

2018 Tacoma Public Utilities QUICK FACTS

OUR MISSION

Tacoma Public Utilities provides services that are vital to our quality of life.

Power • Water • Rail • Click!



1,320
EMPLOYEES

NOTEWORTHY

- TPU volunteer program wins first employer-based Governor's Volunteer Service Award

REVENUE & BUDGET



2017 operating revenue

• **\$571.7** MILLION

2017-2018 budget

• **\$1.2** BILLION



LEADERSHIP

{ We are governed by a five-member utility board, the members of which appoint the Director of Utilities. Board members serve five-year terms. }

BOARD

Woodrow Jones, chair | Karen Larkin, vice-chair
Bryan Flint, secretary | Mark Patterson | Christine Cooley

MANAGEMENT

Jackie Flowers • Director of Utilities / CEO
Chris Robinson • Tacoma Power Superintendent
Scott Dewhirst • Tacoma Water Superintendent
Dale King • Tacoma Rail Superintendent
Steve Hatcher • Customer Services Manager
Jim Sant • Deputy Director for Administration

SERVING OUR COMMUNITY

TPU HELPED **3,781**



HOUSEHOLDS PAY THEIR
UTILITY BILLS WITH

\$351,523

IN ASSISTANCE

In addition,
TPU gave qualifying
seniors and adults receiving
disability benefits more
than **\$2.16 million**
in discounted utility bills.

COMMUNITY CONNECTION

EMPLOYEES VOLUNTEERED

2,280 HOURS

WITH LOCAL NONPROFIT ORGANIZATIONS AND

GAVE
MORE
THAN

\$336,091

IN CASH, PRODUCTS, AND VOLUNTEER TIME

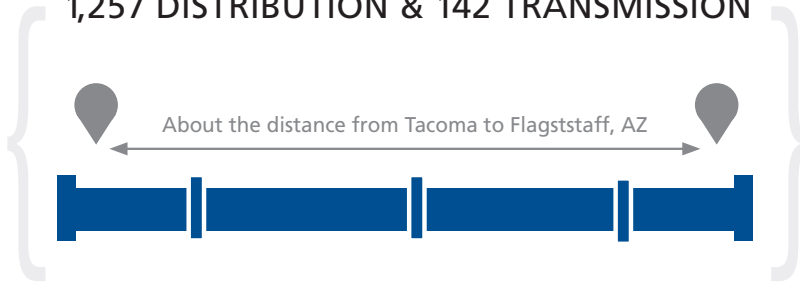
Ensuring supply security for customers, effective decision making, and employee performance and development were the themes of 2017 for Tacoma Water. The utility progressed by creating an Integrated Resource Plan, creating its updated Water System Plan, managing infrastructure based on asset management principles, implementing planning and scheduling in various sections and creating an employee development program.



MAINS & SERVICE AREA

117
square miles of service area

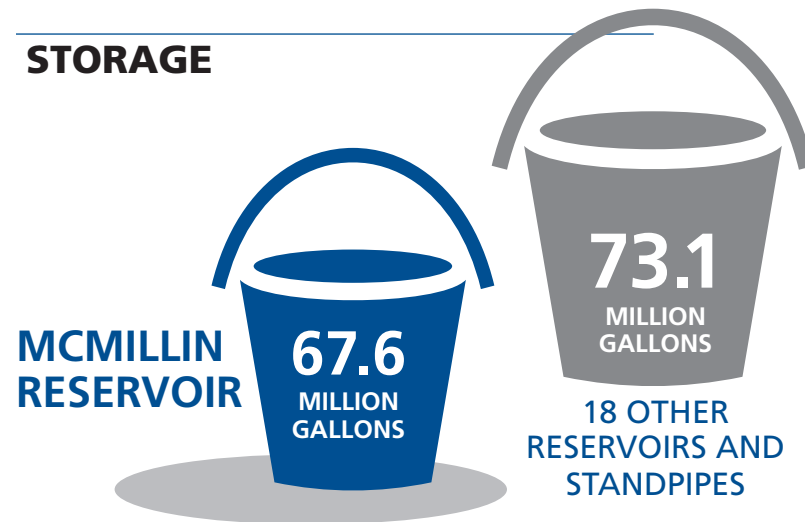
1,399 MILES OF WATER MAINS
1,257 DISTRIBUTION & 142 TRANSMISSION



