
AUGUST

TACOMA POWER

2021

**FINANCIAL
REPORT**



Public Utility Board

MARK PATTERSON
Chair

CHRISTINE COOLEY
Vice-Chair

CARLOS M. WATSON
Secretary

JOE BUSHNELL
Member

HOLLAND COHEN
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: According to Ordinance No. 28688, Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water for funding flexibility. Fleet Services Fund maintains the purchasing and maintenance responsibilities. \$1.8 million of Construction Work In Progress was transferred out from Fleet Services Fund to Power.

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, 2021 and August 31, 2020

| ASSETS AND DEFERRED OUTFLOWS | <u>2021</u> | <u>2020</u> |
|---|------------------------|------------------------|
| UTILITY PLANT | | |
| Electric Plant in Service | \$2,210,566,591 | \$2,177,547,679 |
| Less Depreciation and Amortization | <u>(1,187,983,017)</u> | <u>(1,168,853,707)</u> |
| Total | 1,022,583,574 | 1,008,693,972 |
| Construction Work in Progress | <u>88,687,281</u> | <u>62,264,666</u> |
| Net Utility Plant | <u>1,111,270,855</u> | <u>1,070,958,638</u> |
| | | |
| NON-UTILITY PROPERTY | <u>182,051</u> | <u>182,051</u> |
| | | |
| RESTRICTED ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| 2019 Construction Fund | 323 | 98,701 |
| Provision for Debt Service | 7,105,268 | 8,183,354 |
| Special Bond Reserves | 4,997,639 | 4,997,639 |
| Wynoochee Reserve - State of Washington | 2,750,299 | 2,722,350 |
| Fish and Wildlife Reserves | <u>25,983,564</u> | <u>25,193,483</u> |
| Total Restricted Assets | <u>40,837,093</u> | <u>41,195,527</u> |
| | | |
| CURRENT ASSETS | | |
| Cash and Equity in Pooled Investments: | | |
| Current Fund | 215,303,185 | 130,373,922 |
| Customers' and Contractors' Deposits | 1,369,616 | 2,488,616 |
| Conservation Loan Fund | 4,737,108 | 4,641,543 |
| Rate Stabilization Fund | 38,000,000 | 38,000,000 |
| Receivables: | | |
| Customers | 37,271,082 | 25,123,057 |
| Accrued Unbilled Revenue | 32,019,820 | 32,547,727 |
| Others | 14,164,808 | 12,224,854 |
| Provision for Uncollectibles | <u>(16,160,388)</u> | <u>(5,799,822)</u> |
| Materials and Supplies | 7,407,835 | 6,504,049 |
| Prepayments and Other | <u>12,867,706</u> | <u>12,711,538</u> |
| Total Current Assets | <u>346,980,772</u> | <u>258,815,484</u> |
| | | |
| OTHER ASSETS | | |
| Regulatory Asset - Conservation | 37,886,623 | 43,406,127 |
| Net Pension Asset | 7,189,022 | - |
| Conservation Loan Fund Receivables | <u>1,906,639</u> | <u>2,050,647</u> |
| Total Other Assets | <u>46,982,284</u> | <u>45,456,774</u> |
| | | |
| Total Assets | <u>1,546,253,055</u> | <u>1,416,608,474</u> |
| | | |
| DEFERRED OUTFLOWS | | |
| Deferred Outflow for Pensions | 21,328,424 | 54,329,250 |
| Deferred Outflow for OPEB | <u>1,299,989</u> | <u>952,121</u> |
| Total Deferred Outflows | <u>22,628,413</u> | <u>55,281,371</u> |
| | | |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>\$1,568,881,468</u> | <u>\$1,471,889,845</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 | 2021 | 2020 |
|---|------------------------|------------------------|
| NET POSITION | | |
| Net Investment in Capital Assets | \$586,180,703 | \$606,701,860 |
| Restricted for: | | |
| Wynoochee Reserve - State of Washington | 2,750,299 | 2,722,350 |
| Fish and Wildlife Reserves | 25,983,564 | 25,193,483 |
| Debt Service | 3,963,333 | 4,980,000 |
| Net Pension Asset | 7,189,022 | - |
| Unrestricted | 276,340,641 | 209,077,219 |
| TOTAL NET POSITION | 902,407,562 | 848,674,912 |
| 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 | 88,655,000 |
| 2013B Electric System Rev & Refunding Bonds | 31,825,000 | 35,620,000 |
| 2017 Electric System Revenue Bonds | 68,425,000 | 70,575,000 |
| Total Bonded Indebtedness | 360,160,000 | 366,105,000 |
| Less: Unamortized Bond Premiums | 19,164,843 | 20,611,468 |
| Net Bonded Indebtedness | 379,324,843 | 386,716,468 |
| Line of Credit | - | 75,250,000 |
| Total Long-Term Debt | 379,324,843 | 461,966,468 |
| CURRENT LIABILITIES | | |
| Salaries and Wages Payable | 5,077,470 | 4,531,544 |
| Taxes and Other Payables | 12,898,264 | 11,461,970 |
| Purchases and Transmission of Power Accrued | 11,663,380 | 10,978,357 |
| Interest Payable | 3,141,935 | 3,203,354 |
| Unearned Revenue | 20,340 | 20,340 |
| Customers' Deposits | 8,950,688 | 6,510,309 |
| Current Portion of Long-Term Debt | 150,945,000 | 7,470,000 |
| Current Accrued Compensated Absences | 1,344,971 | 1,138,107 |
| Total Current Liabilities | 194,042,048 | 45,313,981 |
| LONG-TERM LIABILITIES | | |
| Long-Term Accrued Compensated Absences | 12,104,741 | 10,242,961 |
| Net OPEB Liability | 10,972,398 | 10,562,836 |
| Net Pension Liability | - | 45,902,976 |
| Other Long-Term Liabilities | 3,188,925 | 3,607,858 |
| Total Long-Term Liabilities | 26,266,064 | 70,316,631 |
| TOTAL LIABILITIES | 599,632,955 | 577,597,080 |
| DEFERRED INFLOWS | | |
| Deferred Inflow for Pensions | 27,395,943 | 6,031,613 |
| Deferred Inflow for OPEB | 1,445,008 | 1,586,240 |
| Rate Stabilization | 38,000,000 | 38,000,000 |
| Total Deferred Inflows | 66,840,951 | 45,617,853 |
| TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS | \$1,568,881,468 | \$1,471,889,845 |

