

Quarter 4, 2021 Performance Metrics Report Tacoma Public Utilities



Financial Performance - Supports Strategic Directive: 2 (Financial Stability)

| | | | | | |
|---------------------------------|--|---------------------------------|--|---------------------------------|--|
| 1 Debt Service Coverage | | 1 Debt Service Coverage | | 1 Debt Service Coverage | |
| 2 Liquidity - Days Cash on Hand | | 2 Liquidity - Days Cash on Hand | | 2 Liquidity - Days Cash on Hand | |
| 3 Budget Performance | | 3 Budget Performance | | 3 Budget Performance | |

Operational Excellence - Supports Strategic Directives: 3 (Rates); 5 (Environmental Leadership); 7 (Reliability & Resiliency)

| | | | | | |
|-------------------------------|---|---------------------------------|--|-------------------------------|--|
| 4 Residential Bill Comparison | | 4 Residential Bill Comparison | | 4 Railroad Tariffs Comparison | |
| 5 O&M Cost per Customer | | 5 O&M Cost per Account | | 5 Operating Ratio | |
| 6 Outage Duration | ↓ | 6 Unplanned Service Disruptions | | 6 Revenue Moves per Shift | |
| 7 Outage Frequency | | 7 Distribution System Leakage | | 7 On-Time Switching | |
| 8 Non-Carbon Power Resources | | 8 Regulatory Compliance | | 8a Diesel Conversion | |
| 9 Power Conservation | | 9 Water Conservation | | 8b Storm Water Remediation | |

Commitment to Cust & Employees - Supports Strategic Directives: 5 (Environ. Leadership); 7 (Reliability); 12 (Emp. Relations); 13 (Customer Svc)

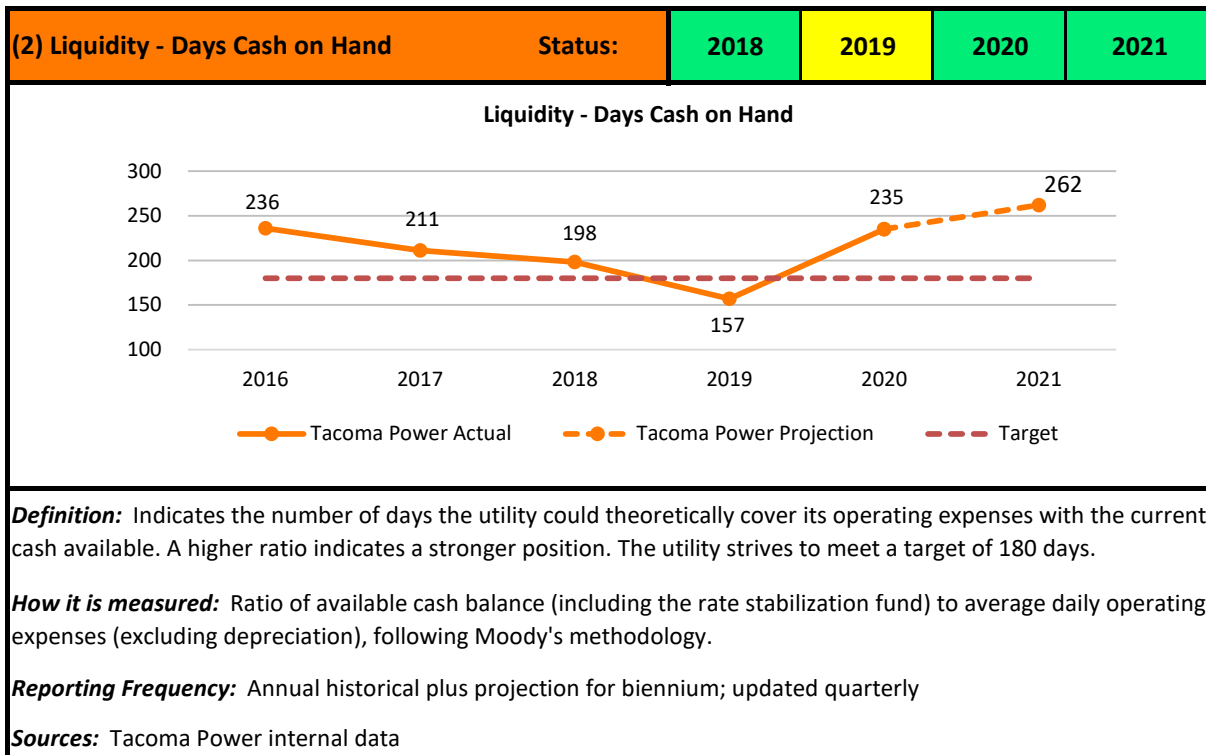
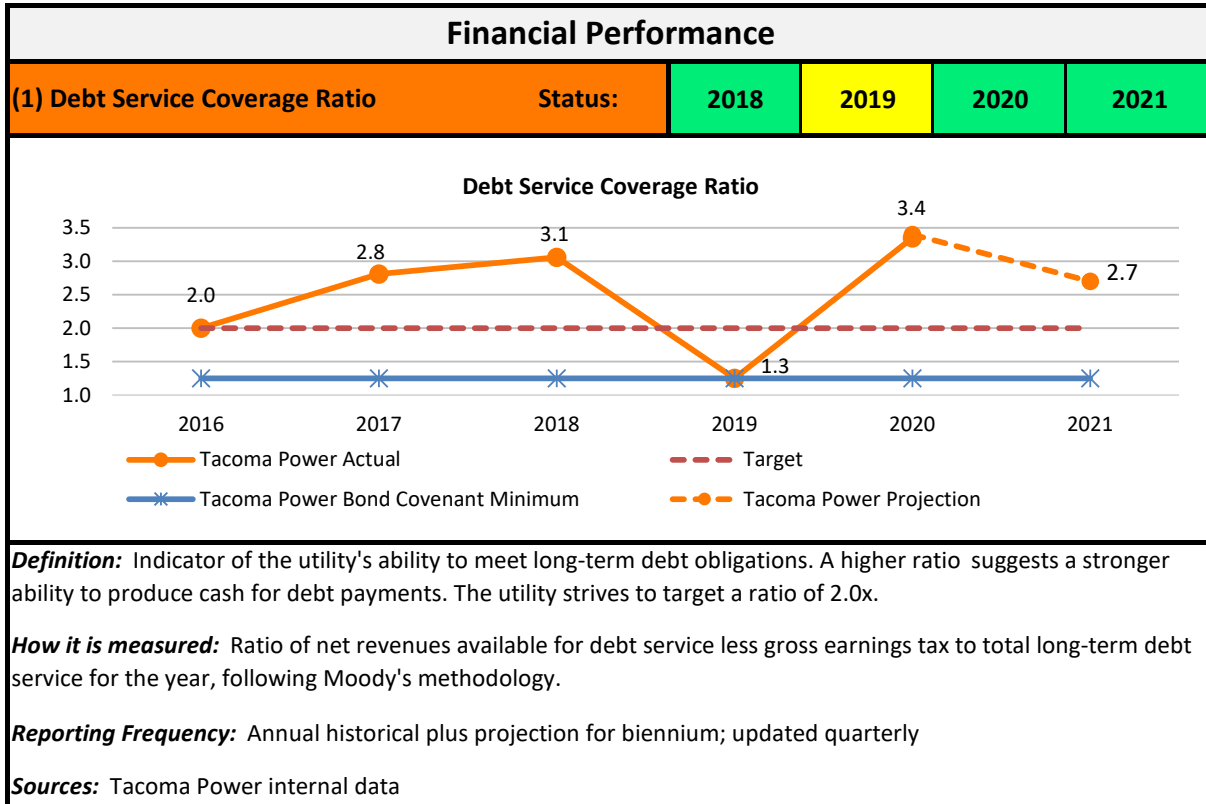
| | | | | | |
|-------------------------------|--|---------------------------------|---|--------------------------|--|
| 10 Customer Satisfaction | | 10 Customer Satisfaction | | 9 Customer Satisfaction | |
| 11 Employee Satisfaction | | 11 Employee Satisfaction | | 10 Employee Satisfaction | |
| 12 Employee Safety | | 12 Employee Safety | ↑ | 11 Employee Safety | |
| 13 Call Center Responsiveness | | 13 Call Center Responsiveness | | | |
| | | 14 Technical Service Complaints | | | |

