
JULY

TACOMA POWER

2020

**INTERIM
FINANCIAL
REPORT**



Public Utility Board

BRYAN FLINT

Chair

MARK PATTERSON

Vice-Chair

CHRISTINE COOLEY

Secretary

CARLOS M. WATSON

Member

KAREN LARKIN

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.

Variance analysis: Accrued Receivables and Purchases on Transmission of Power were overstated approximately \$4.4 million and \$10.9 million respectively. Operating Revenue and Operating Expenses were overstated approximately \$4.8 million and \$11.3 million respectively. These overstatements were due to accruals that should have been reversed in July 2020 but were not. The corrections will be made in August 2020.

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City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Statements of Net Position (Unaudited)
July 31, 2020 and July 31, 2019

ASSETS AND DEFERRED OUTFLOWS	<u>2020</u>	<u>2019</u>
UTILITY PLANT		
Electric Plant in Service	\$2,176,082,531	\$2,118,898,114
Less Depreciation and Amortization	<u>(1,164,901,993)</u>	<u>(1,120,965,828)</u>
Total	1,011,180,538	997,932,286
Construction Work in Progress	<u>59,071,414</u>	<u>65,455,742</u>
Net Utility Plant	<u>1,070,251,952</u>	<u>1,063,388,028</u>
 NON-UTILITY PROPERTY	 <u>182,051</u>	 <u>182,051</u>
 RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2019 Construction Fund	(13,823)	-
Provision for Debt Service	5,959,177	7,103,613
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve - State of Washington	2,718,777	2,668,401
Fish and Wildlife Reserves	<u>25,160,458</u>	<u>23,991,074</u>
Total Restricted Assets	<u>38,822,228</u>	<u>38,760,727</u>
 CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	132,838,637	137,123,996
Customers' and Contractors' Deposits	2,587,159	2,683,963
Conservation Loan Fund	5,106,908	3,890,830
Rate Stabilization Fund	38,000,000	48,000,000
Receivables:		
Customers	25,701,498	17,918,472
Accrued Unbilled Revenue	32,547,727	30,730,773
Others	14,105,957	9,538,870
Provision for Uncollectibles	(5,012,387)	(2,384,626)
Materials and Supplies	6,566,466	6,573,118
Prepayments and Other	<u>12,217,514</u>	<u>11,096,171</u>
Total Current Assets	<u>264,659,479</u>	<u>265,171,567</u>
 OTHER ASSETS		
Regulatory Asset - Conservation	44,493,927	48,132,571
Net Pension Asset	-	15,506,238
Conservation Loan Fund Receivables	<u>1,954,906</u>	<u>2,485,961</u>
Total Other Assets	<u>46,448,833</u>	<u>66,124,770</u>
 Total Assets	 <u>1,420,364,543</u>	 <u>1,433,627,143</u>
 DEFERRED OUTFLOWS		
Deferred Outflow for Pensions	54,329,250	19,885,557
Deferred Outflow for OPEB	<u>952,121</u>	<u>957,357</u>
Total Deferred Outflows	<u>55,281,371</u>	<u>20,842,914</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 <u>\$1,475,645,914</u>	 <u>\$1,454,470,057</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	<u>2020</u>	<u>2019</u>
NET POSITION		
Net Investment in Capital Assets	\$605,871,661	\$608,132,354
Restricted for:		
Wynoochee Reserve - State of Washington	2,718,777	2,668,401
Fish and Wildlife Reserves	25,160,458	23,991,074
Debt Service	4,357,500	5,462,915
Net Pension Asset	-	15,506,238
Unrestricted	<u>205,249,274</u>	<u>203,774,973</u>
TOTAL NET POSITION	<u>843,357,670</u>	<u>859,535,955</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	88,655,000	96,125,000
2013B Electric System Rev & Refunding Bonds	35,620,000	35,620,000
2017 Electric System Revenue Bonds	<u>70,575,000</u>	<u>70,575,000</u>
Total Bonded Indebtedness	366,105,000	373,575,000
Less: Unamortized Bond Premiums	<u>20,734,981</u>	<u>22,245,363</u>
Net Bonded Indebtedness	386,839,981	395,820,363
Line of Credit	<u>75,250,000</u>	<u>55,250,000</u>
Total Long-Term Debt	<u>462,089,981</u>	<u>451,070,363</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	4,131,115	3,289,341
Taxes and Other Payables	12,071,435	12,199,293
Purchases and Transmission of Power Accrued	21,890,556	12,863,513
Interest Payable	1,601,677	1,640,698
Unearned Revenue	20,340	-
Customers' Deposits	5,940,549	2,644,616
Current Portion of Long-Term Debt	7,470,000	9,365,000
Current Accrued Compensated Absences	<u>1,138,107</u>	<u>1,091,328</u>
Total Current Liabilities	<u>54,263,779</u>	<u>43,093,789</u>
LONG-TERM LIABILITIES		
Long-Term Accrued Compensated Absences	10,242,961	9,821,955
Net OPEB Liability	10,562,836	12,272,355
Net Pension Liability	45,902,976	-
Other Long-Term Liabilities	<u>3,607,858</u>	<u>4,221,625</u>
Total Long-Term Liabilities	<u>70,316,631</u>	<u>26,315,935</u>
TOTAL LIABILITIES	<u>586,670,391</u>	<u>520,480,087</u>
DEFERRED INFLOWS		
Deferred Inflow for Pensions	6,031,613	26,395,236
Deferred Inflow for OPEB	1,586,240	58,779
Rate Stabilization	<u>38,000,000</u>	<u>48,000,000</u>
Total Deferred Inflows	<u>45,617,853</u>	<u>74,454,015</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u>\$1,475,645,914</u>	<u>\$1,454,470,057</u>