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City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Power
 Statements of Revenues, Expenses and Changes in Net Position (Unaudited)
 August 31, 2021 and August 31, 2020

| | | | YEAR TO DATE | | 2021/2020 VARIANCE | PERCENT CHANGE |
|--|--------------------|--------------------|----------------------|----------------------|-----------------------|-------------------|
| | August 2021 | August 2020 | August 31, 2021 | August 31, 2020 | | |
| OPERATING REVENUES | | | | | | |
| Sales of Electric Energy | \$39,998,021 | \$28,397,751 | \$316,412,255 | \$296,133,159 | \$20,279,096 | 6.8% |
| Other Operating Revenues | 1,646,766 | 1,133,532 | 16,050,265 | 16,828,398 | (778,133) | -4.6% |
| Click! Network Operating Revenues | - | - | 1,275 | 6,201,511 | (6,200,236) | -100.0% |
| Total Operating Revenue | <u>41,644,787</u> | <u>29,531,283</u> | <u>332,463,795</u> | <u>319,163,068</u> | <u>13,300,727</u> | 4.2% |
| OPERATING EXPENSES | | | | | | |
| Production Expense | | | | | | |
| Hydraulic Power Production | 2,872,589 | 2,968,037 | 20,210,569 | 19,893,196 | 317,373 | 1.6% |
| Other Production Expense | 562,317 | 597,179 | 4,367,793 | 5,097,428 | (729,635) | -14.3% |
| Total Expense Power Produced | <u>3,434,906</u> | <u>3,565,216</u> | <u>24,578,362</u> | <u>24,990,624</u> | <u>(412,262)</u> | -1.6% |
| Purchased Power | 12,151,067 | 1,401,004 | 95,947,603 | 94,734,206 | 1,213,397 | 1.3% |
| Total Production Expense | <u>15,585,973</u> | <u>4,966,220</u> | <u>120,525,965</u> | <u>119,724,830</u> | <u>801,135</u> | 0.7% |
| Transmission Expense | 2,681,529 | 2,394,331 | 26,469,206 | 27,238,745 | (769,539) | -2.8% |
| Distribution Expense | 2,978,839 | 2,413,307 | 26,220,494 | 23,047,433 | 3,173,061 | 13.8% |
| Click! Network Commercial Operations Expense | 103,764 | 85,268 | 640,289 | 4,802,411 | (4,162,122) | -86.7% |
| Customer Accounts Expense (CIS) | 2,296,730 | 1,751,003 | 18,161,837 | 12,434,960 | 5,726,877 | 46.1% |
| Conservation and Other Customer Assistance | 1,385,312 | 1,413,945 | 11,359,978 | 11,983,245 | (623,267) | -5.2% |
| Taxes | 1,715,752 | 1,554,260 | 13,819,614 | 13,925,946 | (106,332) | -0.8% |
| Depreciation | 4,175,900 | 4,018,507 | 33,519,684 | 32,064,600 | 1,455,084 | 4.5% |
| Administrative and General | 3,921,993 | 2,424,226 | 27,234,344 | 26,849,058 | 385,286 | 1.4% |
| Total Operating Expenses | <u>34,845,792</u> | <u>21,021,067</u> | <u>277,951,411</u> | <u>272,071,228</u> | <u>5,880,183</u> | 2.2% |
| OPERATING INCOME (LOSS) | <u>6,798,995</u> | <u>8,510,216</u> | <u>54,512,384</u> | <u>47,091,840</u> | <u>7,420,544</u> | 15.8% |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Interest Income | 196,099 | 402,772 | (2,102,555) | 1,175,264 | (3,277,819) | -278.9% |
| Contribution to Family Need | (83,333) | (41,667) | (666,667) | (333,333) | (333,334) | -100.0% |
| Other Net Non-Op Revenues and Deductions | 94,744 | (4,654) | 1,576,049 | 900,881 | 675,168 | 74.9% |
| Interest on Long-Term Debt | (1,708,657) | (1,707,200) | (13,255,023) | (13,568,738) | 313,715 | 2.3% |
| Amort of Debt Related Costs | 119,071 | 123,513 | 952,572 | 988,107 | (35,535) | -3.6% |
| Total Non-Operating Revenues (Expenses) | <u>(1,382,076)</u> | <u>(1,227,236)</u> | <u>(13,495,624)</u> | <u>(10,837,819)</u> | <u>(2,657,805)</u> | -24.5% |
| Net Income (Loss) Before Capital Contributions and Transfers | 5,416,919 | 7,282,980 | 41,016,760 | 36,254,021 | 4,762,739 | 13.1% |
| Capital Contributions | | | | | | |
| Cash | 288,802 | 480,190 | 4,087,562 | 3,055,371 | 1,032,191 | 33.8% |
| Donated Fixed Assets | - | - | 457,176 | 111,880 | 345,296 | 308.6% |
| BABs and CREBs Interest Subsidies | 310,769 | 329,553 | 2,486,149 | 2,636,426 | (150,277) | -5.7% |
| Transfers | | | | | | |
| City Gross Earnings Tax | (3,194,203) | (2,775,480) | (24,480,226) | (25,410,114) | 929,888 | 3.7% |
| Transfers from (to) Other Funds | - | - | 1,840,194 | - | 1,840,194 | n/a |
| CHANGE IN NET POSITION | <u>2,822,287</u> | <u>5,317,243</u> | <u>25,407,615</u> | <u>16,647,584</u> | <u>8,760,031</u> | 52.6% |
| TOTAL NET POSITION - January 1 | | | <u>876,999,947</u> | <u>832,027,328</u> | <u>44,972,620</u> | 5.4% |
| TOTAL NET POSITION - August 31 | | | <u>\$902,407,562</u> | <u>\$848,674,912</u> | <u>\$53,732,651</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, 2021 and August 31, 2020

