
AUGUST

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: Operating Revenue and Operating Expenses for the month of August 2020 were understated approximately \$4.8 million and \$11.3 million respectively. These understatements were due to accruals that should have been reversed in July 2020, but in fact were reversed in August 2020. The corrections were made in August 2020 and the year to date information was correctly reported.

Reclassification: Changes have been made to prior period account classifications as needed to conform to the current period presentation format.

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

ASSETS AND DEFERRED OUTFLOWS	<u>2020</u>	<u>2019</u>
UTILITY PLANT		
Electric Plant in Service	\$2,177,547,679	\$2,139,596,445
Less Depreciation and Amortization	<u>(1,168,853,707)</u>	<u>(1,124,410,810)</u>
Total	1,008,693,972	1,015,185,635
Construction Work in Progress	<u>62,264,666</u>	<u>48,465,311</u>
Net Utility Plant	<u>1,070,958,638</u>	<u>1,063,650,946</u>
NON-UTILITY PROPERTY	<u>182,051</u>	<u>182,051</u>
RESTRICTED ASSETS		
Cash and Equity in Pooled Investments:		
2019 Construction Fund	98,701	-
Provision for Debt Service	8,183,354	9,524,720
Special Bond Reserves	4,997,639	4,997,639
Wynoochee Reserve - State of Washington	2,722,350	2,673,230
Fish and Wildlife Reserves	<u>25,193,483</u>	<u>24,034,485</u>
Total Restricted Assets	<u>41,195,527</u>	<u>41,230,074</u>
CURRENT ASSETS		
Cash and Equity in Pooled Investments:		
Current Fund	130,373,922	133,571,028
Customers' and Contractors' Deposits	2,488,616	2,710,679
Conservation Loan Fund	4,641,543	3,921,992
Rate Stabilization Fund	38,000,000	48,000,000
Receivables:		
Customers	25,123,057	17,340,790
Accrued Unbilled Revenue	32,547,727	30,730,773
Others	12,224,854	8,932,125
Provision for Uncollectibles	<u>(5,799,822)</u>	<u>(2,773,679)</u>
Materials and Supplies	6,504,049	6,528,842
Prepayments and Other	<u>12,711,538</u>	<u>10,514,815</u>
Total Current Assets	<u>258,815,484</u>	<u>259,477,365</u>
OTHER ASSETS		
Regulatory Asset - Conservation	43,406,127	47,728,157
Net Pension Asset	-	15,506,238
Conservation Loan Fund Receivables	<u>2,050,647</u>	<u>2,458,612</u>
Total Other Assets	<u>45,456,774</u>	<u>65,693,007</u>
Total Assets	<u>1,416,608,474</u>	<u>1,430,233,443</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>\$1,471,889,845</u>	<u>\$1,451,076,357</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	2020	2019
NET POSITION		
Net Investment in Capital Assets	\$606,701,860	\$608,524,429
Restricted for:		
Wynoochee Reserve - State of Washington	2,722,350	2,673,230
Fish and Wildlife Reserves	25,193,483	24,034,485
Debt Service	4,980,000	6,243,332
Net Pension Asset	-	15,506,238
Unrestricted	<u>209,077,219</u>	<u>196,390,200</u>
TOTAL NET POSITION	<u>848,674,912</u>	<u>853,371,914</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>20,611,468</u>	<u>22,116,205</u>
Net Bonded Indebtedness	386,716,468	395,691,205
Line of Credit	<u>75,250,000</u>	-
Total Long-Term Debt	<u>461,966,468</u>	<u>395,691,205</u>
CURRENT LIABILITIES		
Salaries and Wages Payable	4,531,544	4,107,229
Taxes and Other Payables	11,461,970	12,122,503
Purchases and Transmission of Power Accrued	10,978,357	13,367,872
Interest Payable	3,203,354	3,281,388
Unearned Revenue	20,340	-
Customers' Deposits	6,510,309	2,657,968
Current Portion of Long-Term Debt	7,470,000	64,615,000
Current Accrued Compensated Absences	<u>1,138,107</u>	<u>1,091,328</u>
Total Current Liabilities	<u>45,313,981</u>	<u>101,243,288</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>577,597,080</u>	<u>523,250,428</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>\$1,471,889,845</u>	<u>\$1,451,076,357</u>