City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Power
 Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 July 31, 2020 and July 31, 2019

	July 2020	July 2019
OPERATING REVENUES		
Sales of Electric Energy	\$37,352,885	\$26,720,266
Other Operating Revenues	3,458,387	2,216,251
Click! Network Operating Revenues	1,987	2,149,755
Total Operating Revenue	40,813,259	31,086,272
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	3,203,208	2,766,898
Other Production Expense	745,505	548,714
Total Expense Power Produced	3,948,713	3,315,612
Purchased Power	20,520,794	11,480,230
Total Production Expense	24,469,507	14,795,842
Transmission Expense	5,144,380	3,126,684
Distribution Expense	2,667,148	2,991,888
Click! Network Commercial Operations Expense	82,488	1,758,142
Customer Accounts Expense (CIS)	1,976,465	1,614,285
Conservation and Other Customer Assistance	1,632,044	1,481,482
Taxes	1,494,447	663,728
Depreciation	4,001,756	4,022,220
Administrative and General	2,895,513	3,511,906
Total Operating Expenses	44,363,748	33,966,177
OPERATING INCOME (LOSS)	(3,550,489)	(2,879,905)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	259,225	425,004
Contribution to Family Need	(41,667)	(41,667)
Other Net Non-Op Revenues and Deductions	240,760	49,666
Interest on Long-Term Debt	(1,664,407)	(1,767,378)
Amort of Debt Related Costs	123,513	129,158
Total Non-Operating Revenues (Expenses)	(1,082,576)	(1,205,217)
Net Income (Loss) Before Capital Contributions and Transfers	(4,633,065)	(4,085,122)
Capital Contributions		
Cash	321,549	510,373
Donated Fixed Assets	-	-
BABs and CREBs Interest Subsidies	329,553	329,553
Transfers		
City Gross Earnings Tax	(3,942,629)	(2,313,133)
CHANGE IN NET POSITION	(7,924,592)	(5,558,329)
 TOTAL NET POSITION - January 1		
 TOTAL NET POSITION - July 31		

YEAR TO DATE			
July 31, 2020	July 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
\$267,735,408	\$251,490,695	\$16,244,713	6.5%
15,694,864	11,641,496	4,053,368	34.8%
6,201,511	15,076,695	(8,875,184)	-58.9%
<u>289,631,783</u>	<u>278,208,886</u>	<u>11,422,897</u>	4.1%
16,925,158	21,151,670	(4,226,512)	-20.0%
4,500,250	3,577,036	923,214	25.8%
21,425,408	24,728,706	(3,303,298)	-13.4%
93,333,202	97,044,264	(3,711,062)	-3.8%
114,758,610	121,772,970	(7,014,360)	-5.8%
24,604,358	21,676,688	2,927,670	13.5%
20,634,126	20,526,996	107,130	0.5%
4,717,144	12,615,413	(7,898,269)	-62.6%
10,683,957	8,803,334	1,880,623	21.4%
10,569,300	10,689,475	(120,175)	-1.1%
12,371,686	12,300,097	71,589	0.6%
28,046,093	28,679,283	(633,190)	-2.2%
24,664,884	23,837,885	826,999	3.5%
251,050,158	260,902,141	(9,851,983)	-3.8%
38,581,625	17,306,745	21,274,880	122.9%
772,492	4,236,164	(3,463,672)	-81.8%
(291,667)	(291,667)	-	0.0%
905,536	1,249,310	(343,774)	-27.5%
(11,861,537)	(12,338,499)	476,962	3.9%
864,594	904,104	(39,510)	-4.4%
<u>(9,610,582)</u>	<u>(6,240,588)</u>	<u>(3,369,994)</u>	-54.0%
28,971,043	11,066,157	17,904,886	161.8%
2,575,181	3,569,409	(994,228)	-27.9%
111,880	224,602	(112,722)	-50.2%
2,306,872	2,212,566	94,306	4.3%
(22,634,634)	(20,968,563)	(1,666,071)	-7.9%
11,330,342	(3,895,829)	15,226,171	390.8%
832,027,328	863,431,784	(31,404,456)	-3.6%
<u>\$843,357,670</u>	<u>\$859,535,955</u>	<u>(\$16,178,285)</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, 2020 and July 31, 2019