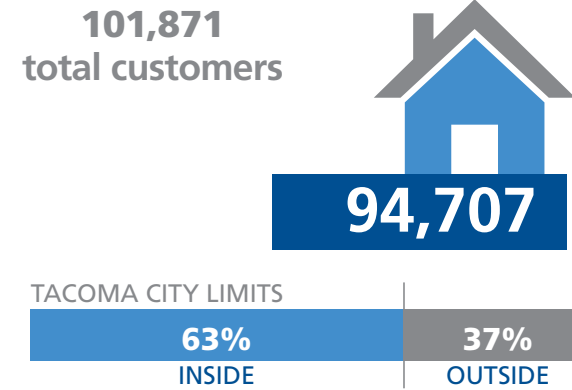
SUPPLY in million gallons per day



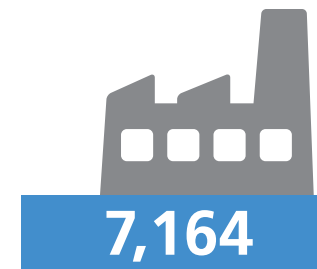
STORAGE



CUSTOMERS RESIDENTIAL

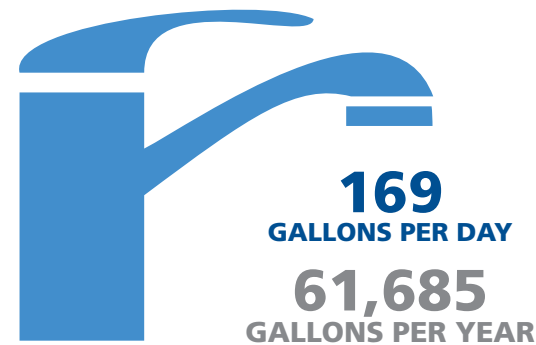


COMMERCIAL/INDUSTRIAL



People served directly by Tacoma Water 334,700
* Through wholesale connections 290,000
* In partner service areas 234,200

AVERAGE HOUSEHOLD USE



| | Daily | Annually |
|-------------|-------|----------|
| 2016 | 189 | 69,056 |
| 2015 | 195 | 71,239 |
| 2014 | 186 | 67,923 |
| 2013 | 182 | 66,705 |

6,085,772,880
TOTAL GALLONS USED IN 2017

ENVIRONMENT

WHAT WE DID TO PROTECT LAND AND WATER

- Rebuilt fish ladder access to an open-water wetland and beaver pond complex used by Green River coho salmon
- Restored 46 acres of upland habitat to provide better forage for elk and deer in the Green River Municipal Watershed



RATES

We are proud to say that our rates are among the lowest in the region.



City of Puyallup
\$24 month
\$288 year

City of Bellevue
\$40 month
\$480 year

City of Seattle
\$53 month
\$636 year



AVERAGE COST PER HOUSEHOLD + INSIDE CITY

FINANCIAL

As a result of careful financial, ratemaking and risk management processes, our bond ratings are stable, which helps Tacoma Water borrow money at low interest rates. That helps keep rates low.

Value of our fixed assets
\$873.5 MILLION

Total operating revenue
\$94.6 MILLION

BOND RATINGS

Moody's **Aa2**
Standard & Poor's **AA**

TAXES WE PAY

Tacoma Gross Earnings
\$7.1 MILLION
Federal (Social Security)
\$1.6 MILLION
State
\$4.7 MILLION
Other cities' and counties' fees
\$647,012
Taxes as a percent of total revenue
15.66%



NOTEWORTHY

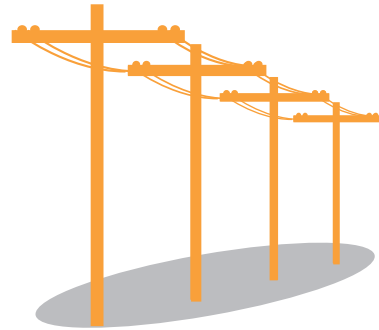
- Received the PNWS AWWA Excellence in Engineering Award (Planning Category) for its Economic Model
- Worked collaboratively with Curran Road staff to transition over 620 accounts

Tacoma Power began implementing its new strategic plan in 2017. Embracing a new strategic principle, Community Value First, the utility started several strategic initiatives to deliver more value to customers and employees. These included objectives to care for the environment, improve safety at work and pursue new revenue opportunities that will help lower future rate increases.