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

	August 2020	August 2019
OPERATING REVENUES		
Sales of Electric Energy	\$28,397,751	\$27,683,022
Other Operating Revenues	1,133,532	1,416,196
Click! Network Operating Revenues	-	2,116,912
Total Operating Revenue	29,531,283	31,216,130
OPERATING EXPENSES		
Production Expense		
Hydraulic Power Production	2,968,037	2,759,930
Other Production Expense	597,179	575,540
Total Expense Power Produced	3,565,216	3,335,470
Purchased Power	1,401,004	12,446,751
Total Production Expense	4,966,220	15,782,221
Transmission Expense	2,394,331	2,996,784
Distribution Expense	2,413,307	2,831,436
Click! Network Commercial Operations Expense	85,268	1,646,913
Customer Accounts Expense (CIS)	1,751,003	1,422,625
Conservation and Other Customer Assistance	1,413,945	1,427,658
Taxes	1,554,260	1,625,254
Depreciation	4,018,507	4,021,863
Administrative and General	2,424,226	3,117,936
Total Operating Expenses	21,021,067	34,872,690
OPERATING INCOME (LOSS)	8,510,216	(3,656,560)
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	402,772	415,958
Contribution to Family Need	(41,667)	(41,667)
Other Net Non-Op Revenues and Deductions	(4,654)	244,108
Interest on Long-Term Debt	(1,707,200)	(1,752,585)
Amort of Debt Related Costs	123,513	129,158
Interest Charged to Construction	-	(4,954)
Total Non-Operating Revenues (Expenses)	(1,227,236)	(1,009,982)
Net Income (Loss) Before Capital Contributions and Transfers	7,282,980	(4,666,542)
Capital Contributions		
Cash	480,190	597,765
Donated Fixed Assets	-	4,116
BABs and CREBs Interest Subsidies	329,553	206,959
Transfers		
City Gross Earnings Tax	(2,775,480)	(2,306,339)
CHANGE IN NET POSITION	5,317,243	(6,164,041)
 TOTAL NET POSITION - January 1		
 TOTAL NET POSITION - August 31		

YEAR TO DATE			
August 31, 2020	August 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
\$296,133,159	\$279,173,717	\$16,959,442	6.1%
16,828,398	13,057,691	3,770,707	28.9%
6,201,511	17,193,606	(10,992,095)	-63.9%
<u>319,163,068</u>	<u>309,425,014</u>	<u>9,738,054</u>	3.1%
19,893,196	23,911,600	(4,018,404)	-16.8%
<u>5,097,428</u>	<u>4,152,576</u>	<u>944,852</u>	22.8%
24,990,624	28,064,176	(3,073,552)	-11.0%
<u>94,734,206</u>	<u>109,491,016</u>	<u>(14,756,810)</u>	-13.5%
119,724,830	137,555,192	(17,830,362)	-13.0%
27,238,745	24,673,472	2,565,273	10.4%
23,047,433	23,358,432	(310,999)	-1.3%
4,802,411	14,262,326	(9,459,915)	-66.3%
12,434,960	10,225,959	2,209,001	21.6%
11,983,245	12,117,133	(133,888)	-1.1%
13,925,946	13,925,351	595	0.0%
32,064,600	32,701,146	(636,546)	-1.9%
<u>26,849,058</u>	<u>26,955,817</u>	<u>(106,759)</u>	-0.4%
<u>272,071,228</u>	<u>295,774,828</u>	<u>(23,703,600)</u>	-8.0%
<u>47,091,840</u>	<u>13,650,186</u>	<u>33,441,654</u>	245.0%
1,175,264	4,652,122	(3,476,858)	-74.7%
(333,333)	(333,333)	-	0.0%
900,881	1,493,418	(592,537)	-39.7%
(13,568,738)	(14,091,084)	522,346	3.7%
988,107	1,033,261	(45,154)	-4.4%
-	(4,954)	4,954	100.0%
<u>(10,837,819)</u>	<u>(7,250,570)</u>	<u>(3,587,249)</u>	-49.5%
36,254,021	6,399,616	29,854,405	466.5%
3,055,371	4,167,174	(1,111,803)	-26.7%
111,880	228,718	(116,838)	-51.1%
2,636,426	2,419,525	216,901	9.0%
<u>(25,410,114)</u>	<u>(23,274,903)</u>	<u>(2,135,211)</u>	-9.2%
16,647,584	(10,059,870)	26,707,454	265.5%
<u>832,027,328</u>	<u>863,431,784</u>	<u>(31,404,456)</u>	-3.6%
<u>\$848,674,912</u>	<u>\$853,371,914</u>	<u>(\$4,697,002)</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)
 August 31, 2020 and August 31, 2019