Quarter 4, 2021

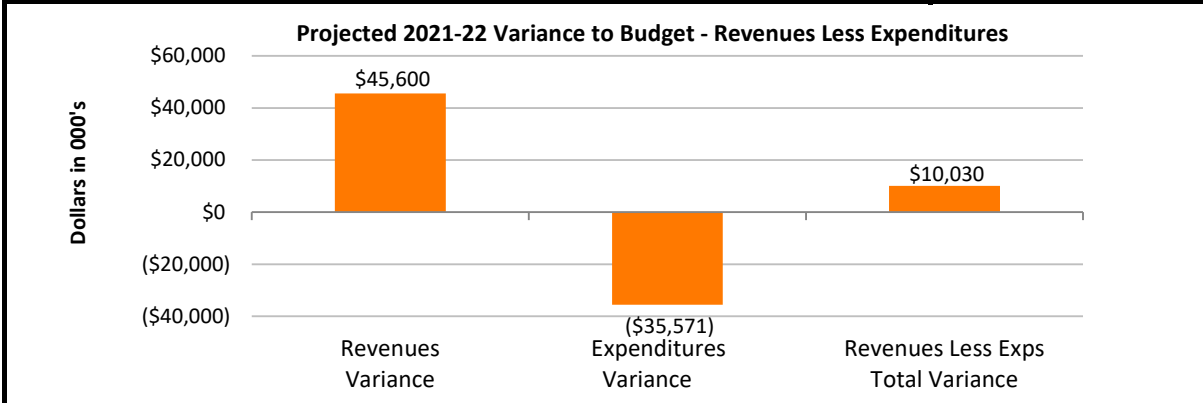
| Tacoma Power - Financial Performance | Tacoma Water - Financial Performance | Tacoma Rail - Financial Performance |
|--|---|---|
| 1 Debt Service Coverage <ul style="list-style-type: none"> ● ≥ 2.0x policy minimum ● < policy min but above bond covenant ● Below 1.25x bond covenant | 1 Debt Service Coverage <ul style="list-style-type: none"> ● ≥ 1.5x policy minimum ● < policy min but above bond covenant ● Below 1.25x bond covenant | 1 Debt Service Coverage <ul style="list-style-type: none"> ● ≥ 1.5x policy minimum ● NA ● Below 1.5x policy minimum |
| 2 Days Cash on Hand <ul style="list-style-type: none"> ● ≥ 160 days (150-250 desired range) ● Between 90 and 160 days ● Below 90 days | 2 Days Cash on Hand <ul style="list-style-type: none"> ● ≥ 60 days minimum ● Between 36 and 60 days (60% of min) ● Below 36 days | 2 Days Cash on Hand <ul style="list-style-type: none"> ● ≥ 60 days ● Between 36 and 60 days (60% of min) ● Below 36 days |
| 3 Budget Performance <ul style="list-style-type: none"> ● Positive variance to budget ● Negative var within 5% of exp budget ● Negative var > 5% of exp budget | 3 Budget Performance <ul style="list-style-type: none"> ● Positive variance to budget ● Negative var within 5% of exp budget ● Negative var > 5% of exp budget | 3 Budget Performance <ul style="list-style-type: none"> ● Positive variance to budget ● Negative var within 5% of exp budget ● Negative var > 5% of exp budget |
| Tacoma Power - Operational Excellence | Tacoma Water - Operational Excellence | Tacoma Rail - Operational Excellence |
| 4 Residential Bill Comparison <ul style="list-style-type: none"> ● Below (better than) regional mean ● Up to 10% over regional mean ● ≥ 10% over regional mean | 4 Residential Bill Comparison <ul style="list-style-type: none"> ● Below (better than) regional mean ● Up to 10% over regional mean ● ≥ 10% over regional mean | 4 Railroad Tariffs Comparison <ul style="list-style-type: none"> ● Below (better than) NOPB tariffs ● Between NOPB and PTRAs ● Above PTRAs tariffs |
| 5 O&M Cost per Customer <ul style="list-style-type: none"> ● Below (better than) West Region median ● Up to 10% over West Region median ● > 10% over West Region median | 5 O&M Cost per Account <ul style="list-style-type: none"> ● Below (better than) industry median ● Up to 10% over industry median ● > 10% over industry median | 5 Operating Ratio <ul style="list-style-type: none"> ● < 95% operating ratio ● Between 95% and 105% ● > 105% |
| 6 Outage Duration <ul style="list-style-type: none"> ● ≤ 90% of target (lower is better) ● Between 90% and 100% of target ● Above target | 6 Unplanned Service Disruptions <ul style="list-style-type: none"> ● Below industry median (lower is better) ● Within 3rd best quartile ● Within least favorable quartile | 6 Revenue Moves per Shift <ul style="list-style-type: none"> ● > 55 car or platform moves per shift ● Between 50 and 55 ● Below 50 |
| 7 Outage Frequency <ul style="list-style-type: none"> ● ≤ 90% of target (lower is better) ● Between 90% and 100% of target ● Above target | 7 Distribution System Leakage <ul style="list-style-type: none"> ● ≤ 10% leakage (state regulatory max) ● Between 10% and 15% ● At or above 15% | 7 On-Time Switching <ul style="list-style-type: none"> ● > 85% fulfillment ● Between 75% and 85% ● Below 75% |
| 8 Non-Carbon Power Resources <ul style="list-style-type: none"> ● ≥ 100% 'green' resources to retail load ● Between 90% and 100% ● Below 90% | 8 Regulatory Compliance <ul style="list-style-type: none"> ● 100% compliance ● NA ● Anything short of 100% compliance | 8a Diesel Conversion <ul style="list-style-type: none"> ● Locomotive upgrades at latest EPA std ● NA ● Within 3rd best quartile |
| 9 Power Conservation <ul style="list-style-type: none"> ● ≥ 100% of conservation target ● NA ● Below 100% of target | 9 Water Conservation <ul style="list-style-type: none"> ● ≥ cumulative conservation target ● Between 2017 baseline of 0% & target ● Below 2017 baseline of 0% | 8b Storm Water Remediation <ul style="list-style-type: none"> ● Runoff is compliant per Dept of Ecology ● NA ● Non-compliant with storm water permit |
| Tacoma Power - Commitment to Cust. & Employees | Tacoma Water - Commitment to Cust. & Employees | Tacoma Rail - Commitment to Cust. & Employees |
| 10 Customer Satisfaction <ul style="list-style-type: none"> ● ≥ 70% satisfaction ● Between 60% and 70% ● Below 60% | 10 Customer Satisfaction <ul style="list-style-type: none"> ● ≥ 70% satisfaction ● Between 60% and 70% ● Below 60% | 9 Customer Satisfaction <ul style="list-style-type: none"> ● ≥ 3.0 mean score ● Between 2.0 and 3.0 ● Below 2.0 |
| 11 Employee Satisfaction <ul style="list-style-type: none"> ● ≥ 70% satisfaction ● Between 60% and 70% ● Below 60% | 11 Employee Satisfaction <ul style="list-style-type: none"> ● ≥ 70% satisfaction ● Between 60% and 70% ● Below 60% | 10 Employee Satisfaction <ul style="list-style-type: none"> ● ≥ 70% satisfaction ● Between 60% and 70% ● Below 60% |
| 12 Employee Safety <ul style="list-style-type: none"> ● ≤ APPA median ● Between 100% and 150% of median ● > 150% of median | 12 Employee Safety <ul style="list-style-type: none"> ● ≤ Bureau of Labor Stats 5 year mean ● Between 100% and 150% of mean ● > 150% of mean | 11 Employee Safety <ul style="list-style-type: none"> ● ≤ industry mean ● Between 100% and 150% of mean ● > 150% of mean |
| 13 Call Center Responsiveness <ul style="list-style-type: none"> ● ≥ 75% ● Between 65% and 75% ● Below 65% | 13 Call Center Responsiveness <ul style="list-style-type: none"> ● ≥ 75% target ● Between 65% and 75% ● Below 65% | |
| | 14 Technical Service Complaints <ul style="list-style-type: none"> ● Below (better than) industry median ● Up to 10% over industry median ● > 10% over industry median | |



Performance Metrics Summary



| | | |
|---------------------------------------|----------------|----------------------------|
| (3) Revenues Less Expenditures | Status: | Biennium Projection |
| Projection vs. Budget | | |



Definition: Measures Tacoma Power's projected biennial financial performance as compared to its approved budget. The measure compares projected "revenues less expenditures" for the biennium. A projection which is favorable to budget is preferable.

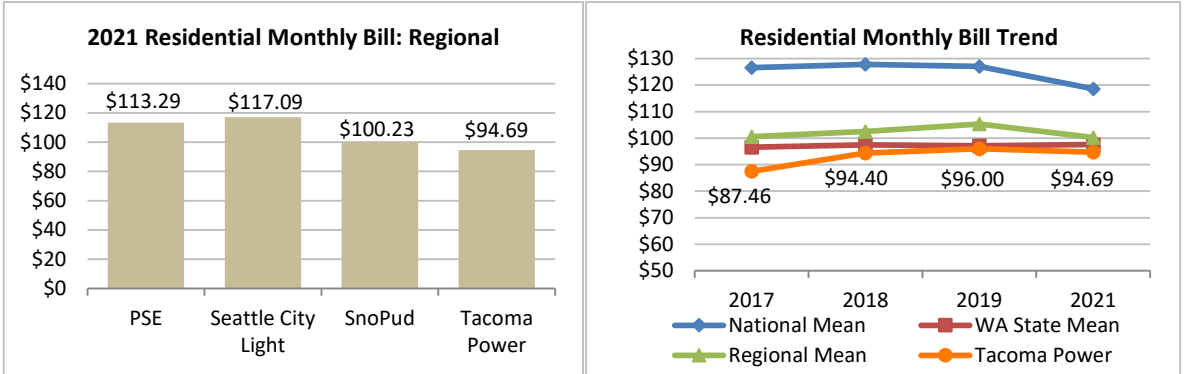
How it is measured: Projected revenues less projected expenditures for the biennium are compared to budgeted revenues less expenditures. Projections consider actual to-date results plus generally conservative assumptions for future performance.