| | For the month of August 2021 | For the month of August 2020 | YEAR TO DATE | | 2021/2020 VARIANCE | PERCENT CHANGE |
|---|---------------------------------|---------------------------------|----------------------|----------------------|-----------------------|-------------------|
| | | | August 31, 2021 | August 31, 2020 | | |
| OPERATING REVENUE | | | | | | |
| Sales of Electric Energy | | | | | | |
| Residential | \$13,589,240 | \$11,721,829 | \$134,233,995 | \$129,484,053 | \$4,749,942 | 3.7% |
| Commercial | 2,499,608 | 2,088,450 | 20,558,602 | 19,769,656 | 788,946 | 4.0% |
| General | 12,315,743 | 10,667,844 | 91,272,815 | 87,173,730 | 4,099,085 | 4.7% |
| Contract Industrial | 2,117,357 | 1,729,413 | 16,180,960 | 15,856,593 | 324,367 | 2.0% |
| Public Street and Highway Lighting | 101,749 | 102,934 | 823,458 | 901,084 | (77,626) | -8.6% |
| Sales to Other Electric Utilities | 46,921 | 33,676 | 401,330 | 318,994 | 82,336 | 25.8% |
| Total Sales to Customers | 30,670,618 | 26,344,146 | 263,471,160 | 253,504,110 | 9,967,050 | 3.9% |
| Bulk Power Sales | 9,327,403 | 2,053,605 | 52,941,095 | 42,629,049 | 10,312,046 | 24.2% |
| Total Sales of Electric Energy | 39,998,021 | 28,397,751 | 316,412,255 | 296,133,159 | 20,279,096 | 6.8% |
| Other Operating Revenue | | | | | | |
| Rentals and Leases from Elect. Property | 429,424 | 521,856 | 4,081,351 | 3,688,587 | 392,764 | 10.6% |
| Wheeling | 853,991 | 217,843 | 6,766,496 | 6,675,507 | 90,989 | 1.4% |
| Service Fees and Other | 363,351 | 393,833 | 5,202,418 | 6,464,304 | (1,261,886) | -19.5% |
| Telecommunications Revenue | - | - | 1,275 | 6,201,511 | (6,200,236) | -100.0% |
| Total Other Operating Revenues | 1,646,766 | 1,133,532 | 16,051,540 | 23,029,909 | (6,978,369) | -30.3% |
| TOTAL OPERATING REVENUES | \$41,644,787 | \$29,531,283 | \$332,463,795 | \$319,163,068 | \$13,300,727 | 4.2% |
| BILLINGS (Number of Months Billed) | | | | | | |
| Residential | 175,833 | 156,784 | 1,314,771 | 1,303,431 | 11,340 | 0.9% |
| Commercial | 18,173 | 15,730 | 137,106 | 134,566 | 2,540 | 1.9% |
| General | 3,010 | 2,502 | 20,341 | 20,719 | (378) | -1.8% |
| Contract Industrial | 2 | 2 | 16 | 16 | - | 0.0% |
| Public Streets and Highway Lighting | 702 | 761 | 7,351 | 7,580 | (229) | -3.0% |
| Sales to Other Electric Utilities | 1 | 1 | 8 | 8 | - | 0.0% |
| TOTAL BILLINGS | 197,721 | 175,780 | 1,479,593 | 1,466,320 | 13,273 | 0.9% |