	<u>For the month of August 2020</u>	<u>For the month of August 2019</u>
OPERATING REVENUE		
Sales of Electric Energy		
Residential	\$11,721,829	\$10,185,096
Commercial	2,088,450	1,939,722
General	10,667,844	11,109,703
Contract Industrial	1,729,413	2,103,649
Public Street and Highway Lighting	102,934	32,169
Sales to Other Electric Utilities	33,676	31,711
Total Sales to Customers	<u>26,344,146</u>	<u>25,402,050</u>
Bulk Power Sales	<u>2,053,605</u>	<u>2,280,972</u>
Total Sales of Electric Energy	<u>28,397,751</u>	<u>27,683,022</u>
Other Operating Revenue		
Rentals and Leases from Elect. Property	521,856	200,818
Wheeling	217,843	833,250
Service Fees and Other	393,833	382,128
Telecommunications Revenue	-	2,116,912
Total Other Operating Revenues	<u>1,133,532</u>	<u>3,533,108</u>
TOTAL OPERATING REVENUES	<u><u>\$29,531,283</u></u>	<u><u>\$31,216,130</u></u>
BILLINGS (Number of Months Billed)		
Residential	156,784	144,142
Commercial	15,730	14,046
General	2,502	2,559
Contract Industrial	2	2
Public Streets and Highway Lighting	761	726
Sales to Other Electric Utilities	<u>1</u>	<u>1</u>
TOTAL BILLINGS	<u><u>175,780</u></u>	<u><u>161,476</u></u>

YEAR TO DATE			
August 31, 2020	August 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
\$129,484,053	\$126,042,510	\$3,441,543	2.7%
19,769,656	20,119,627	(349,971)	-1.7%
87,173,730	86,599,418	574,312	0.7%
15,856,593	15,567,143	289,450	1.9%
901,084	832,625	68,459	8.2%
318,994	309,690	9,304	3.0%
<u>253,504,110</u>	<u>249,471,013</u>	<u>4,033,097</u>	1.6%
42,629,049	29,702,704	12,926,345	43.5%
<u>296,133,159</u>	<u>279,173,717</u>	<u>16,959,442</u>	6.1%
3,688,587	2,620,938	1,067,649	40.7%
6,675,507	6,915,798	(240,291)	-3.5%
6,464,304	3,520,955	2,943,349	83.6%
6,201,511	17,193,606	(10,992,095)	-63.9%
<u>23,029,909</u>	<u>30,251,297</u>	<u>(7,221,388)</u>	-23.9%
<u>\$319,163,068</u>	<u>\$309,425,014</u>	<u>\$9,738,054</u>	3.1%
1,303,431	1,289,349	14,082	1.1%
134,566	130,427	4,139	3.2%
20,719	20,627	92	0.4%
16	16	-	0.0%
7,580	7,425	155	2.1%
8	8	-	0.0%
<u>1,466,320</u>	<u>1,447,852</u>	<u>18,468</u>	1.3%