	<u>For the month of July 2020</u>	<u>For the month of July 2019</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$13,099,240	\$12,126,040
Commercial	2,446,593	(664,134)
General	10,650,442	10,499,043
Contract Industrial	1,994,121	2,043,200
Public Street and Highway Lighting	109,670	41,755
Sales to Other Electric Utilities	29,824	29,862
Total Sales to Customers	<u>28,329,890</u>	<u>24,075,766</u>
Bulk Power Sales	<u>9,022,995</u>	<u>2,644,500</u>
Total Sales of Electric Energy	<u>37,352,885</u>	<u>26,720,266</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property	1,335,306	852,504
Wheeling	1,367,576	829,928
Service Fees and Other	755,505	533,819
Telecommunications Revenue	1,987	2,149,755
Total Other Operating Revenues	<u>3,460,374</u>	<u>4,366,006</u>
TOTAL OPERATING REVENUES	<u><u>\$40,813,259</u></u>	<u><u>\$31,086,272</u></u>
BILLINGS (Number of Months Billed)		
Residential	174,740	173,829
Commercial	19,078	18,798
General	2,786	2,739
Contract Industrial	2	2
Public Streets and Highway Lighting	1,171	1,142
Sales to Other Electric Utilities	<u>1</u>	<u>1</u>
TOTAL BILLINGS	<u><u>197,778</u></u>	<u><u>196,511</u></u>

YEAR TO DATE			
July 31, 2020	July 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
\$117,762,224	\$115,857,414	\$1,904,810	1.6%
17,681,206	18,179,905	(498,699)	-2.7%
76,505,887	75,489,715	1,016,172	1.3%
14,127,180	13,463,495	663,685	4.9%
798,150	800,456	(2,306)	-0.3%
285,318	277,978	7,340	2.6%
<u>227,159,965</u>	<u>224,068,963</u>	<u>3,091,002</u>	1.4%
<u>40,575,443</u>	<u>27,421,732</u>	<u>13,153,711</u>	48.0%
<u>267,735,408</u>	<u>251,490,695</u>	<u>16,244,713</u>	6.5%
3,166,731	2,420,120	746,611	30.9%
6,457,664	6,082,548	375,116	6.2%
6,070,469	3,138,828	2,931,641	93.4%
6,201,511	15,076,695	(8,875,184)	-58.9%
<u>21,896,375</u>	<u>26,718,191</u>	<u>(4,821,816)</u>	-18.0%
<u>\$289,631,783</u>	<u>\$278,208,886</u>	<u>\$11,422,897</u>	4.1%
1,146,647	1,145,207	1,440	0.1%
118,836	116,381	2,455	2.1%
18,217	18,068	149	0.8%
14	14	-	0.0%
6,819	6,699	120	1.8%
7	7	-	0.0%
<u>1,290,540</u>	<u>1,286,376</u>	<u>4,164</u>	0.3%

City of Tacoma, Washington
Department of Public Utilities
Tacoma Power
Gross Generation Report (Unaudited)
July 31, 2020 and July 31, 2019