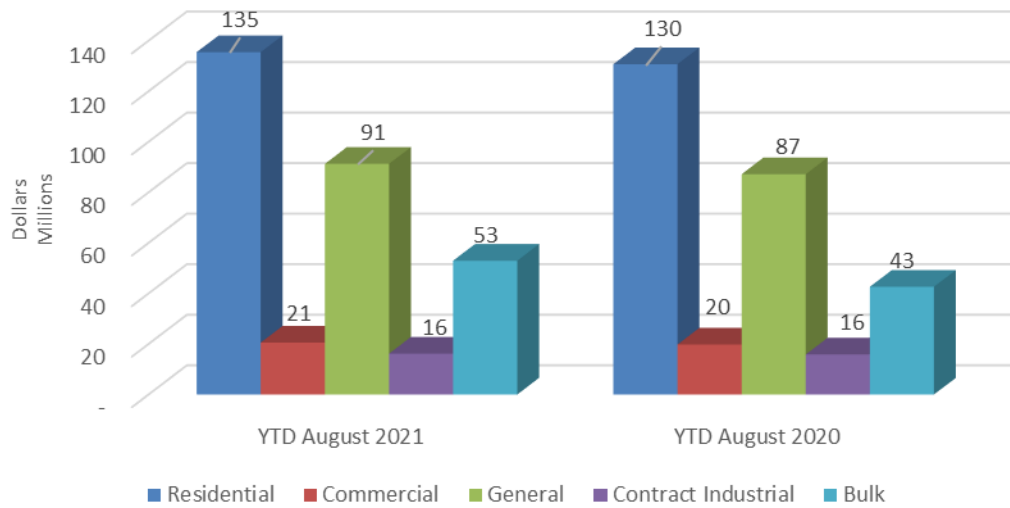
City of Tacoma, Washington
 Department of Public Utilities
 Tacoma Power
 Gross Generation Report (Unaudited)
 August 31, 2021 and August 31, 2020