Reporting Frequency: Quarterly updates of biennium projection

Sources: Tacoma Power internal data

Operational Excellence

| | | | | | |
|--|----------------|-------------|-------------|-------------|-------------|
| (4) Residential Monthly Bill 1,000 kWh | Status: | 2017 | 2018 | 2019 | 2021 |
|--|----------------|-------------|-------------|-------------|-------------|



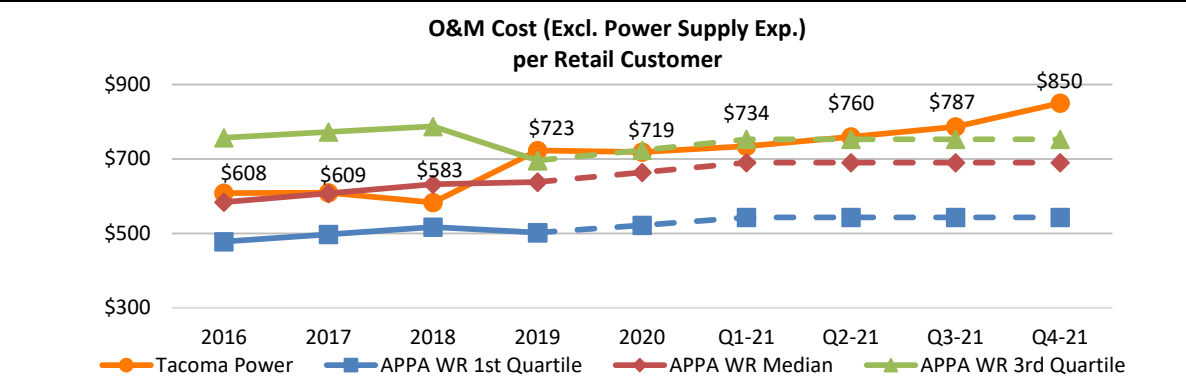
Definition: Measures and compares the monthly power bill for residential customers based on usage of 1,000 kilowatt hours. A lower bill is favorable for customers, all other things being equal.

How it is measured: Each utility's effective price per kWh is calculated (as revenue divided by megawatt-hours) and multiplied by 1,000 kWh.

Reporting Frequency: Annual

Sources: The federally mandated Energy Information Administration forms EIA-861 and EIA-861S.

| | | | | | |
|--|----------------|-----------|-----------|-----------|-----------|
| (5) Total O & M Cost per Retail Customer (excl. Power Supply) | Status: | Q1 | Q2 | Q3 | Q4 |
|--|----------------|-----------|-----------|-----------|-----------|



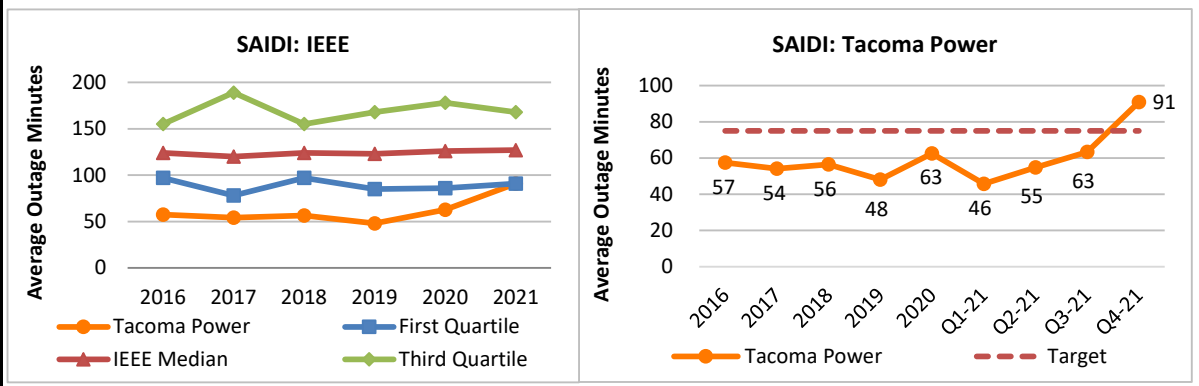
Definition: Measures the utility's operation and maintenance (O&M) cost, excluding power supply costs which vary greatly by utility, per retail customer account.

How it is measured: Ratio of electric O&M expenses (excluding the costs of power supply/conservation) to the total number of retail customer accounts.

Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly

Sources: Tacoma Power internal data; American Public Power Association (APPA) Selected Financial and Operating Ratios of Public Power Utilities. APPA benchmark is West Region (WR) and the 2019 WR Median is escalated 4% annually thereafter.

| | | | | | |
|---|----------------|-----------|-----------|-----------|-----------|
| (6) System Average Interruption Duration Index (SAIDI) | Status: | Q1 | Q2 | Q3 | Q4 |
|---|----------------|-----------|-----------|-----------|-----------|



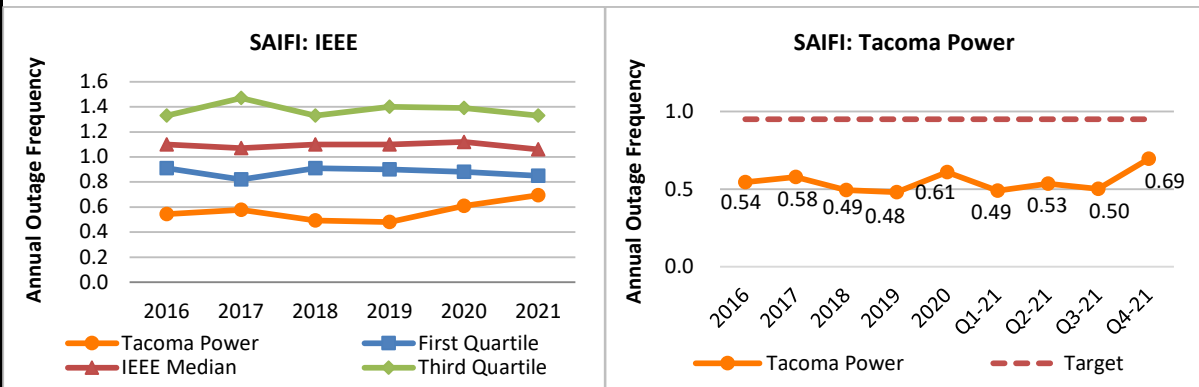
Definition: A power outage duration measurement, it is the average service interruption duration for customers served over a specified time. A lower ratio indicates shorter average outage duration.

How it is measured: Ratio of the sum of customer minutes with no power for each interruption over a specified time period to the average number of customers served during that period.

Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly

Sources: Tacoma Power internal data; Institute of Electrical and Electronic Engineers (IEEE) medium utilities

| | | | | | |
|--|----------------|-----------|-----------|-----------|-----------|
| (7) System Average Interruption Frequency Index (SAIFI) | Status: | Q1 | Q2 | Q3 | Q4 |
|--|----------------|-----------|-----------|-----------|-----------|