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

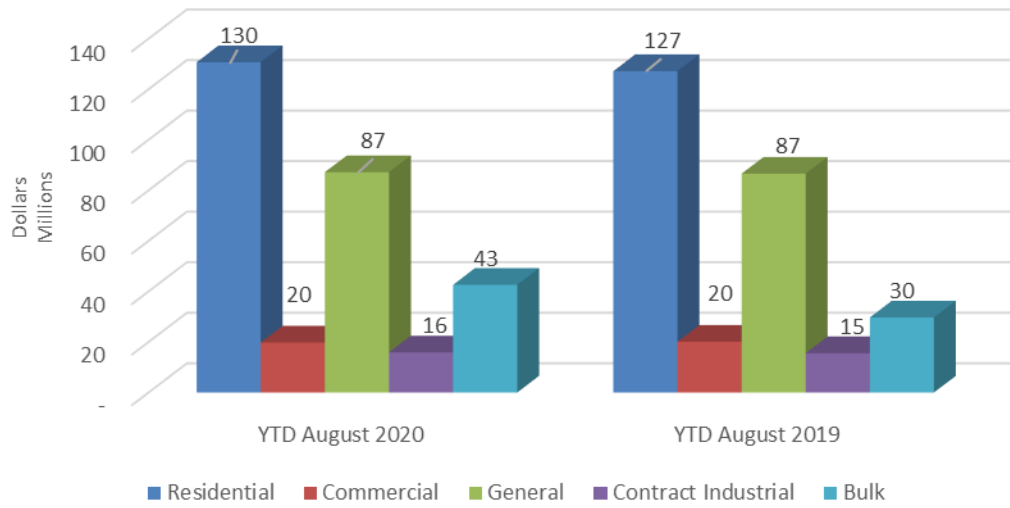
	For the month of August 2020	For the month of August 2019
KWH GENERATED, PURCHASED AND INTERCHANGED - Gross		
Generated - LaGrande	18,719,000	15,610,000
Generated - Alder	11,134,000	9,436,000
TOTAL NISQUALLY	<u>29,853,000</u>	<u>25,046,000</u>
Generated - Cushman No 1	1,469,000	1,080,000
Generated - Cushman No 2	621,000	381,000
TOTAL CUSHMAN	<u>2,090,000</u>	<u>1,461,000</u>
Generated - Mossyrock	54,787,000	43,737,000
Generated - Augustfield	32,469,000	25,803,000
TOTAL COWLITZ	<u>87,256,000</u>	<u>69,540,000</u>
Generated - Wynoochee	851,000	-
Generated - Hood Street	307,000	319,700
Tacoma's Share of Priest Rapids	2,354,000	1,667,000
Tacoma's Share of GCPHA	44,701,000	32,494,000
TOTAL KWH GENERATED - TACOMA SYSTEM	167,412,000	130,527,700
Purchased Power		
BPA Slice Contract	183,485,000	151,213,000
BPA Block Contract	97,737,000	107,679,000
Interchange Net	(90,706,083)	(31,326,250)
TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED	<u>357,927,917</u>	<u>358,093,450</u>
Losses	3,537,625	3,276,430
Baldi Replacement	11,696	15,087
Ketron	13,312	12,533
NT PC Mutuals Schedules	(2,157,000)	(2,051,000)
PC Mutual Inadvertent	(1,262,828)	347,373
TACOMA SYSTEM FIRM LOAD	<u>358,070,722</u>	<u>359,693,873</u>
Maximum Kilowatts (System Firm Load)	665,000	628,979
Average Kilowatts (System Firm Load)	786,280	483,460
PIERCE COUNTY MUTUAL LOAD	98,905,000	97,828,000
KWH BILLED		
Residential Sales	112,052,068	96,736,422
Commercial Sales	21,602,688	20,394,726
General	148,269,311	161,812,591
Contract Industrial	34,896,060	44,217,660
Public Street and Highway Lighting	789,004	576,470
Sales to Other Electric Utilities	525,600	519,300
TOTAL FIRM	<u>318,134,731</u>	<u>324,257,169</u>
Bulk Power Sales	112,387,000	68,013,000
TOTAL KWH BILLED	<u>430,521,731</u>	<u>392,270,169</u>

YEAR TO DATE			
August 31, 2020	August 31, 2019	2020/2019 VARIANCE	PERCENT CHANGE
233,205,000	176,460,000	56,745,000	32.2%
138,865,000	103,919,000	34,946,000	33.6%
<u>372,070,000</u>	<u>280,379,000</u>	<u>91,691,000</u>	32.7%
47,570,000	41,903,000	5,667,000	13.5%
62,758,000	53,446,000	9,312,000	17.4%
<u>110,328,000</u>	<u>95,349,000</u>	<u>14,979,000</u>	15.7%
861,116,000	426,874,000	434,242,000	101.7%
538,365,000	325,648,000	212,717,000	65.3%
<u>1,399,481,000</u>	<u>752,522,000</u>	<u>646,959,000</u>	86.0%
15,412,000	10,066,000	5,346,000	53.1%
2,344,400	2,315,983	28,417	1.2%
19,480,000	14,883,000	4,597,000	30.9%
214,262,000	180,130,000	34,132,000	18.9%
2,133,377,400	1,335,644,983	797,732,417	59.7%
1,616,692,000	1,443,228,000	173,464,000	12.0%
939,123,000	1,034,651,000	(95,528,000)	-9.2%
<u>(1,535,891,166)</u>	<u>(628,968,500)</u>	<u>(906,922,666)</u>	-144.2%
3,153,301,234	3,184,555,483	(31,254,249)	-1.0%
28,905,889	25,125,094	3,780,795	15.0%
1,117,772	161,538	956,234	592.0%
201,329	185,753	15,576	8.4%
(21,168,000)	(20,826,000)	(342,000)	-1.6%
<u>(2,929,821)</u>	<u>1,185,098</u>	<u>(4,114,919)</u>	-347.2%
<u>3,159,428,403</u>	<u>3,190,386,966</u>	<u>(30,958,563)</u>	-1.0%
961,674,000	1,060,825,000	(99,151,000)	-9.3%
1,344,072,869	1,333,617,591	10,455,278	0.8%
209,488,483	219,030,794	(9,542,311)	-4.4%
1,260,506,025	1,304,193,887	(43,687,862)	-3.3%
328,856,880	325,093,320	3,763,560	1.2%
6,944,802	7,000,899	(56,097)	-0.8%
5,178,600	5,200,200	(21,600)	-0.4%
3,155,047,659	3,194,136,691	(39,089,032)	-1.2%
1,898,664,000	1,183,604,000	715,060,000	60.4%
<u>5,053,711,659</u>	<u>4,377,740,691</u>	<u>675,970,968</u>	15.4%