| | For the month of August 2021 | For the month of August 2020 | YEAR TO DATE | | 2021/2020 VARIANCE | PERCENT CHANGE |
|--|---------------------------------|---------------------------------|----------------------|----------------------|-----------------------|-------------------|
| | | | August 31, 2021 | August 31, 2020 | | |
| KWH GENERATED, PURCHASED AND INTERCHANGED - Gross | | | | | | |
| Generated - LaGrande | 17,434,000 | 18,719,000 | 209,842,000 | 233,205,000 | (23,363,000) | -10.0% |
| Generated - Alder | 10,906,000 | 11,134,000 | 129,468,000 | 138,865,000 | (9,397,000) | -6.8% |
| TOTAL NISQUALLY | 28,340,000 | 29,853,000 | 339,310,000 | 372,070,000 | (32,760,000) | -8.8% |
| Generated - Cushman No 1 | 1,380,000 | 1,469,000 | 55,383,000 | 47,570,000 | 7,813,000 | 16.4% |
| Generated - Cushman No 2 | 725,000 | 621,000 | 75,599,000 | 62,758,000 | 12,841,000 | 20.5% |
| TOTAL CUSHMAN | 2,105,000 | 2,090,000 | 130,982,000 | 110,328,000 | 20,654,000 | 18.7% |
| Generated - Mossyrock | 60,599,000 | 54,787,000 | 708,981,000 | 861,116,000 | (152,135,000) | -17.7% |
| Generated - Septemberfield | 35,720,000 | 32,469,000 | 483,612,000 | 538,365,000 | (54,753,000) | -10.2% |
| TOTAL COWLITZ | 96,319,000 | 87,256,000 | 1,192,593,000 | 1,399,481,000 | (206,888,000) | -14.8% |
| Generated - Wynoochee | 926,000 | 851,000 | 14,373,000 | 15,412,000 | (1,039,000) | -6.7% |
| Generated - Hood Street | 19,800 | 307,000 | 1,774,500 | 2,344,400 | (569,900) | -24.3% |
| Tacoma's Share of Priest Rapids | 1,997,000 | 2,354,000 | 17,484,000 | 19,480,000 | (1,996,000) | -10.2% |
| Tacoma's Share of GCPHA | 44,063,000 | 44,701,000 | 224,897,000 | 214,262,000 | 10,635,000 | 5.0% |
| TOTAL KWH GENERATED - TACOMA SYSTEM | 173,769,800 | 167,412,000 | 1,921,413,500 | 2,133,377,400 | (211,963,900) | -9.9% |
| Purchased Power | | | | | | |
| BPA Slice Contract | 158,578,000 | 183,485,000 | 1,386,545,000 | 1,616,692,000 | (230,147,000) | -14.2% |
| BPA Block Contract | 98,573,000 | 97,737,000 | 947,156,000 | 939,123,000 | 8,033,000 | 0.9% |
| Interchange Net | (61,523,893) | (90,706,083) | (1,032,105,143) | (1,535,743,166) | 503,638,023 | 32.8% |
| TOTAL KWH GENERATED, PURCHASED AND INTERCHANGED | 369,396,907 | 357,927,917 | 3,223,009,357 | 3,153,449,234 | 69,560,123 | 2.2% |
| Losses | 87,273 | 3,537,625 | 10,686,078 | 28,905,889 | (18,219,811) | -63.0% |
| Baldi Replacement | 11,641 | 11,696 | 585,379 | 1,117,772 | (532,393) | -47.6% |
| Ketron | 12,659 | 13,312 | 196,419 | 201,329 | (4,910) | -2.4% |
| NT PC Mutuals Schedules | (2,202,000) | (2,157,000) | (21,590,000) | (21,168,000) | (422,000) | -2.0% |
| PC Mutual Inadvertent | 275,590 | (1,262,828) | 13,221,716 | (2,929,821) | 16,151,537 | 551.3% |
| TACOMA SYSTEM FIRM LOAD | 367,582,070 | 358,070,722 | 3,226,108,949 | 3,159,576,403 | 66,532,546 | 2.1% |
| Maximum Kilowatts (System Firm Load) | 715,893 | 665,000 | | | | |
| Average Kilowatts (System Firm Load) | 494,062 | 481,278 | | | | |
| PIERCE COUNTY MUTUAL LOAD | 102,911,000 | 98,905,000 | 991,214,000 | 1,055,849,000 | (64,635,000) | -6.1% |
| KWH BILLED | | | | | | |
| Residential Sales | 127,758,522 | 112,052,068 | 1,376,713,093 | 1,344,072,869 | 32,640,224 | 2.4% |
| Commercial Sales | 25,663,166 | 21,602,688 | 211,742,868 | 209,488,483 | 2,254,385 | 1.1% |
| General | 175,353,142 | 148,269,311 | 1,278,161,450 | 1,260,506,025 | 17,655,425 | 1.4% |
| Contract Industrial | 44,444,940 | 34,896,060 | 340,947,720 | 328,856,880 | 12,090,840 | 3.7% |
| Public Street and Highway Lighting | 557,860 | 789,004 | 5,713,672 | 6,944,802 | (1,231,130) | -17.7% |
| Sales to Other Electric Utilities | 729,900 | 525,600 | 6,279,300 | 5,178,600 | 1,100,700 | 21.3% |
| TOTAL FIRM | 374,507,530 | 318,134,731 | 3,219,558,103 | 3,155,047,659 | 64,510,444 | 2.0% |
| Bulk Power Sales | 78,378,000 | 112,465,000 | 1,240,693,000 | 1,897,935,000 | (657,242,000) | -34.6% |
| TOTAL KWH BILLED | 452,885,530 | 430,599,731 | 4,460,251,103 | 5,052,982,659 | (592,731,556) | -11.7% |

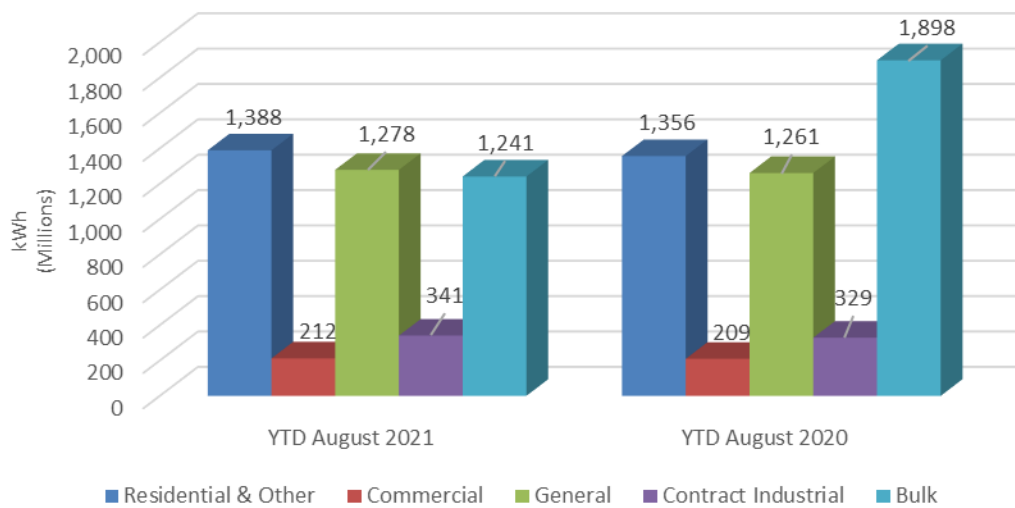
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Supplemental Data