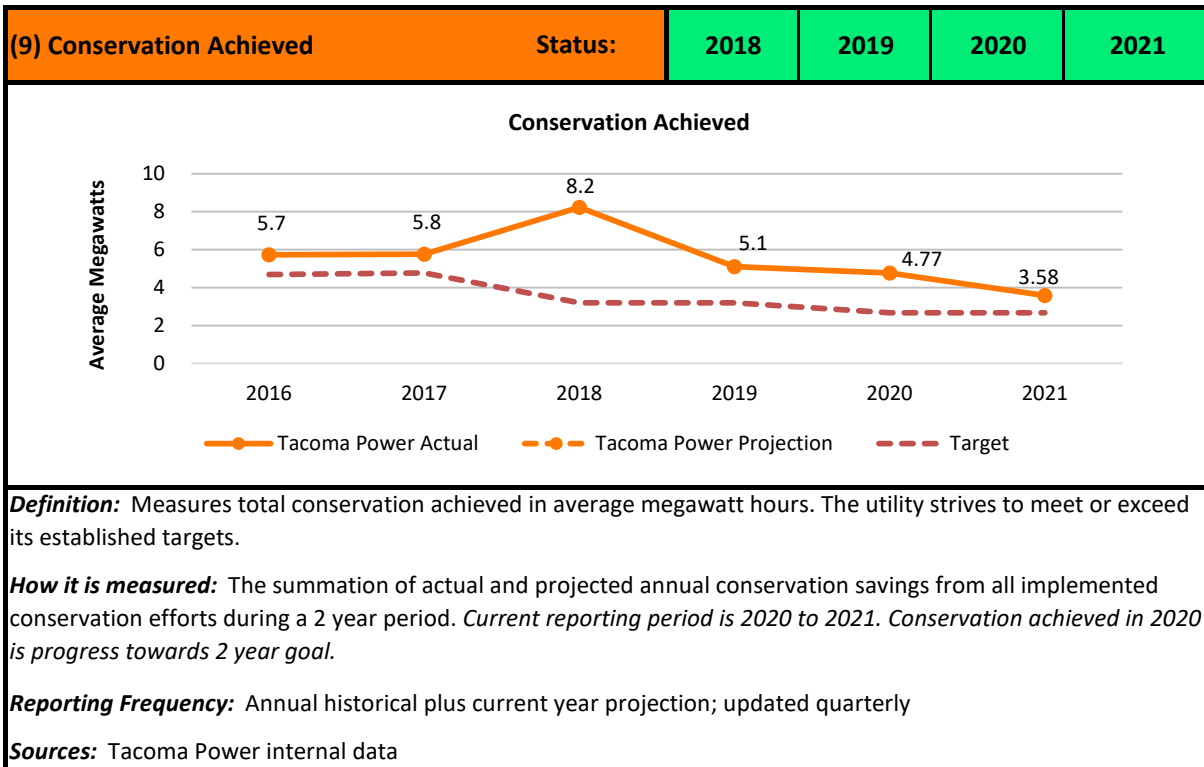
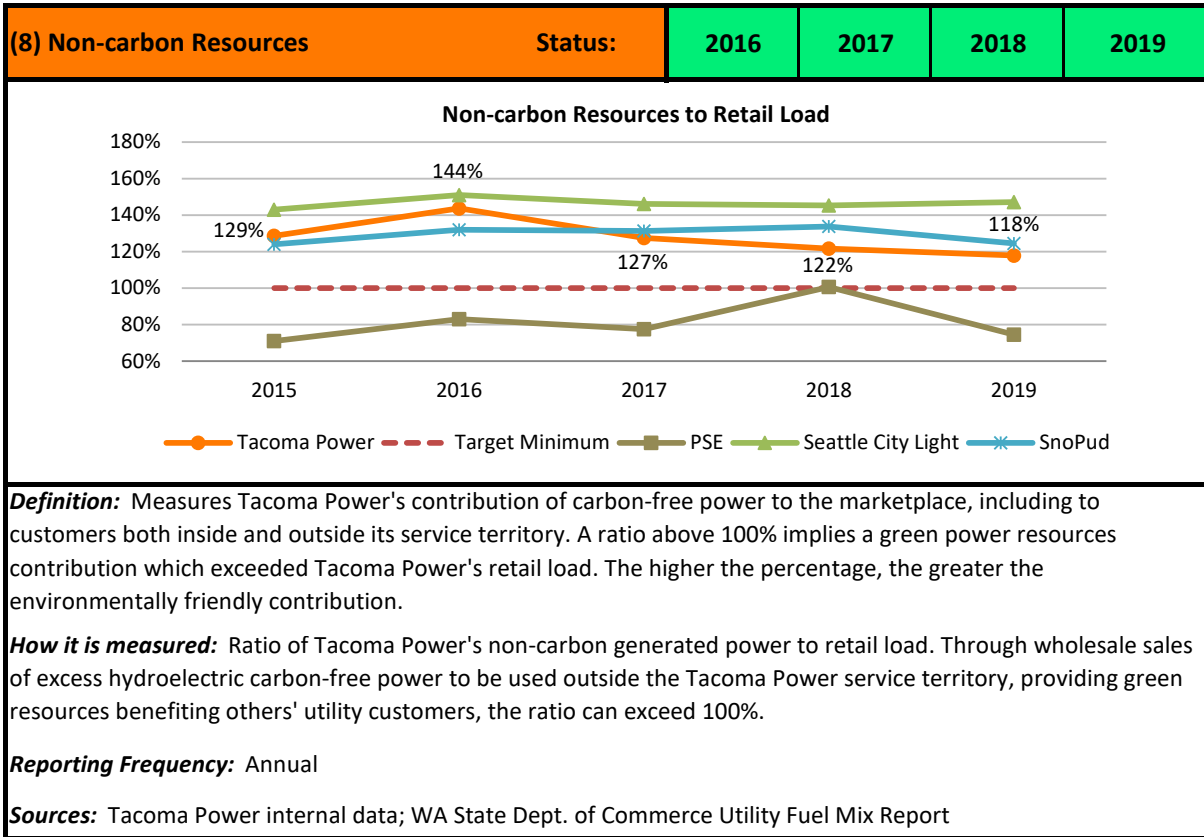


Definition: A power outage frequency measurement, it is the average number of times a customer's service is interrupted over a specified time. A lower ratio indicates less frequent average outages.

How it is measured: Ratio of the total number of customers interrupted over a specified time period to the average number of customers served during that period.

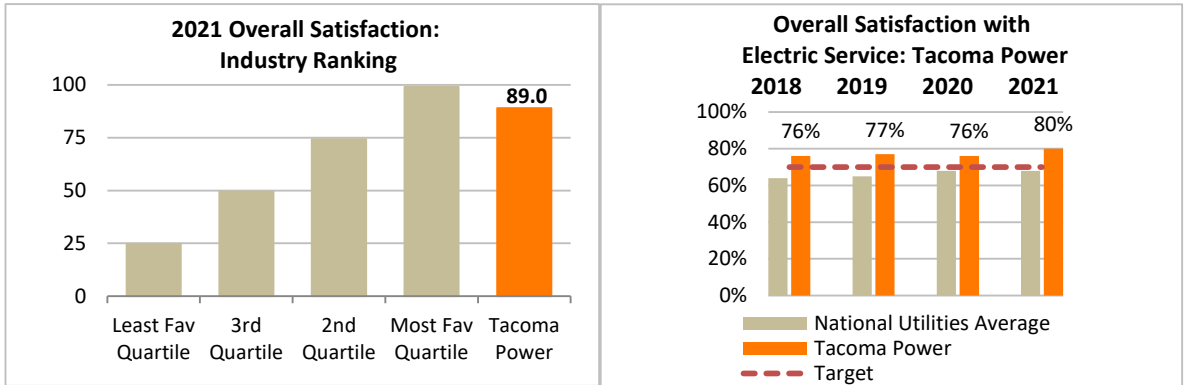
Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly

Sources: Tacoma Power internal data; Institute of Electrical and Electronic Engineers (IEEE) medium utilities



Commitment to Customers & Employees

| | | | | | |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|
| (10) Customer Satisfaction | Status: | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|



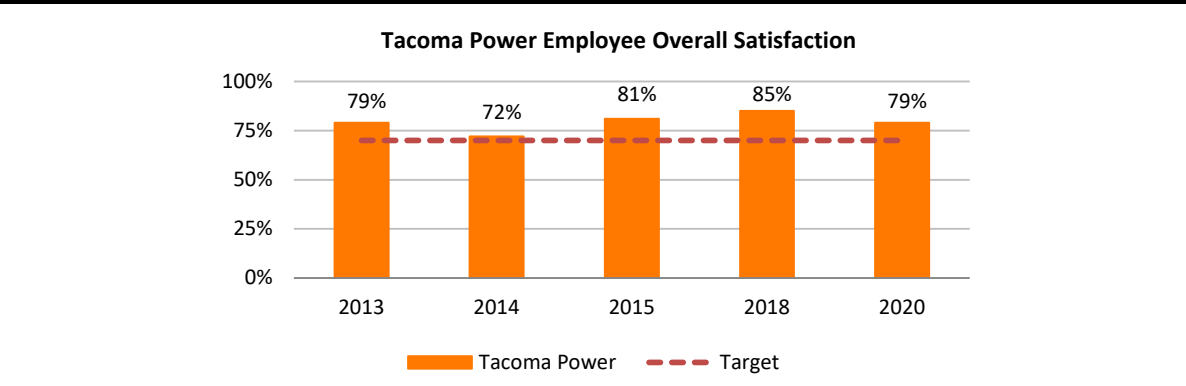
Definition: Measures customers' overall satisfaction with electric service provided by Tacoma Power. Based on a customer survey using a 0 to 10 scale, with 10 being most highly satisfied. A higher score indicates greater overall satisfaction.

How it is measured: Percentage of total responses receiving a score of 8, 9 or 10.