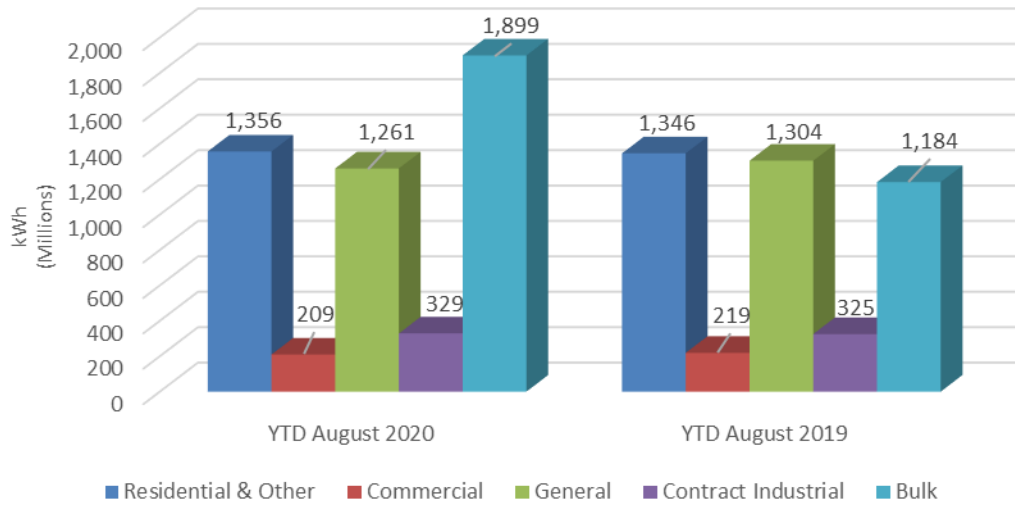
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Supplemental Data

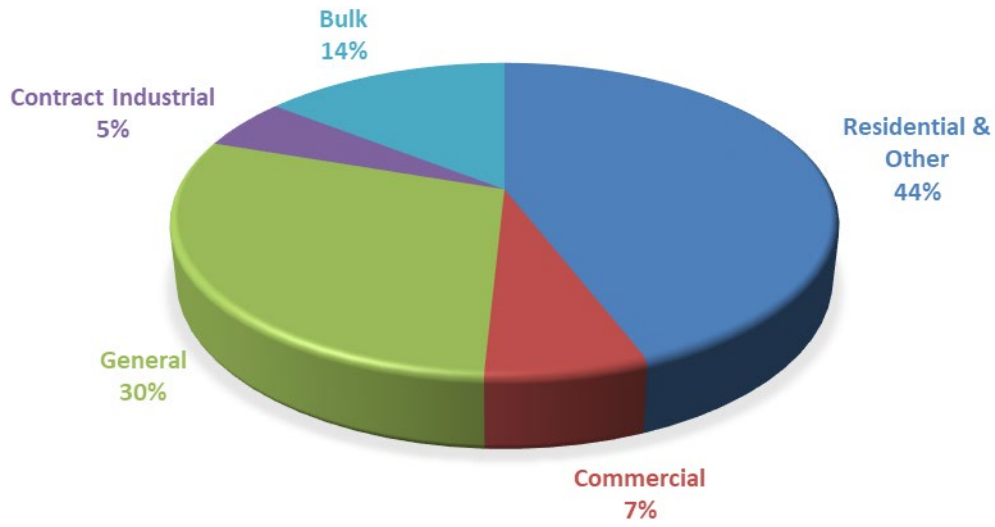
Sales of Electric Energy Year to Date - August 2020 & 2019



