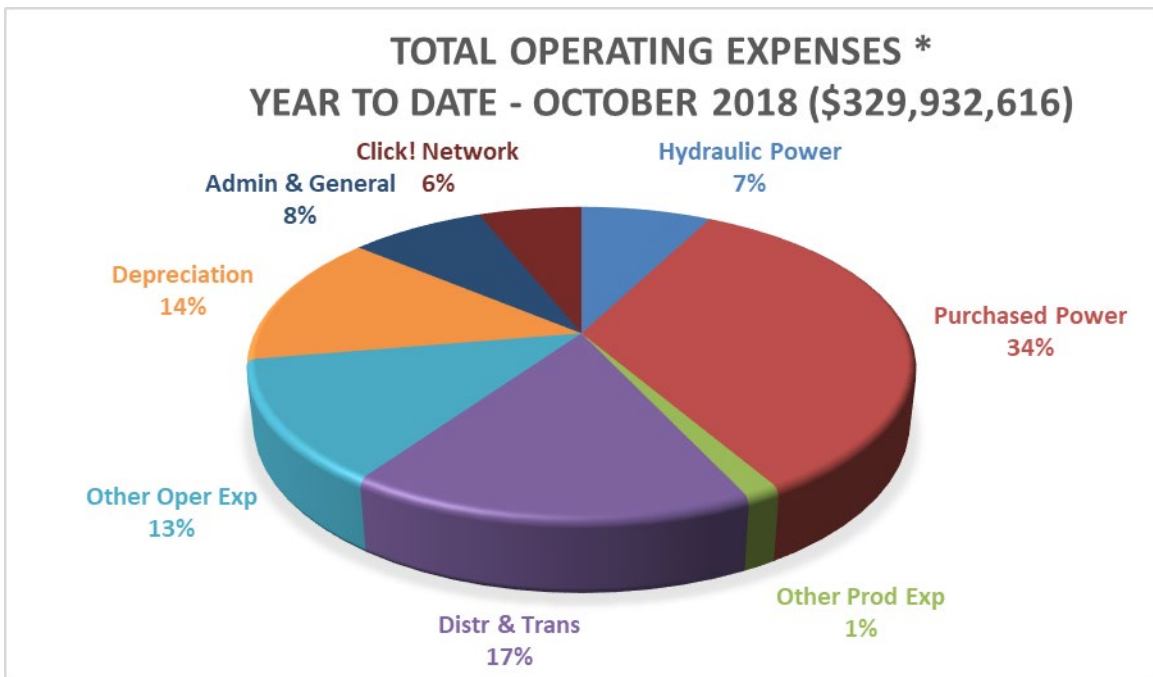
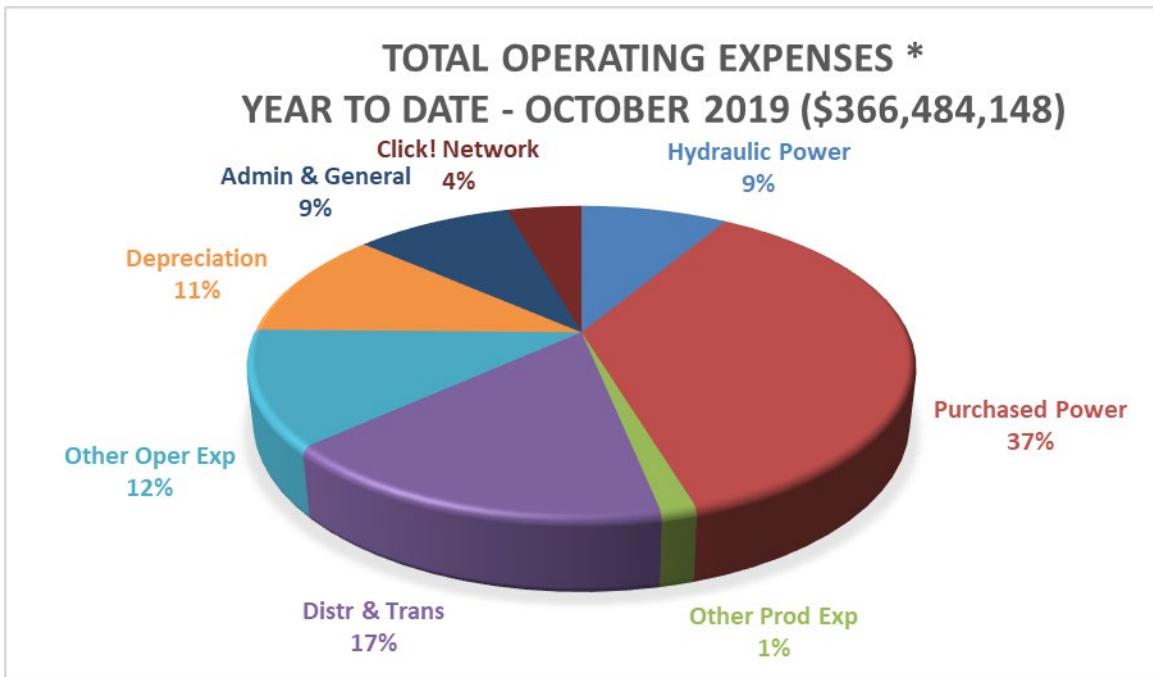
POWER SOURCES (*)
YEAR TO DATE - OCTOBER 2019



POWER SOURCES (*)
YEAR TO DATE - OCTOBER 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.