Reporting Frequency: Updated with each newly conducted survey; expected to be annual

Sources: Tacoma Public Utilities Residential Customer Satisfaction Baseline Survey; Market Strategies International (MSI) National Energy Utility Benchmarking

| | | | | | |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|
| (11) Employee Satisfaction | Status: | 2014 | 2015 | 2018 | 2020 |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|



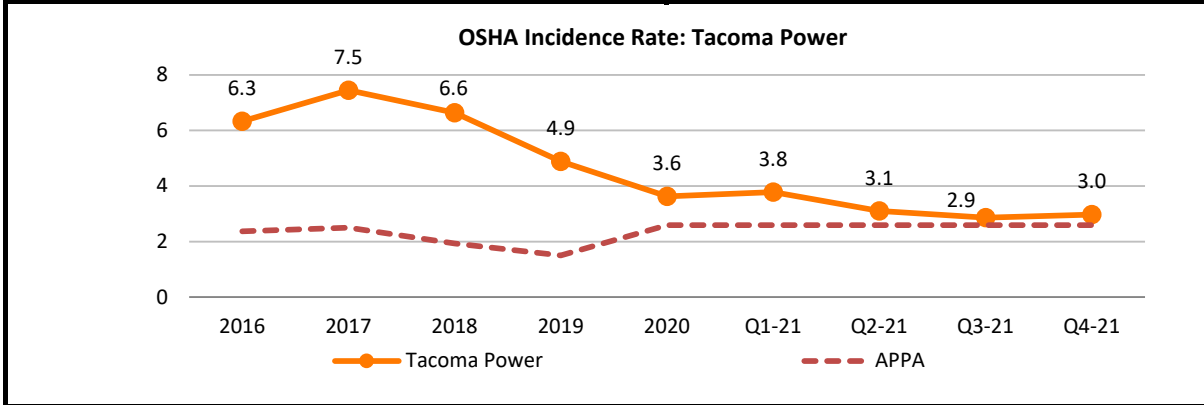
Definition: Measures employees' overall satisfaction with working at Tacoma Power based on an independently conducted employee survey. A higher score indicates greater overall employee satisfaction.

How it is measured: Percentage of total responses receiving a score of 4 or 5, using a 1 to 5 scale with 5 being extremely satisfied.

Reporting Frequency: Updated with each newly conducted survey; next update expected in 2022 Q4.

Sources: TPU All-Employee Engagement Survey

| | | | | | |
|---------------------------------|----------------|-----------|-----------|-----------|-----------|
| (12) OSHA Incidence Rate | Status: | Q1 | Q2 | Q3 | Q4 |
| | | | | | |



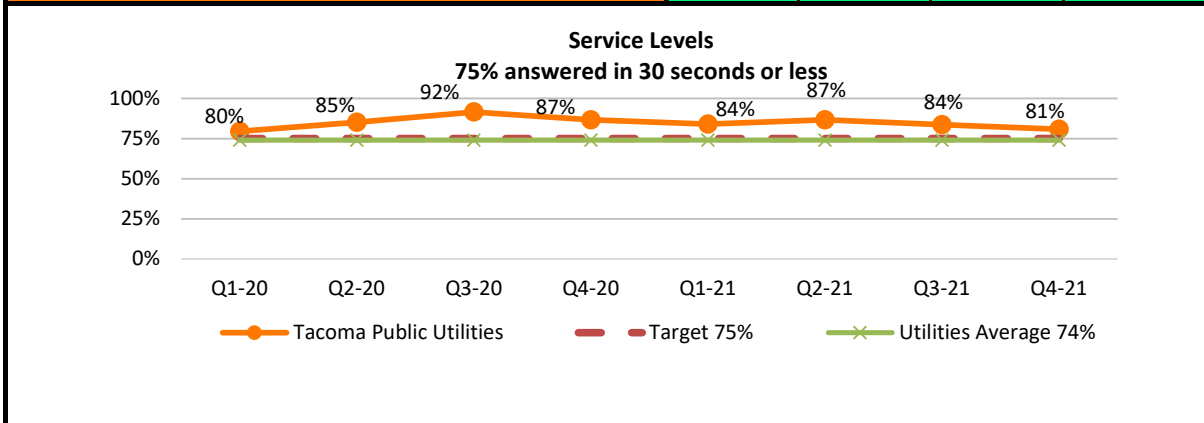
Definition: Measures the number of employees, out of 100, that had a recordable injury requiring medical care beyond first aid over the course of the year. A lower incidence rate is better.

How it is measured: Ratio of total recordable injuries and illnesses during the year to the total worker-hours of exposure, per 100 employees.

Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly

Sources: Tacoma Power internal data; APPA Safety Awards of Excellence (Group G data)

| | | | | | |
|-------------------------------------|----------------|-----------|-----------|-----------|-----------|
| (13) Customer Service Levels | Status: | Q1 | Q2 | Q3 | Q4 |
| | | | | | |



Definition: Captures the effectiveness of managing call volumes in the customer services queues as measured by the percent of calls answered within 30 seconds or less. The target is to achieve 75%. A higher measure indicates better timeliness of calls answered within targets.

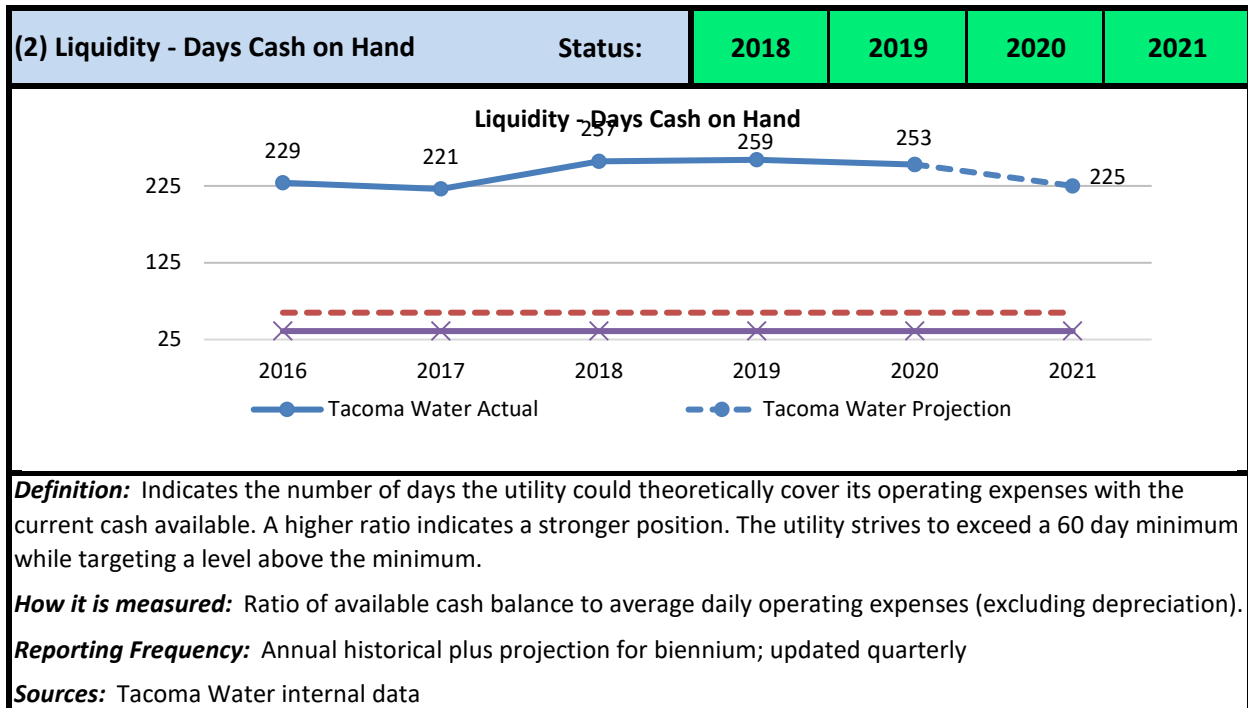
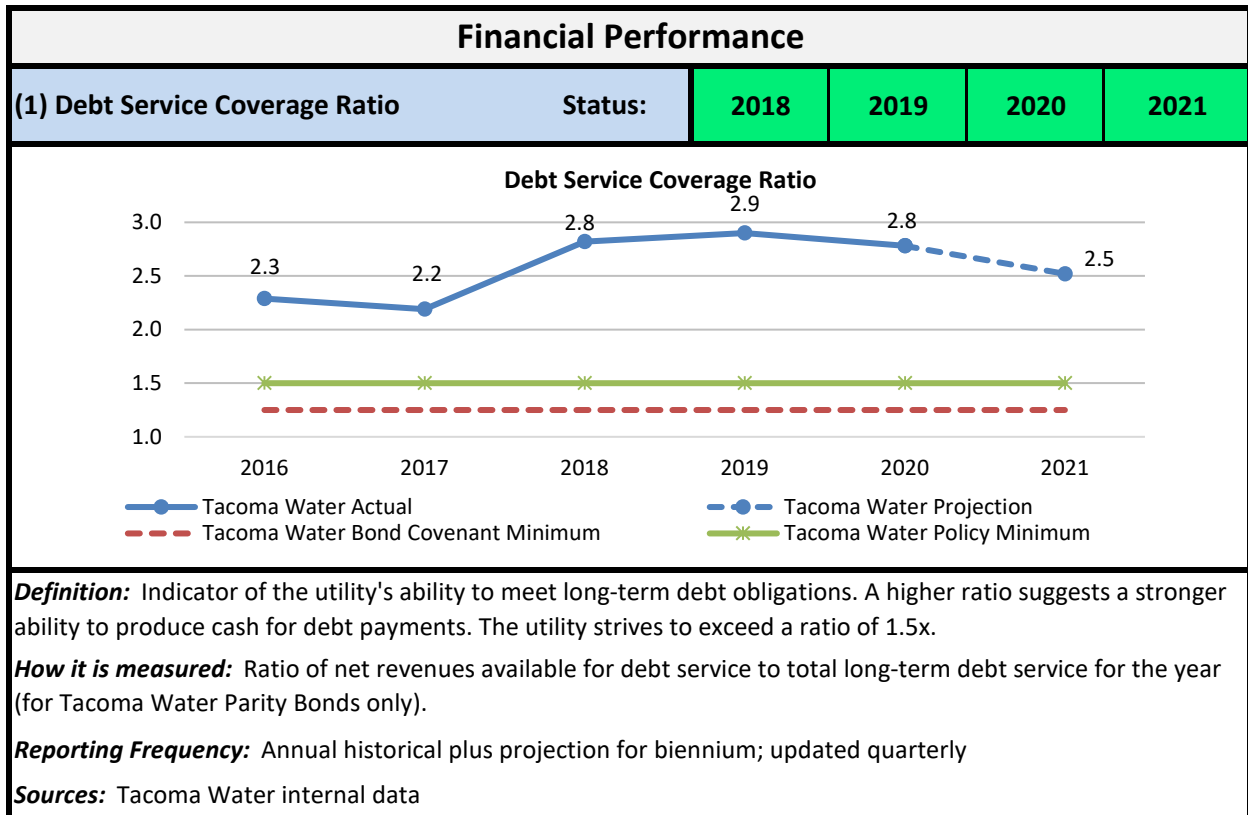
How it is measured: Incoming calls are measured for speed of answer; resulting data is compiled and reported as a percentage of calls with an answer within the 30 second target.