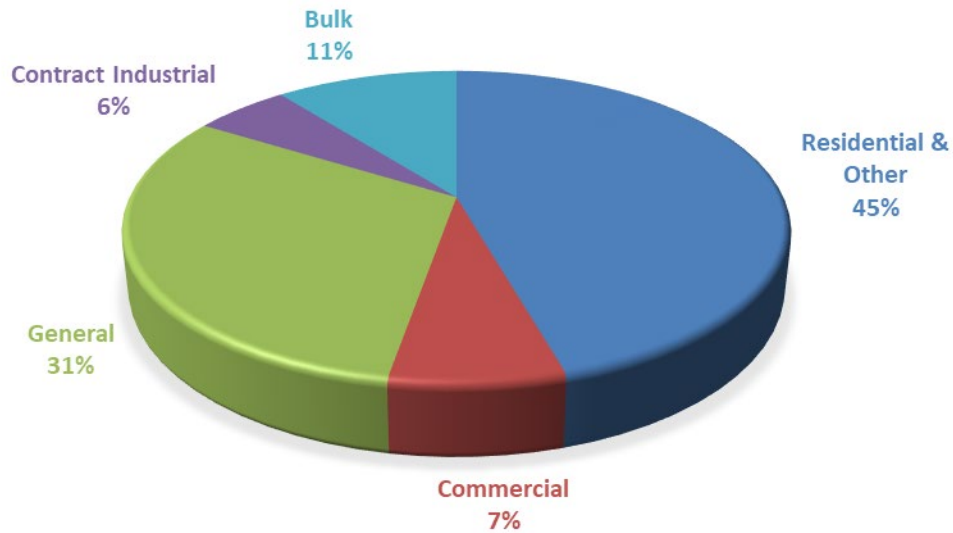
Total Power Billed Year to Date - August 2020 & 2019



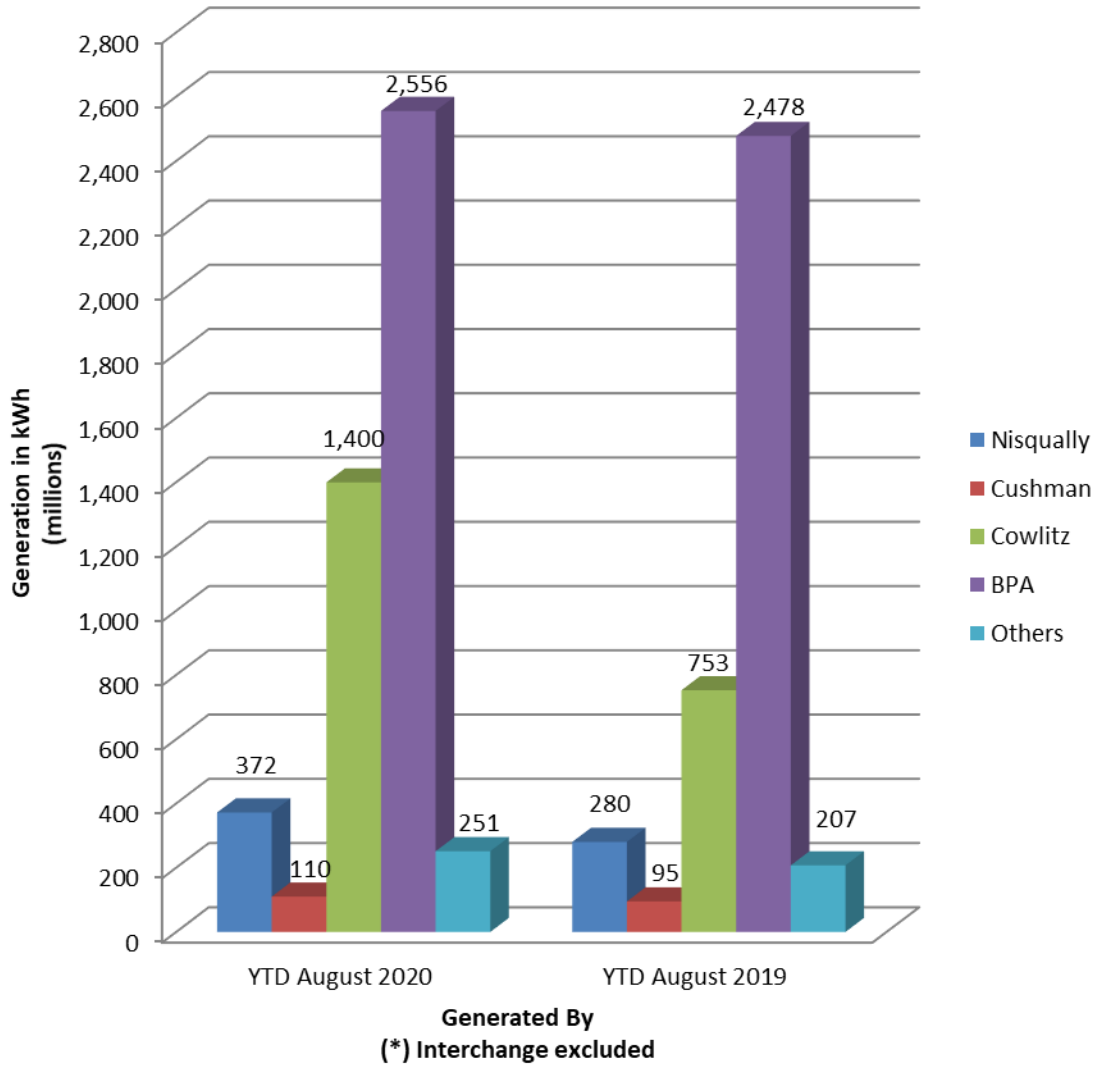
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - AUGUST 2020 (\$296,133,159)**