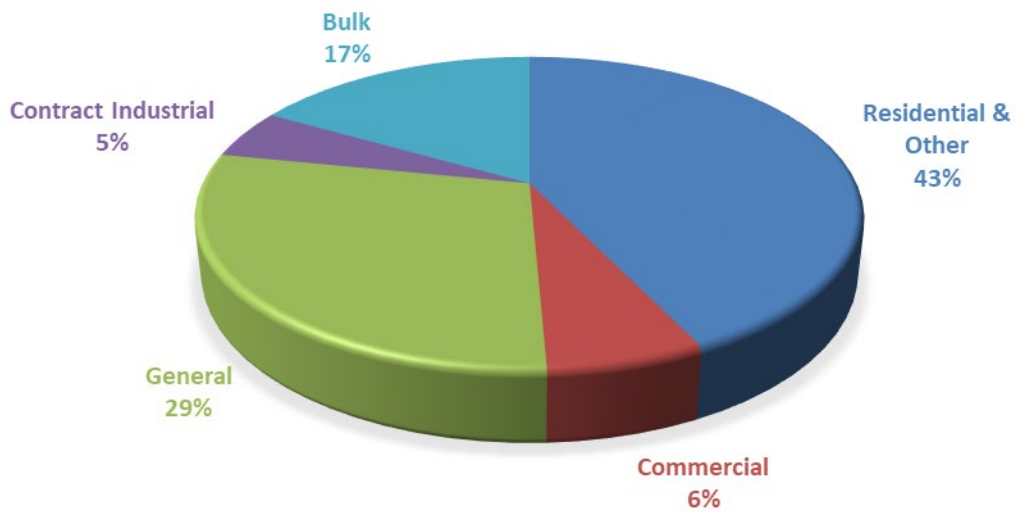
Sales of Electric Energy Year to Date - August 2021 & 2020



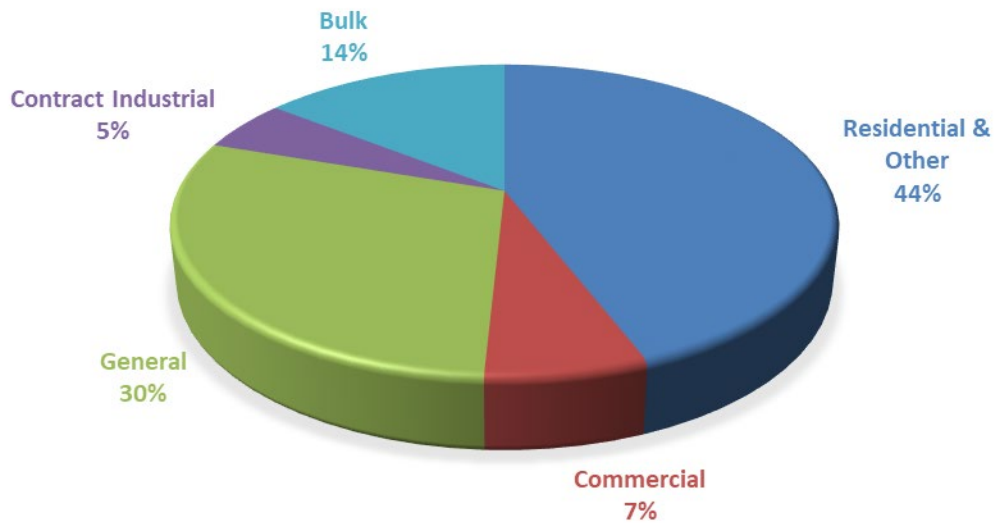
Total Power Billed Year to Date - August 2021 & 2020