LINES & SERVICE AREA

180
square miles of service area

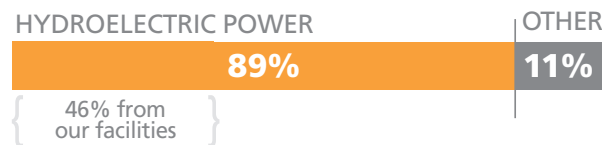
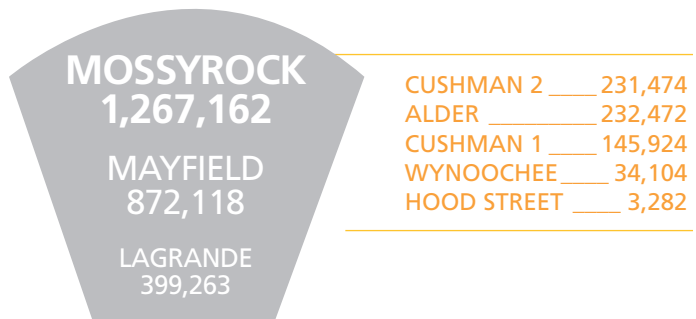
OVERHEAD
1,526
UNDERGROUND
848



2,374 MILES OF POWER LINES
2,022 DISTRIBUTION & 352 TRANSMISSION

About the distance from Tacoma to Dayton, OH

GENERATION in megawatt-hours produced per year



SUBSTATIONS

- 4 main/transmission substations
- 5 switching stations
- 48 distribution substations
- 12 dedicated distribution substations
- 23 BPA customer substations
- 8 generation switchyards

798
EMPLOYEES

CUSTOMERS

176,230
total customers

RESIDENTIAL

157,813

TACOMA CITY LIMITS



COMMERCIAL/INDUSTRIAL

18,417

381,660 total people served, approximately

AVERAGE HOUSEHOLD USE

33.5
kWh PER DAY
12,242
kWh PER YEAR

Daily Annually

| | | | |
|-------------|----|-------|--------|
| 2016 | 31 | | 11,494 |
| 2015 | 31 | | 11,315 |
| 2014 | 33 | | 12,029 |
| 2013 | 34 | | 12,490 |

CONSERVATION

The utility relies on conservation, as opposed to other, more expensive power sources.

50.4 MILLION kWh
SAVED
22 residential
28.4 commercial

\$12.6 MILLION
INVESTED
\$8.2 million
PAID BY TACOMA POWER
\$4.4 million
PAID BY CUSTOMERS

ENVIRONMENT

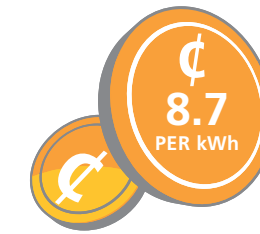
WHAT WE DID TO PROTECT LAND AND WATER

- Thinned 695 acres of dense forest on Cowlitz wildlife lands
- Created 110 habitat trees for cavity-nesting birds on Cushman wildlife lands
- Provided and maintained 60 wood duck nest boxes on Nisqually and Cushman wildlife lands
- Provided 17 bat boxes on Nisqually and Cushman wildlife lands
- Maintained and monitored 75 acres of elk forage fields on the Cushman wildlife lands
- Maintained and monitored 100 acres of elk forage fields on the Nisqually wildlife lands



RATES

We are proud to say that our rates are among the lowest in the region.



kWh
=
kilowatt-hour

Snohomish PUD
\$102 month
\$1,224 year

Seattle City Light
\$108 month
\$1,296 year

Puget Sound Energy
\$115 month
\$1,380 year

Tacoma
\$90
month
\$1080 year

AVERAGE COST PER HOUSEHOLD

FINANCIAL

As a result of careful financial, ratemaking and risk management processes, our bond ratings are stable, which helps Tacoma Power borrow money at low interest rates. That helps keep rates low.

Value of our fixed assets
\$1.038 BILLION
Total operating revenue
\$446.3 MILLION

BOND RATINGS
Fitch AA-
Moody's Aa3
Standard & Poor's AA

TAXES WE PAY
Tacoma Gross Earnings
\$34.1 MILLION
Federal (Social Security)
\$7 MILLION
State
\$16.4 MILLION
Other cities' and counties' fees
\$6.7 MILLION
Taxes as a percent of operating revenue
14.4%



NOTEWORTHY

- Awarded a \$50,000 Evergreen Options grant to the Point Defiance Zoo & Aquarium to develop a solar energy project
- Received its sixth straight Outstanding Stewards of America's Waters Award from the National Hydropower Association for the new Cushman hatcheries
- Released 30,000 Sockeye salmon into Lake Cushman for the first time

Click! Network, part of Tacoma Power, is one of the largest municipally owned telecommunications systems in the country. Launched in 1998, Click! brought Tacoma and the surrounding area competition in the cable television market.