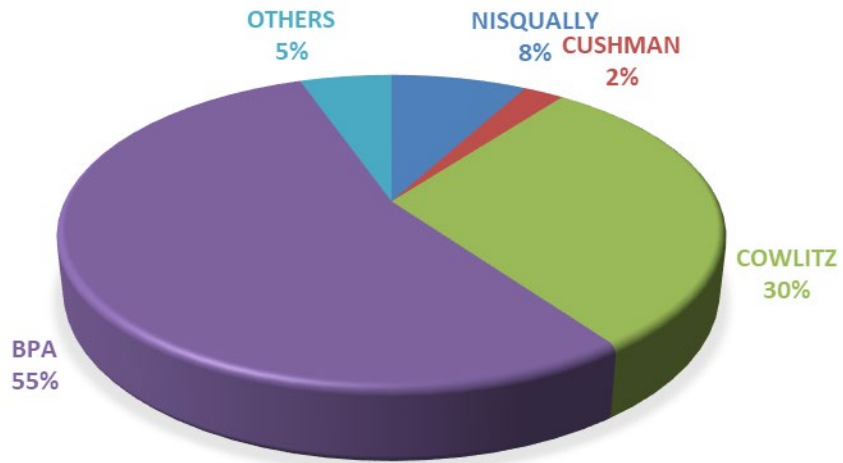
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - AUGUST 2019 (\$279,173,717)**



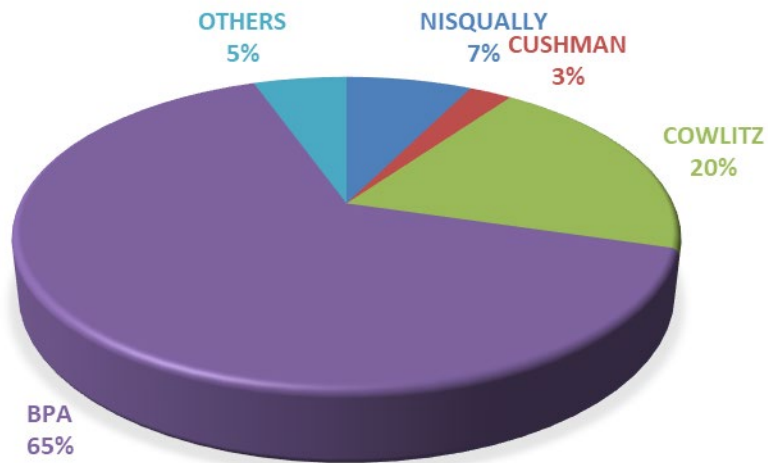
Power Sources (*) Year to Date August 2020 & 2019