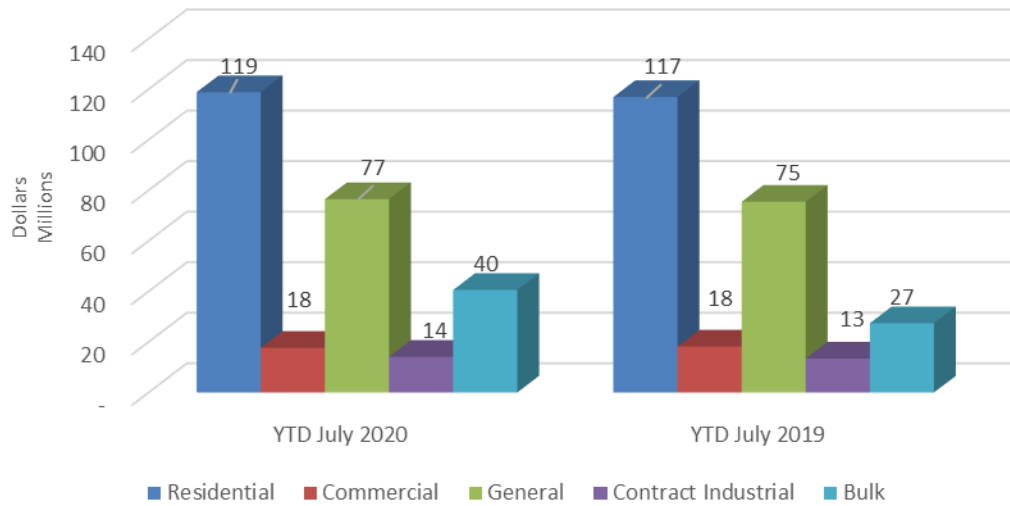
	For the month of July 2020	For the month of July 2019
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	22,511,000	17,381,000
Generated - Alder	13,343,000	10,067,000
TOTAL NISQUALLY	<u>35,854,000</u>	<u>27,448,000</u>
Generated - Cushman No 1	1,749,000	1,326,000
Generated - Cushman No 2	990,000	535,000
TOTAL CUSHMAN	<u>2,739,000</u>	<u>1,861,000</u>
Generated - Mossyrock	62,600,000	37,694,000
Generated - Julyfield	36,187,000	23,245,000
TOTAL COWLITZ	<u>98,787,000</u>	<u>60,939,000</u>
Generated - Wynoochee	657,000	-
Generated - Hood Street	247,500	320,300
Tacoma's Share of Priest Rapids	2,764,000	1,604,000
Tacoma's Share of GCPHA	44,640,000	42,023,000
TOTAL KWH GENERATED - TACOMA SYSTEM	185,688,500	134,195,300
Purchased Power		
BPA Slice Contract	226,582,000	157,499,000
BPA Block Contract	103,403,000	113,921,000
Interchange Net	(173,729,333)	(53,956,750)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED	<u>341,944,167</u>	<u>351,658,550</u>
Losses	4,242,106	3,623,028
Baldi Replacement	11,011	15,362
Ketron	13,603	14,460
NT PC Mutuals Schedules	(2,007,000)	(2,040,000)
PC Mutual Inadvertent	397,983	70,220
TACOMA SYSTEM FIRM LOAD	<u>344,601,870</u>	<u>353,341,620</u>
Maximum Kilowatts (System Firm Load)	671,139	608,123
Average Kilowatts (System Firm Load)	463,175	474,922
PIERCE COUNTY MUTUAL LOAD	98,243,000	95,444,000
KWH BILLED		
Residential Sales	126,083,475	114,680,738
Commercial Sales	25,210,772	(13,495,416)
General	151,407,344	149,613,401
Contract Industrial	41,842,440	42,943,680
Public Street and Highway Lighting	847,094	733,610
Sales to Other Electric Utilities	481,500	477,900
TOTAL FIRM	<u>345,872,625</u>	<u>294,953,913</u>
Bulk Power Sales	195,050,000	74,385,000
TOTAL KWH BILLED	<u>540,922,625</u>	<u>369,338,913</u>