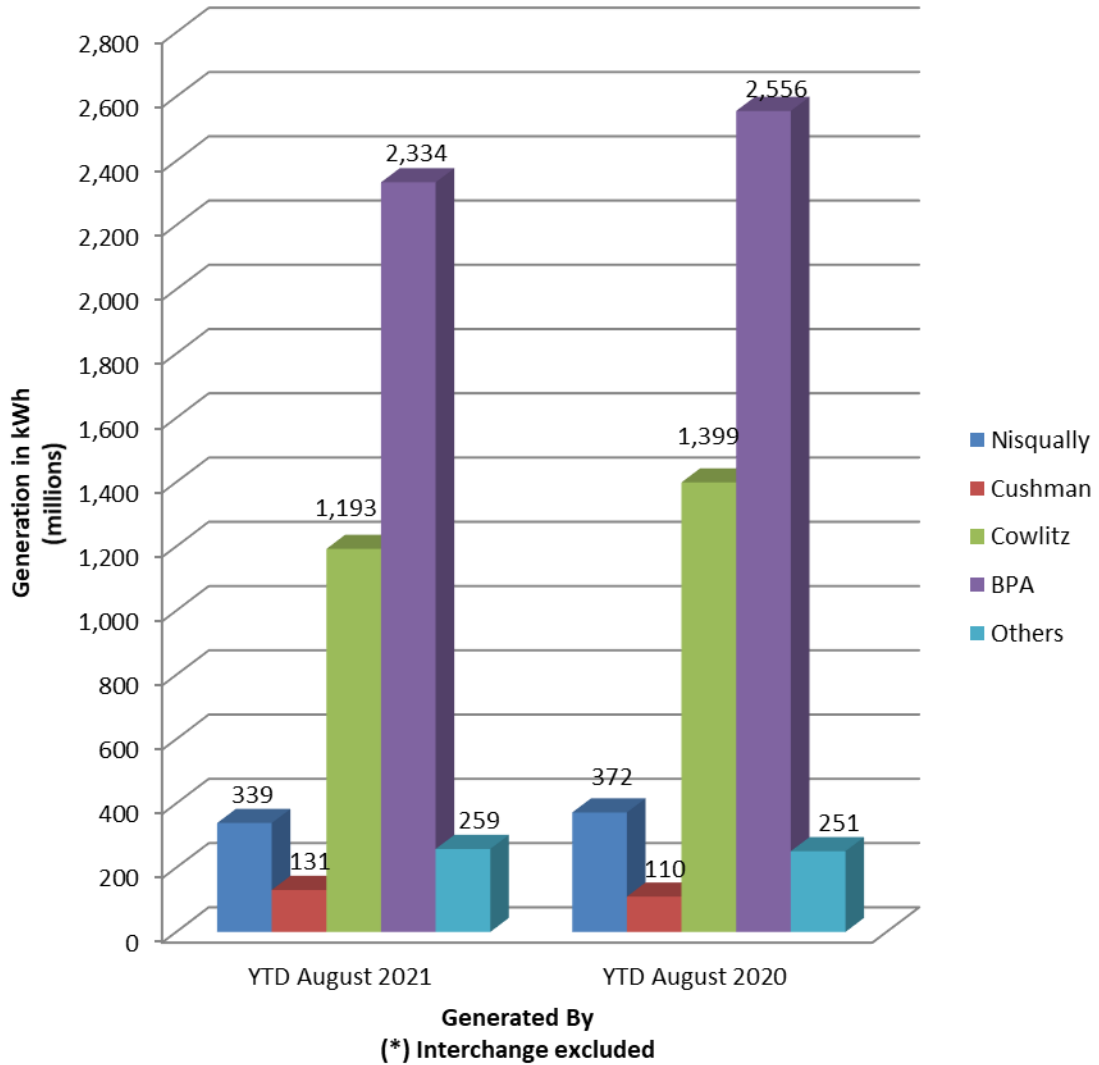
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - AUGUST 2021 (\$316,412,255)**



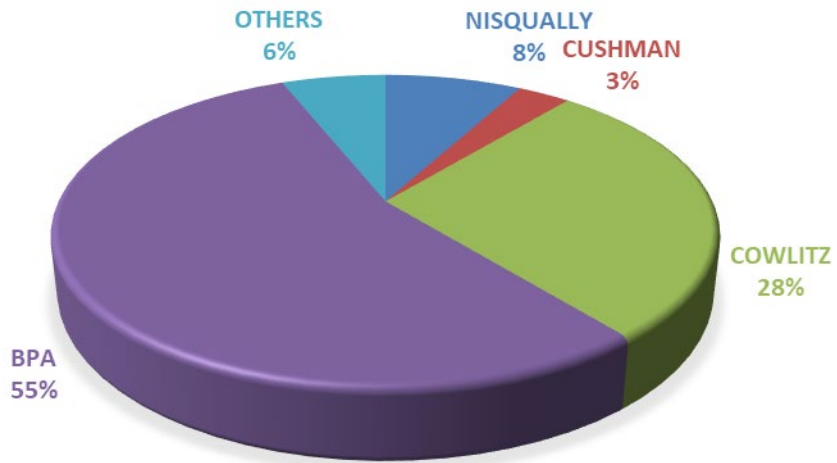
**SALES OF ELECTRIC ENERGY
YEAR TO DATE - AUGUST 2020 (\$296,133,159)**