Reporting Frequency: Quarterly

Sources: Tacoma Public Utilities - Customer Services



Performance Metrics Summary

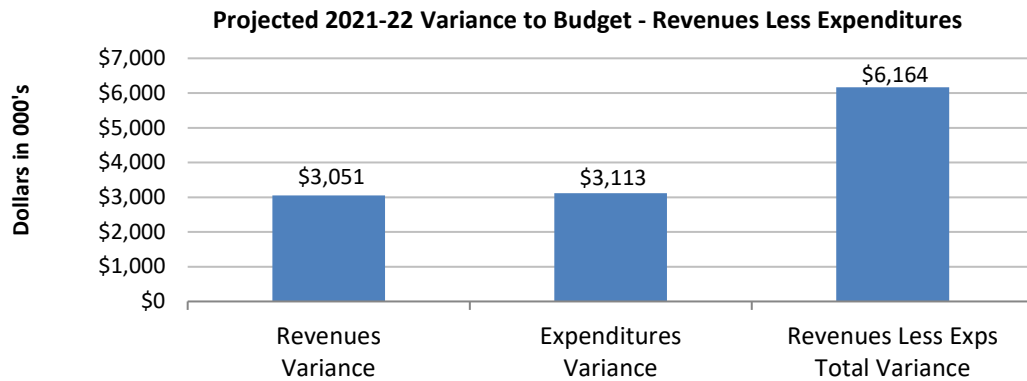




(3) Revenues Less Expenditures Projection vs. Budget

Status:

Biennium Projection



Definition: Measures Tacoma Water's projected biennial financial performance as compared to its approved budget. The measure compares projected "revenues less expenditures" for the biennium. A projection which is favorable to budget is preferable.

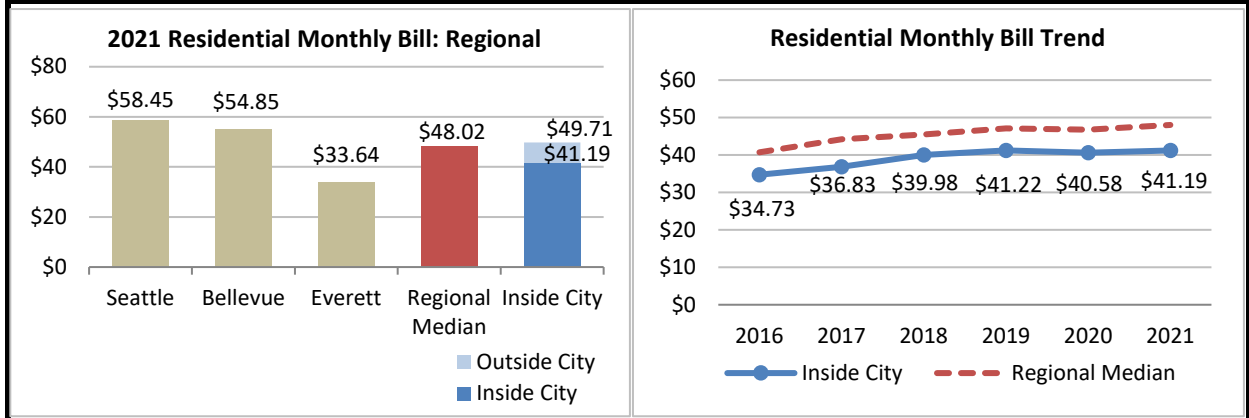
How it is measured: Projected revenues less projected expenditures for the biennium are compared to budgeted revenues less expenditures. Projections consider actual to-date results plus generally conservative assumptions for future performance.

Reporting Frequency: Quarterly updates of biennium projection

Sources: Tacoma Water internal data

Operational Excellence

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|---|----------------|-------------|-------------|-------------|-------------|
| (4) Average Residential Monthly Bill | Status: | 2018 | 2019 | 2020 | 2021 |
|---|----------------|-------------|-------------|-------------|-------------|



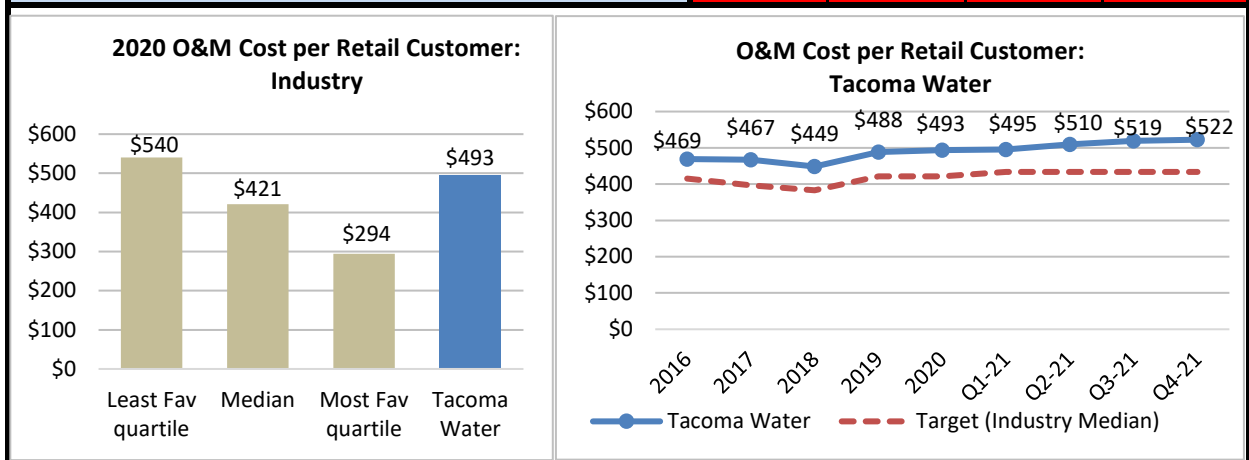
Definition: Measures and compares the monthly weighted average water bill for residential customers.

How it is measured: Total cost of the monthly fixed charge for 5/8" meter plus the volumetric charge based on average residential demand for that year.