YEAR TO DATE			
July 31, 2020	July 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
214,486,000	160,850,000	53,636,000	33.3%
127,731,000	94,483,000	33,248,000	35.2%
<u>342,217,000</u>	<u>255,333,000</u>	<u>86,884,000</u>	34.0%
46,101,000	40,823,000	5,278,000	12.9%
62,137,000	53,065,000	9,072,000	17.1%
<u>108,238,000</u>	<u>93,888,000</u>	<u>14,350,000</u>	15.3%
806,329,000	383,137,000	423,192,000	110.5%
505,896,000	299,845,000	206,051,000	68.7%
<u>1,312,225,000</u>	<u>682,982,000</u>	<u>629,243,000</u>	92.1%
14,561,000	10,066,000	4,495,000	44.7%
2,037,400	1,996,283	41,117	2.1%
17,126,000	13,216,000	3,910,000	29.6%
169,561,000	147,636,000	21,925,000	14.9%
1,965,965,400	1,205,117,283	760,848,117	63.1%
1,433,207,000	1,292,015,000	141,192,000	10.9%
841,386,000	926,972,000	(85,586,000)	-9.2%
(1,446,303,166)	(597,642,250)	(848,660,916)	-142.0%
<u>2,794,255,234</u>	<u>2,826,462,033</u>	<u>(32,206,799)</u>	-1.1%
25,368,264	21,848,664	3,519,600	16.1%
1,106,076	146,451	959,625	655.3%
188,017	173,220	14,797	8.5%
(19,011,000)	(18,775,000)	(236,000)	-1.3%
(1,666,993)	837,725	(2,504,718)	-299.0%
<u>2,800,239,598</u>	<u>2,830,693,093</u>	<u>(30,453,495)</u>	-1.1%
862,769,000	870,751,000	(7,982,000)	-0.9%
1,232,020,801	1,236,881,169	(4,860,368)	-0.4%
187,885,795	198,636,068	(10,750,273)	-5.4%
1,112,236,714	1,142,381,296	(30,144,582)	-2.6%
293,960,820	280,875,660	13,085,160	4.7%
6,155,798	6,424,429	(268,631)	-4.2%
4,653,000	4,680,900	(27,900)	-0.6%
<u>2,836,912,928</u>	<u>2,869,879,522</u>	<u>(32,966,594)</u>	-1.1%
1,786,277,000	1,115,591,000	670,686,000	60.1%
<u>4,623,189,928</u>	<u>3,985,470,522</u>	<u>637,719,406</u>	16.0%

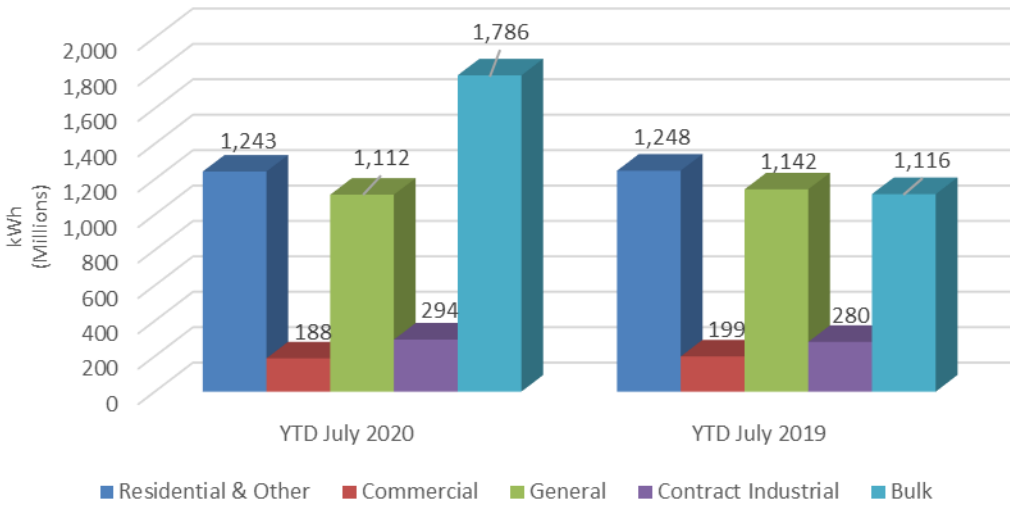
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Supplemental Data