POWER SOURCES (*)
YEAR TO DATE - AUGUST 2020

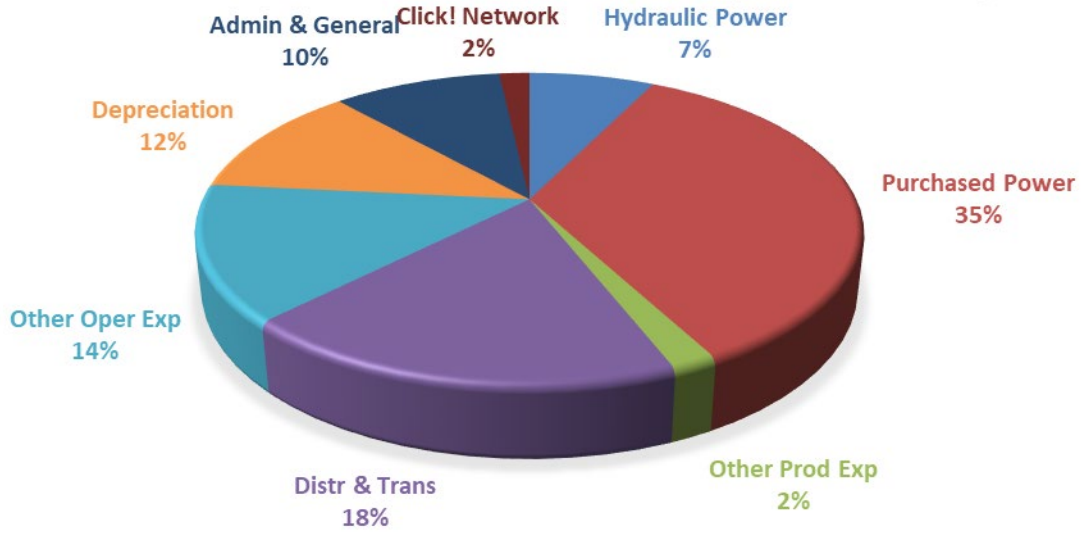


POWER SOURCES (*)
YEAR TO DATE - AUGUST 2019

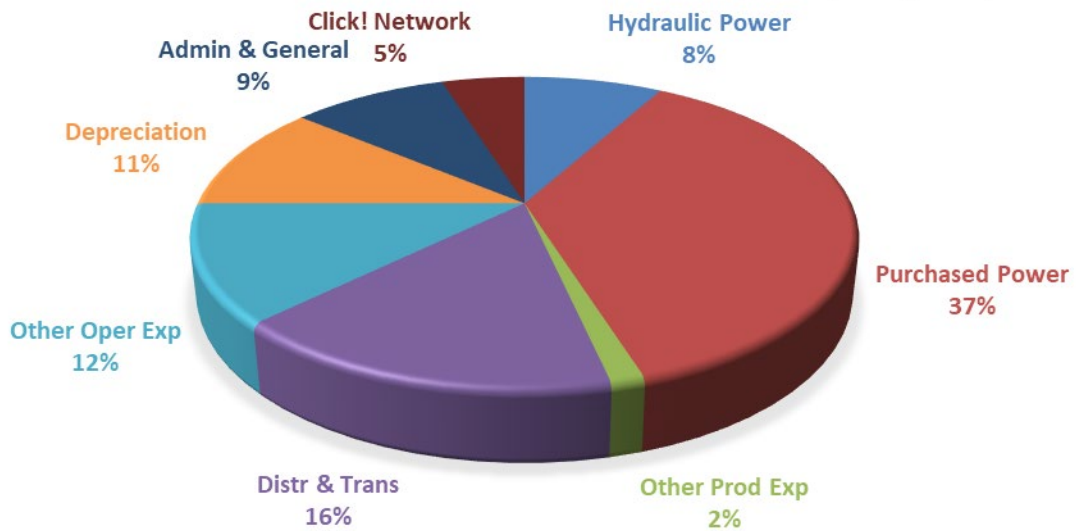


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
YEAR TO DATE - AUGUST 2020 (\$272,071,228)



TOTAL OPERATING EXPENSES *
YEAR TO DATE - AUGUST 2019 (\$295,774,828)



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

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