Reporting Frequency: Annual, or as rates change

Sources: Tacoma Water internal data and published rate schedules of the regional water utilities shown.

| | | | | | |
|---|----------------|-----------|-----------|-----------|-----------|
| (5) Total O & M Cost per Retail Customer | Status: | Q1 | Q2 | Q3 | Q4 |
|---|----------------|-----------|-----------|-----------|-----------|

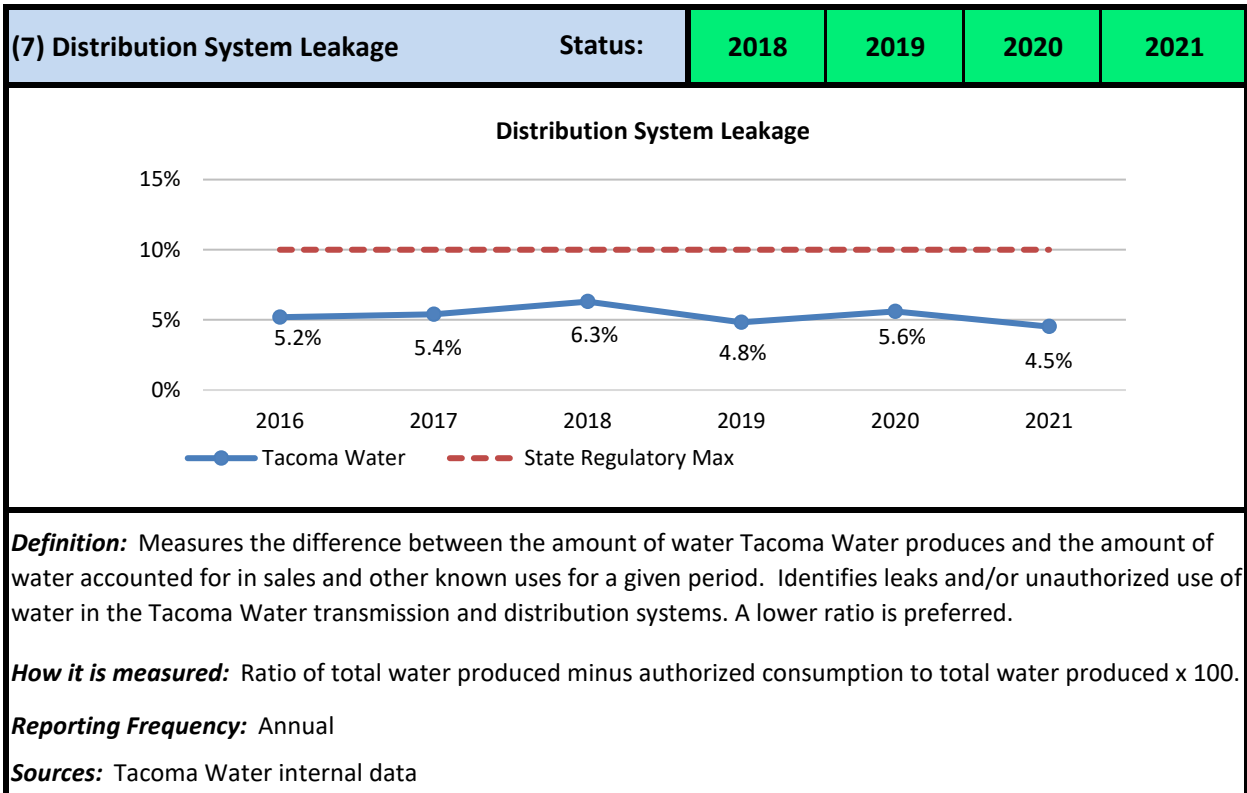
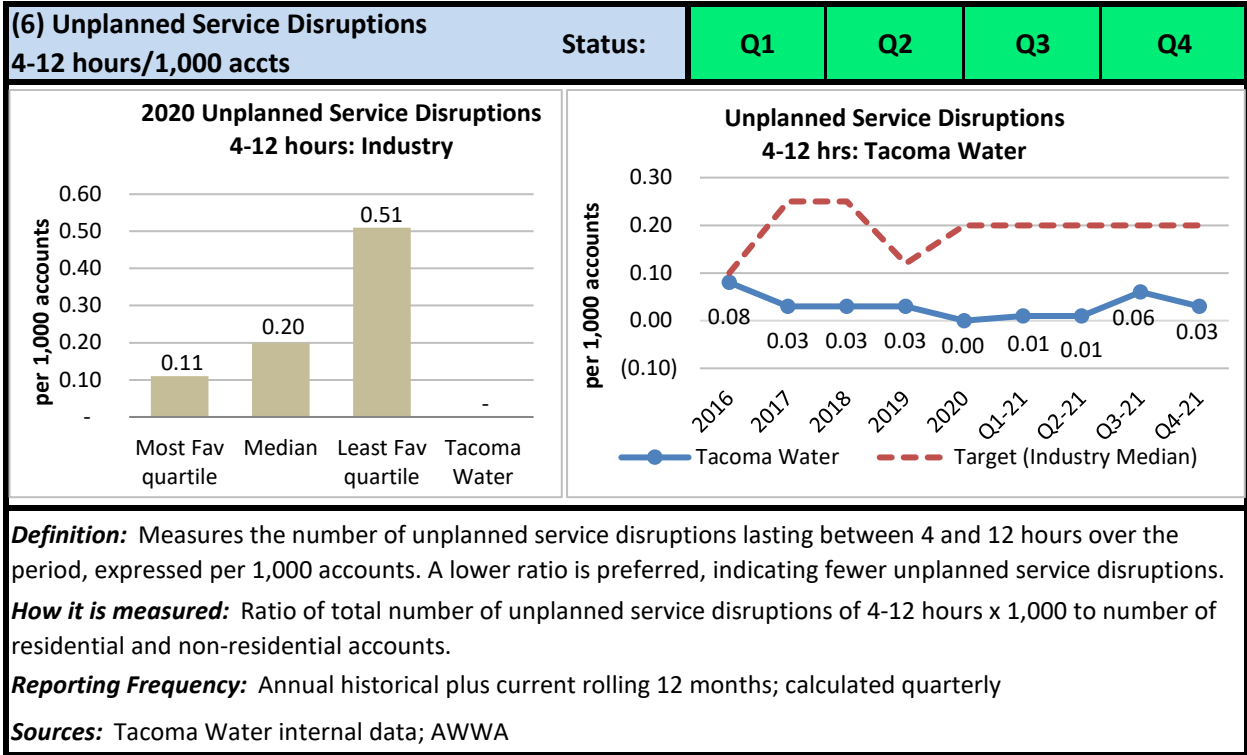


Definition: Measures the utility's operation and maintenance (O&M) cost per retail customer account.

How it is measured: Ratio of total O&M costs minus depreciation to the total number of retail customer accounts.

Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly

Sources: Tacoma Water internal data; AWWA. The 2019 Industry median is escalated 3% annually thereafter to reflect basic cost inflation.