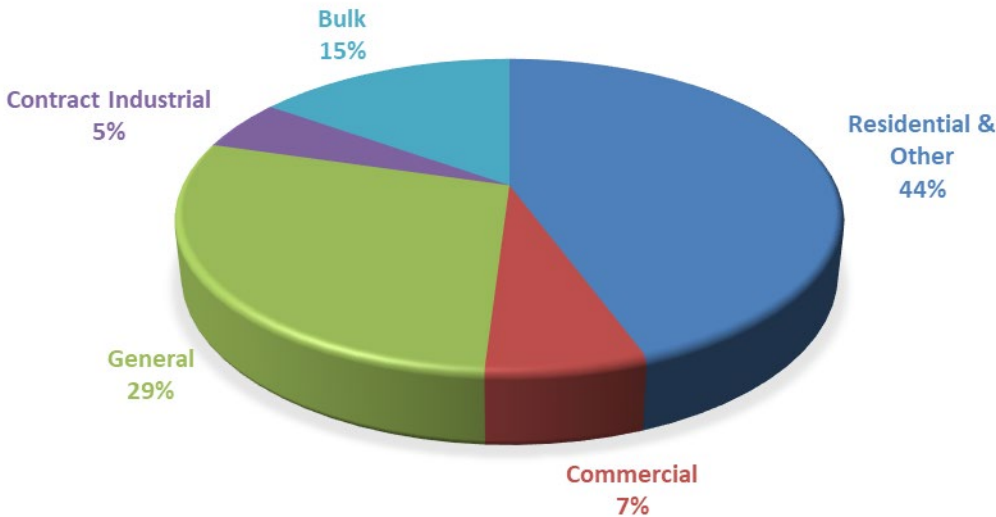
Sales of Electric Energy Year to Date - July 2020 & 2019



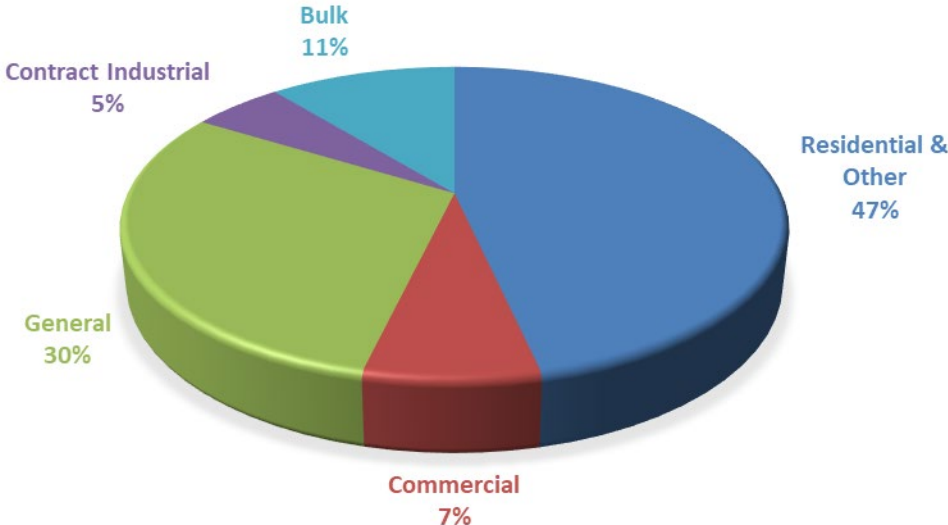
Total Power Billed Year to Date - July 2020 & 2019



