**OUR MISSION**
Tacoma Public Utilities provides services that are vital to our quality of life. Power • Water • Rail • Click!

**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

**NOTEWORTHY**
- TPU volunteer program wins first employer-based Governor’s Volunteer Service Award

**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

Information based on 2017 data.
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.

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

- **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

### Average Cost Per Household
- **Inside City**: $37 per month, $444 per year
- **Outside City**: $37 per month, $444 per year

### 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

<table>
<thead>
<tr>
<th>City</th>
<th>Gross Earnings</th>
<th>Monthly Rate</th>
<th>Yearly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Puyallup</td>
<td>$24</td>
<td>$288</td>
<td>$3,456</td>
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<tr>
<td>City of Bellevue</td>
<td>$40</td>
<td>$480</td>
<td>$5,760</td>
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<td>City of Seattle</td>
<td>$53</td>
<td>$636</td>
<td>$7,632</td>
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</table>

### 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

### Main & Service Area
- **1,399 MILES OF WATER MAINS**
- **1,257 DISTRIBUTION & 142 TRANSMISSION**
- **117 square miles of service area**

### Supply
- **95%** Green River up to 150 MGD
- **5%** Local Wells 50 mgd

### Storage
- **Mcmillin Reservoir**: 67.6 million gallons
- **18 other reservoirs and standpipes**: 73.1 million gallons

### Customers
- **101,871 total customers**
  - **94,707** Residential
  - **7,164** Commercial/Industrial

### Average Household Use
- **169 gallons per day**
- **61,685 gallons per year**

### Environment
**Total Gallons Used in 2017**
- **6,085,772,880 gallons**

### Note-worthy
- 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.

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### Lines & Service Area

- **2,374 Miles of Power Lines**
- **2,022 Distribution & 352 Transmission**

About the distance from Tacoma to Dayton, OH

### Generation

- **MOSSYROCK** 1,267,162
- **MAYFIELD** 872,118
- **LAGRANDE** 34,104
- **HOOD STREET** 3,282

### Hydroelectric Power

- **89%** from our facilities
- **11%** other

### Substations

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

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### Customers

- **176,230** total customers
- **157,813** residential
- **18,417** commercial/industrial

### Employees

- **798**

### Averaage Household Use

- **33.5 kWh per day**
- **12,242 kWh per year**

### Tacoma City Limits

- **54%** inside
- **46%** outside

### 381,660 total people served, approximately

### Lines & Service Area

- **180 square miles of service area**

### 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

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### 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.

### 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%

### Rates

- **Snohomish PUD** $102 month $1,224 year
- **Seattle City Light** $108 month $1,296 year
- **Puget Sound Energy** $115 month $1,380 year

**AVERAGE COST PER HOUSEHOLD** $90 month $1,080 year

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### 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

### Conservation

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

**SAVED**

- **50.4 Million kWh**
- **22 residential**
- **28.4 commercial**

**INVESTED**

- **$12.6 Million**
- **$8.2 million** paid by Tacoma Power
- **$4.4 million** paid by customers

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### Generation in megawatt-hours produced per year

- **CUSHMAN 2** 231,474
- **ALDER** 232,472
- **CUSHMAN 1** 145,924
- **WYNOOCHEE** 34,104
- **HOOD STREET** 3,282

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### 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.
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**

16,010

**HIGH-SPEED INTERNET**

22,613

**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.

### SERVICE AREA

140 MILES OF TRACK

About the distance from Tacoma to Portland, OR

### CUSTOMERS

#### TIDELANDS DIVISION
32

#### CAPITAL DIVISION
8

#### MOUNTAIN DIVISION
12

### CARS SWITCHED

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Cars</td>
<td>99,366</td>
<td>108,137</td>
<td>102,173</td>
<td>110,922</td>
</tr>
</tbody>
</table>

107,130 IN 2017

### 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

### ONE OF THE BUSIEST SHORT-LINE RAILROADS IN THE COUNTRY

IN TERMS OF VOLUME AND FREIGHT

### EMPLOYEES

119

### TACOMA RAIL

TACOMA PUBLIC UTILITIES