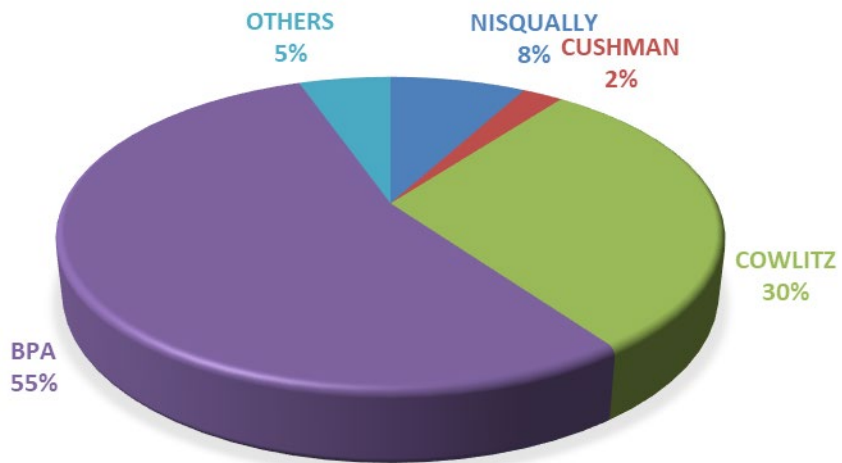
Power Sources (*) Year to Date August 2021 & 2020



**POWER SOURCES (*)
YEAR TO DATE - AUGUST 2021**

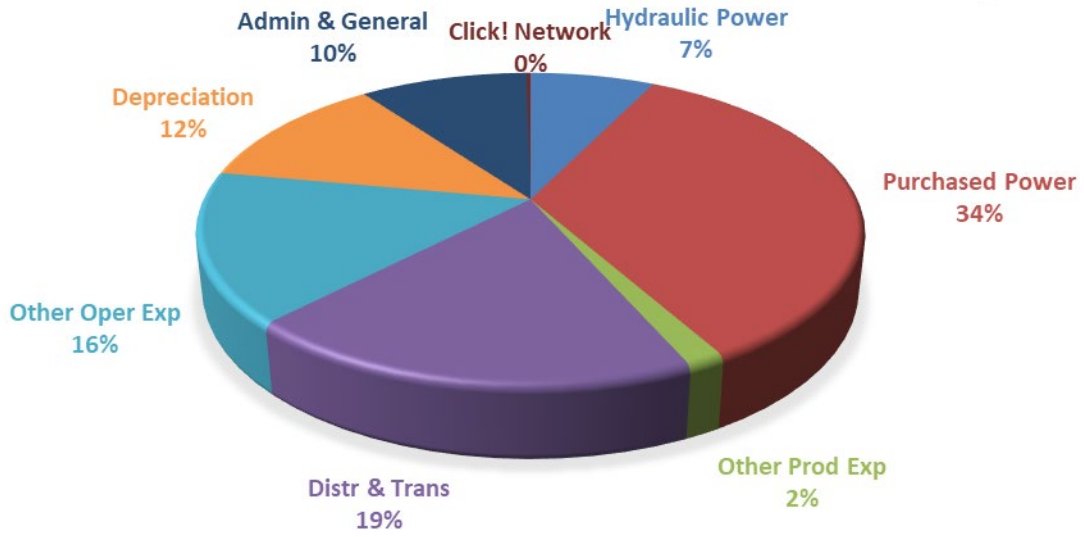


**POWER SOURCES (*)
YEAR TO DATE - AUGUST 2020**

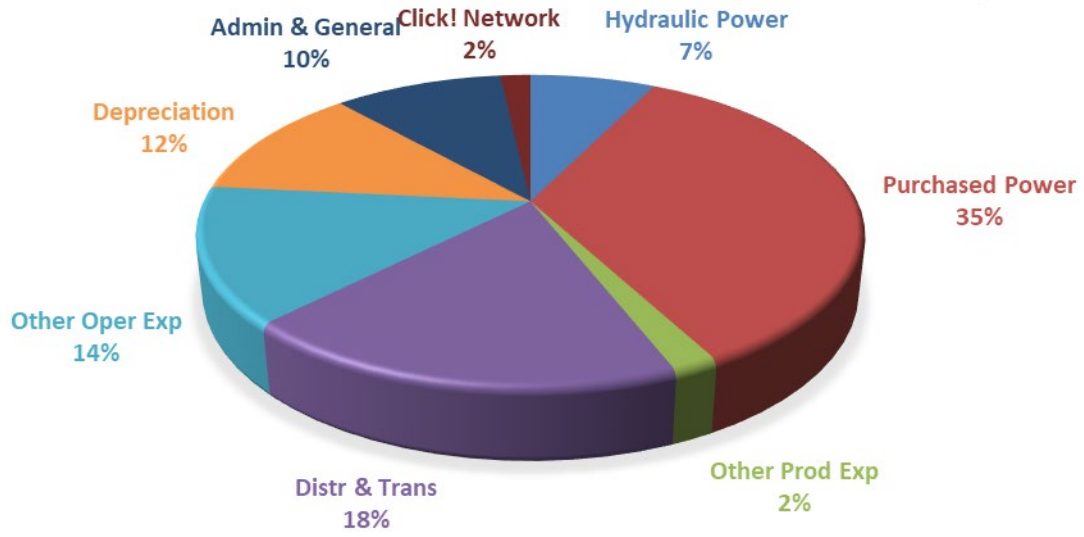


(*) Interchange excluded

TOTAL OPERATING EXPENSES *
YEAR TO DATE - AUGUST 2021 (\$277,951,411)



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



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

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