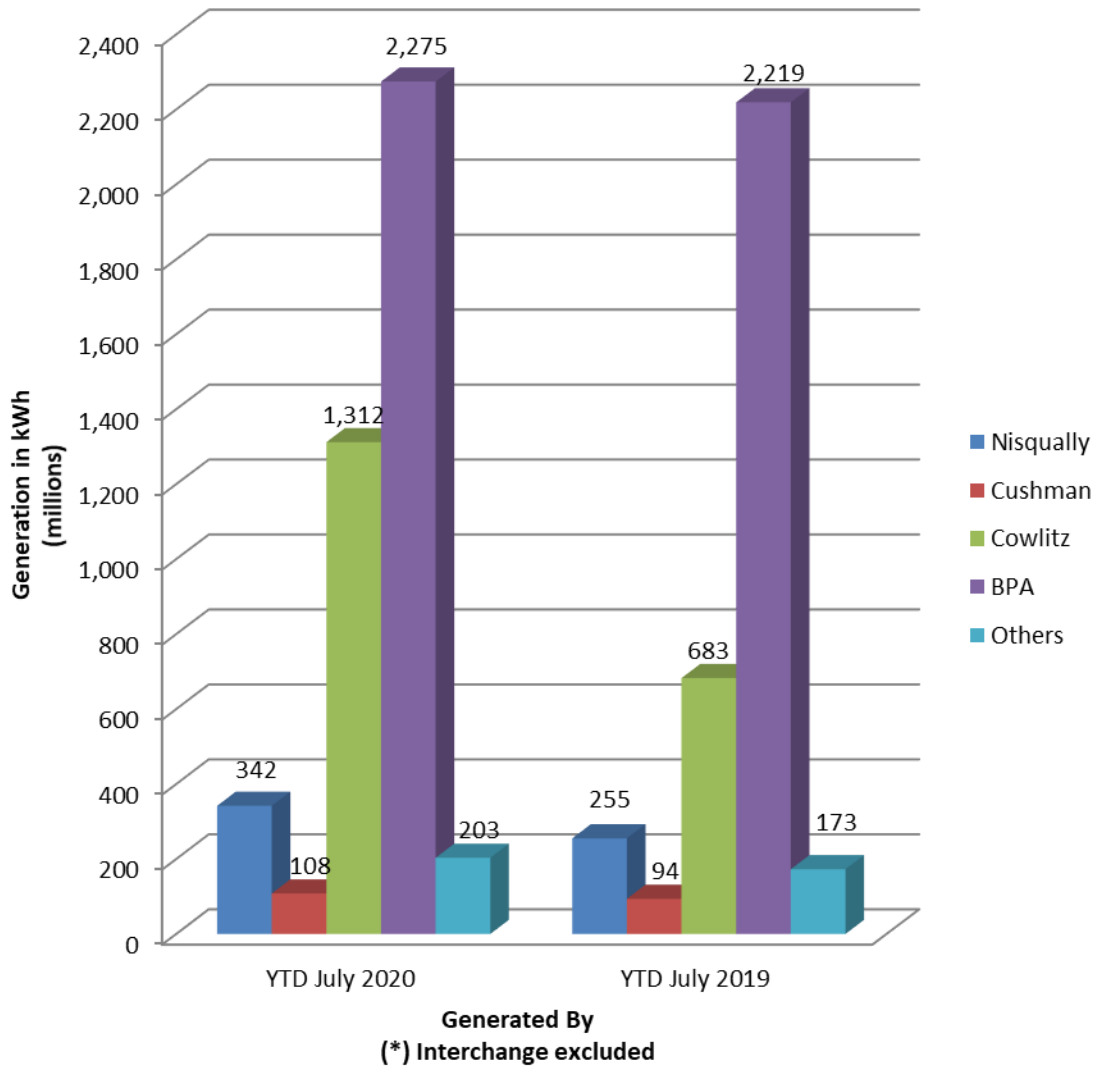
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2020 (\$267,735,408)**



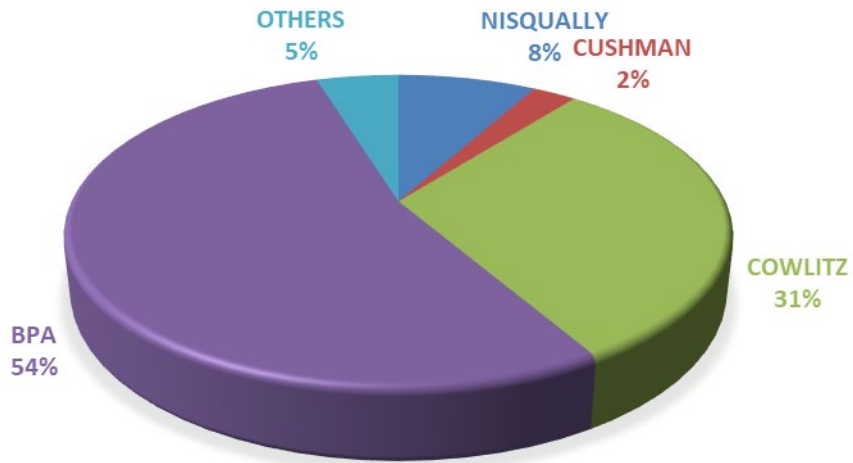
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - JULY 2019 (\$251,490,695)**



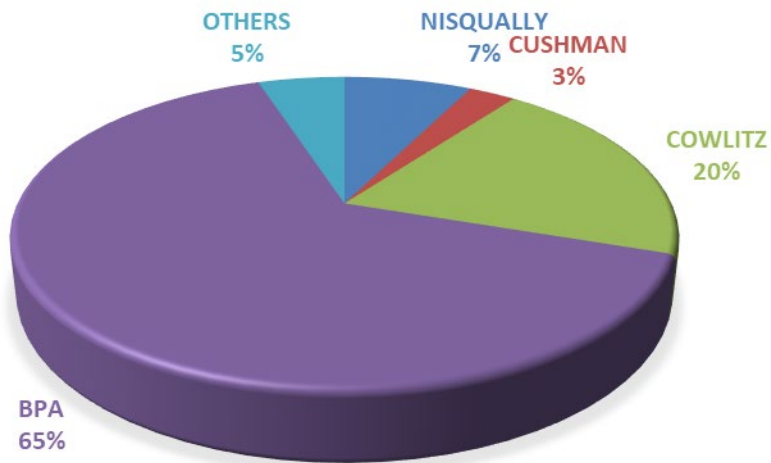
Power Sources (*) Year to Date July 2020 & 2019