SERVICE AREA



1,485 MILES OF
FIBER-OPTIC & COAXIAL CABLE

About the distance from Tacoma to Pueblo, CO

CUSTOMERS

CABLE TV



HIGH-SPEED INTERNET



CABLE CHANNELS



233

VIDEO



143

HIGH DEFINITION



64

AUDIO

INTERNET SERVICE PROVIDERS

2

HIGH-SPEED
INTERNET

- Rainier Connect
- Advanced Stream

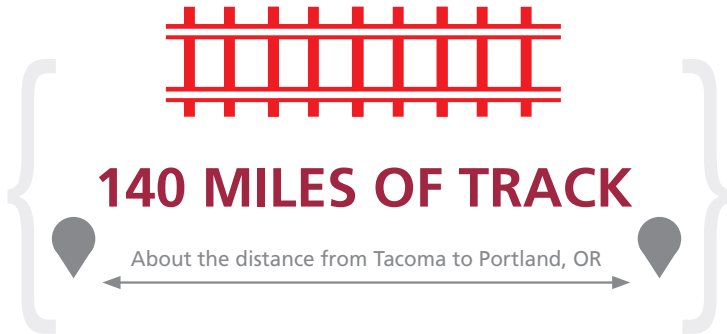


Tacoma Rail faced a challenging loss of 30% of its intermodal business midway through 2017 when the four major international shipping alliances consolidated to three. The utility rebounded by capturing a larger share of the energy and domestic intermodal markets through its operational flexibility and customer service.

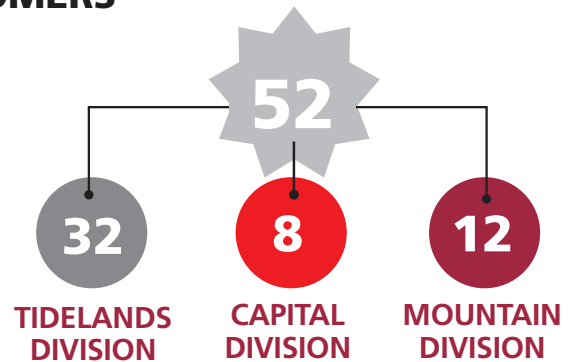


119
EMPLOYEES

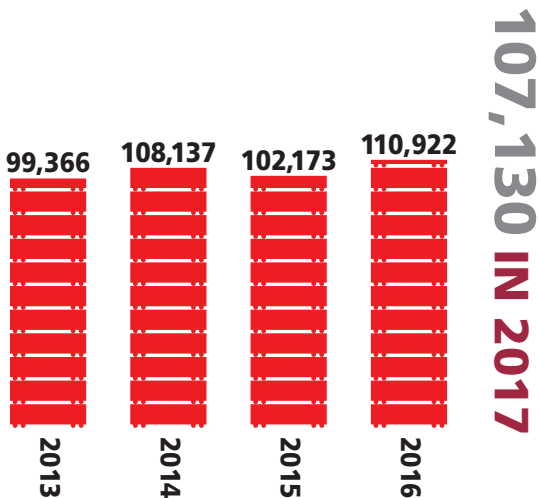
SERVICE AREA



CUSTOMERS



CARS SWITCHED



FINANCIAL

Value of our fixed assets
\$26.7 MILLION

Total operating revenue
\$30.7 MILLION

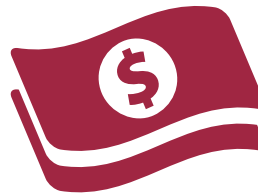
TAXES WE PAY

Tacoma Gross Earnings
\$2.6 MILLION

Federal (Railroad retirement & Unemployment)
\$2.2 MILLION

State
\$827,270

Taxes as a percent of total revenue
18.11%



NOTEWORTHY

- Reached a new agreement with Union Pacific to assemble 10,000-foot intermodal trains daily
- Intermodal traffic decreased after a new shipping alliance consolidated traffic to Seattle

16
DIESEL
LOCOMOTIVES

ONE OF THE BUSIEST
**SHORT-LINE
RAILROADS**
IN THE COUNTRY
IN TERMS OF VOLUME AND FREIGHT

Our Service Area