**POWER SOURCES (*)
YEAR TO DATE - JULY 2020**

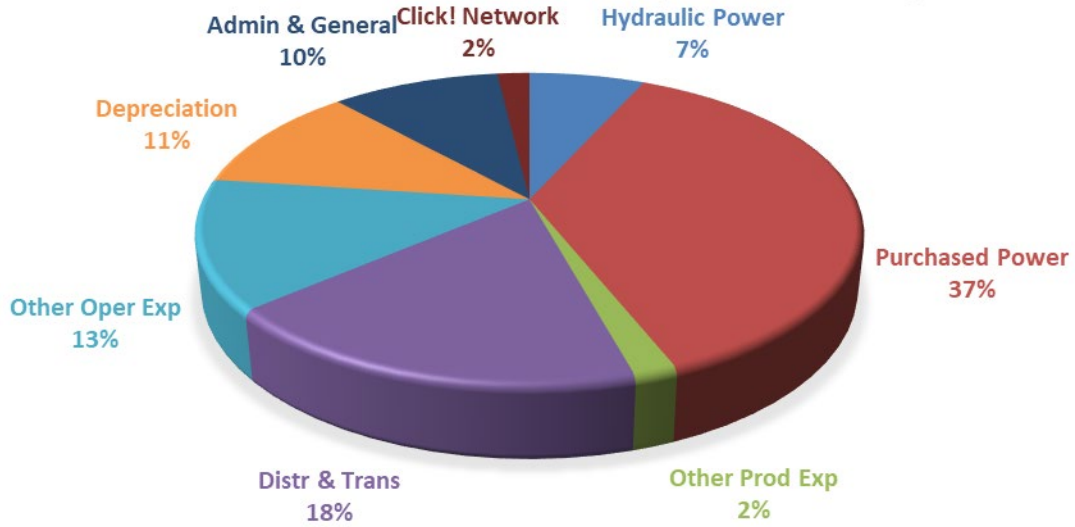


**POWER SOURCES (*)
YEAR TO DATE - JULY 2019**

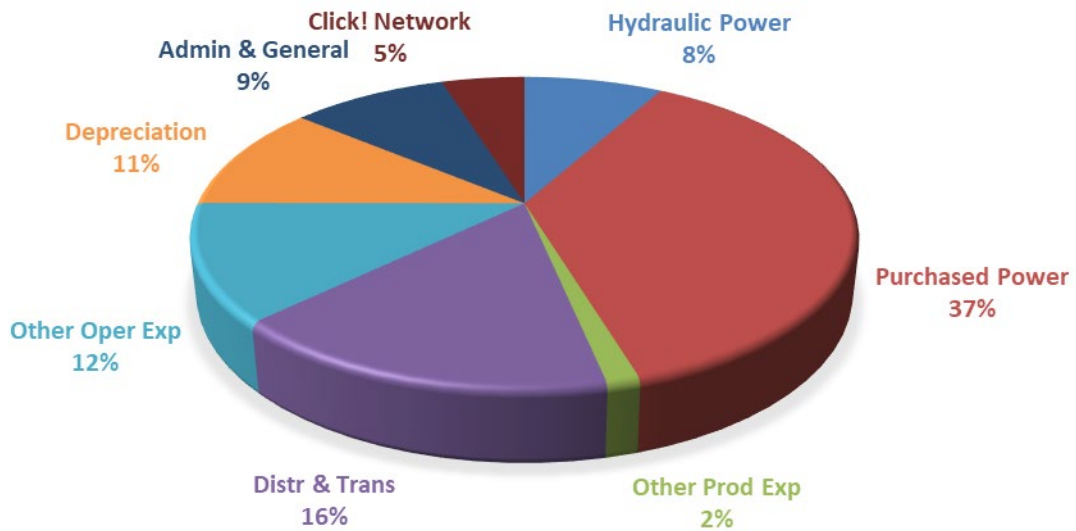


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
YEAR TO DATE - JULY 2020 (\$251,050,158)



TOTAL OPERATING EXPENSES *
YEAR TO DATE - JULY 2019 (\$260,902,141)



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

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