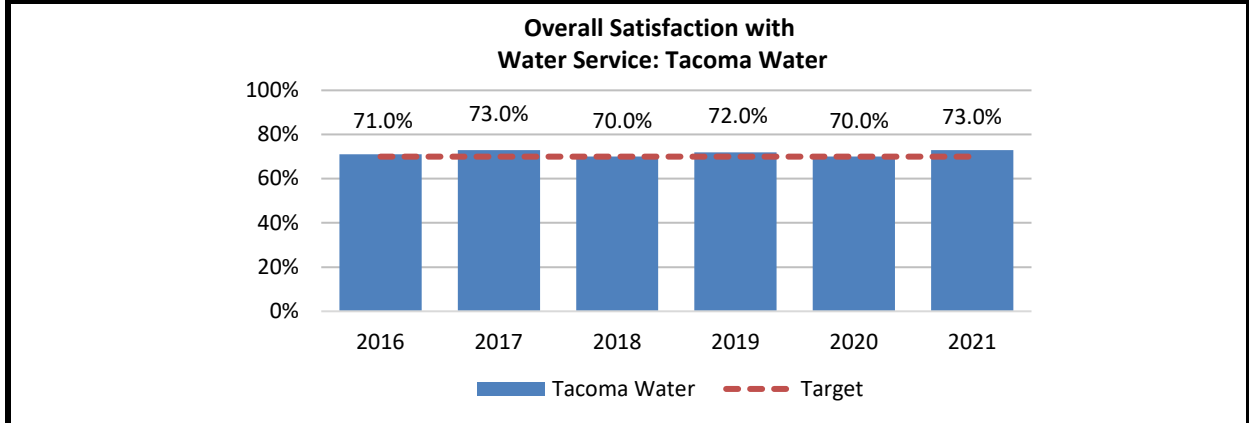


| (8) Regulatory Compliance | Status: | 2018 | 2019 | 2020 | 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------------|------------|----------------|-------------------|------|--------|------|--------------------|------|--------------|------|------|------------------|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|---|--|--|--|
| <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>2021 Regulatory Compliance: Industry</p> <table border="1"> <caption>2021 Regulatory Compliance: Industry</caption> <thead> <tr> <th>Category</th> <th>Compliance (%)</th> </tr> </thead> <tbody> <tr> <td>Most fav quartile</td> <td>100%</td> </tr> <tr> <td>Median</td> <td>100%</td> </tr> <tr> <td>Least fav quartile</td> <td>100%</td> </tr> <tr> <td>Tacoma Water</td> <td>100%</td> </tr> </tbody> </table> </div> <div style="width: 45%;"> <p>Regulatory Compliance: Tacoma Water</p> <table border="1"> <caption>Regulatory Compliance: Tacoma Water</caption> <thead> <tr> <th>Year</th> <th>Tacoma Water (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>2017</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>2018</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>2019</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>2020</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>2021</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> </div> </div> | | Category | Compliance (%) | Most fav quartile | 100% | Median | 100% | Least fav quartile | 100% | Tacoma Water | 100% | Year | Tacoma Water (%) | Target (%) | 2016 | 100% | 100% | 2017 | 100% | 100% | 2018 | 100% | 100% | 2019 | 100% | 100% | 2020 | 100% | 100% | 2021 | 100% | 100% | <p>Definition: Measures the percentage of the year that the utility complied with all federally mandated, health-related drinking water standards. It includes compliance with primary maximum contaminant levels and treatment techniques applicable to Tacoma Water. Tacoma Water strives to maintain 100% compliance.</p> <p>How it is measured: Ratio of number of days that the utility was in full compliance with all applicable standards over 365 days.</p> <p>Reporting Frequency: Historical annual with year-to-date quarterly calculation</p> <p>Sources: Tacoma Water internal data; AWWA</p> | | | |
| Category | Compliance (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Most fav quartile | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Median | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Least fav quartile | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tacoma Water | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Tacoma Water (%) | Target (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| (9) Conservation Achieved | Status: | 2018 | 2019 | 2020 | 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------|------------|------------------|------------|------|------|---|------|-------|------|------|-------|-------|------|-------|-------|------|------|-------|------|---|-------|------|---|-------|------|---|-------|------|---|-------|------|---|-------|------|---|-------|--|--|--|--|
| <div style="text-align: center;"> <p>Conservation Achieved</p> <table border="1"> <caption>Conservation Achieved</caption> <thead> <tr> <th>Year</th> <th>Tacoma Water (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>0.0%</td> <td>-</td> </tr> <tr> <td>2018</td> <td>-4.5%</td> <td>0.0%</td> </tr> <tr> <td>2019</td> <td>10.5%</td> <td>~1.5%</td> </tr> <tr> <td>2020</td> <td>11.8%</td> <td>~3.0%</td> </tr> <tr> <td>2021</td> <td>6.9%</td> <td>~4.5%</td> </tr> <tr> <td>2022</td> <td>-</td> <td>~6.0%</td> </tr> <tr> <td>2023</td> <td>-</td> <td>~6.5%</td> </tr> <tr> <td>2024</td> <td>-</td> <td>~6.6%</td> </tr> <tr> <td>2025</td> <td>-</td> <td>~6.6%</td> </tr> <tr> <td>2026</td> <td>-</td> <td>~6.6%</td> </tr> <tr> <td>2027</td> <td>-</td> <td>6.64%</td> </tr> </tbody> </table> </div> | | Year | Tacoma Water (%) | Target (%) | 2017 | 0.0% | - | 2018 | -4.5% | 0.0% | 2019 | 10.5% | ~1.5% | 2020 | 11.8% | ~3.0% | 2021 | 6.9% | ~4.5% | 2022 | - | ~6.0% | 2023 | - | ~6.5% | 2024 | - | ~6.6% | 2025 | - | ~6.6% | 2026 | - | ~6.6% | 2027 | - | 6.64% | <p>Definition: Measurement of realized conservation compared to conservation goal. The current conservation goal for Tacoma Water is to achieve a 6.64% reduction in peak water production (measured May to October) between 2018 and 2027.</p> <p>How it is measured: Cumulative percentage reduction in consumption, measured in gallons per capita per day.</p> <p>Reporting Frequency: Annual progress towards 10-year goal</p> <p>Sources: Tacoma Water internal data</p> | | | |
| Year | Tacoma Water (%) | Target (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 0.0% | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | -4.5% | 0.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 10.5% | ~1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 11.8% | ~3.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 6.9% | ~4.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2022 | - | ~6.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | - | ~6.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | - | ~6.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2025 | - | ~6.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2026 | - | ~6.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2027 | - | 6.64% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Commitment to Customers & Employees

| | | | | | |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|
| (10) Customer Satisfaction | Status: | 2018 | 2019 | 2020 | 2021 |
| | | | | | |



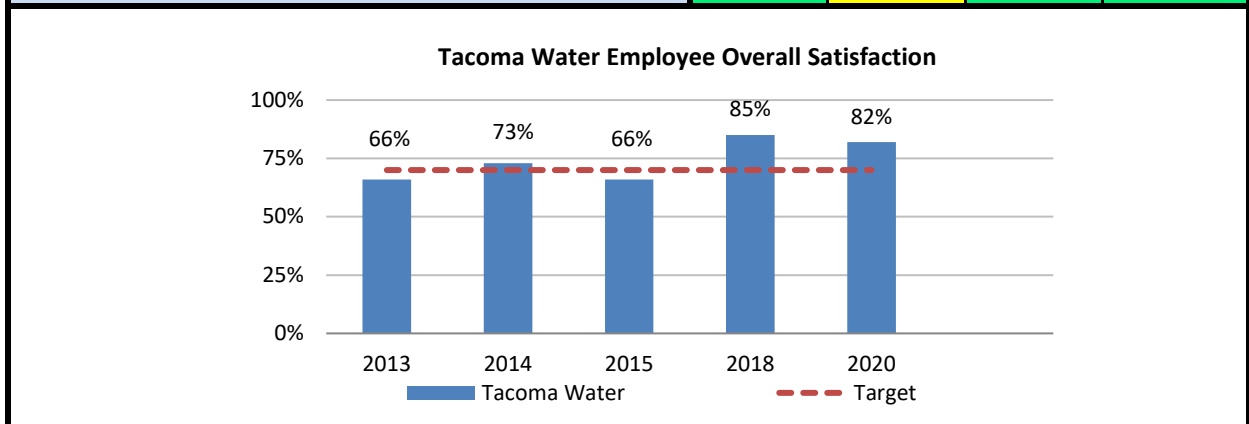
Definition: Measures customers' overall satisfaction with water service provided by Tacoma Water. Based on a customer survey using a 0 to 10 scale, with 10 being most highly satisfied. A higher score indicates greater overall satisfaction.

How it is measured: Percentage of total responses receiving a score of 8, 9 or 10.

Reporting Frequency: Updated with each newly conducted survey; expected to be annual

Sources: Tacoma Public Utilities Residential Customer Satisfaction Baseline Survey

| | | | | | |
|-----------------------------------|----------------|-------------|-------------|-------------|-------------|
| (11) Employee Satisfaction | Status: | 2014 | 2015 | 2018 | 2020 |
| | | | | | |

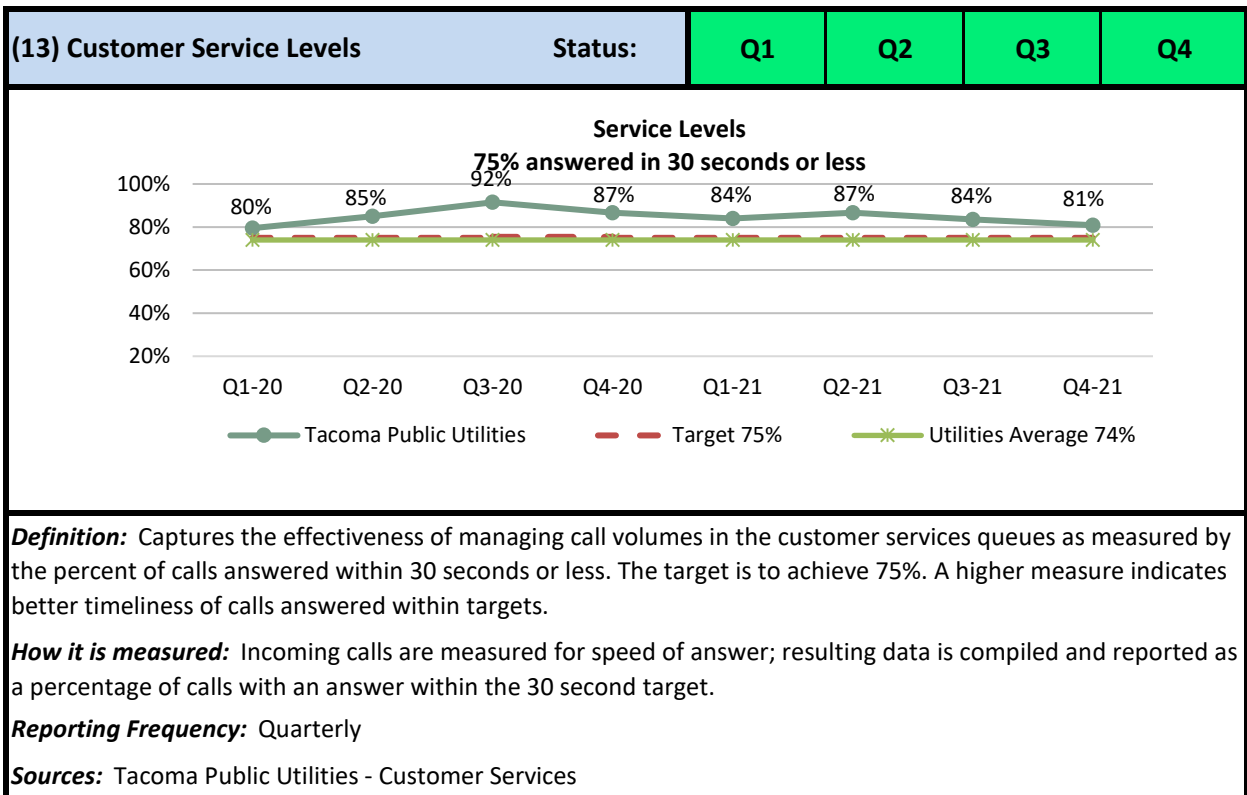
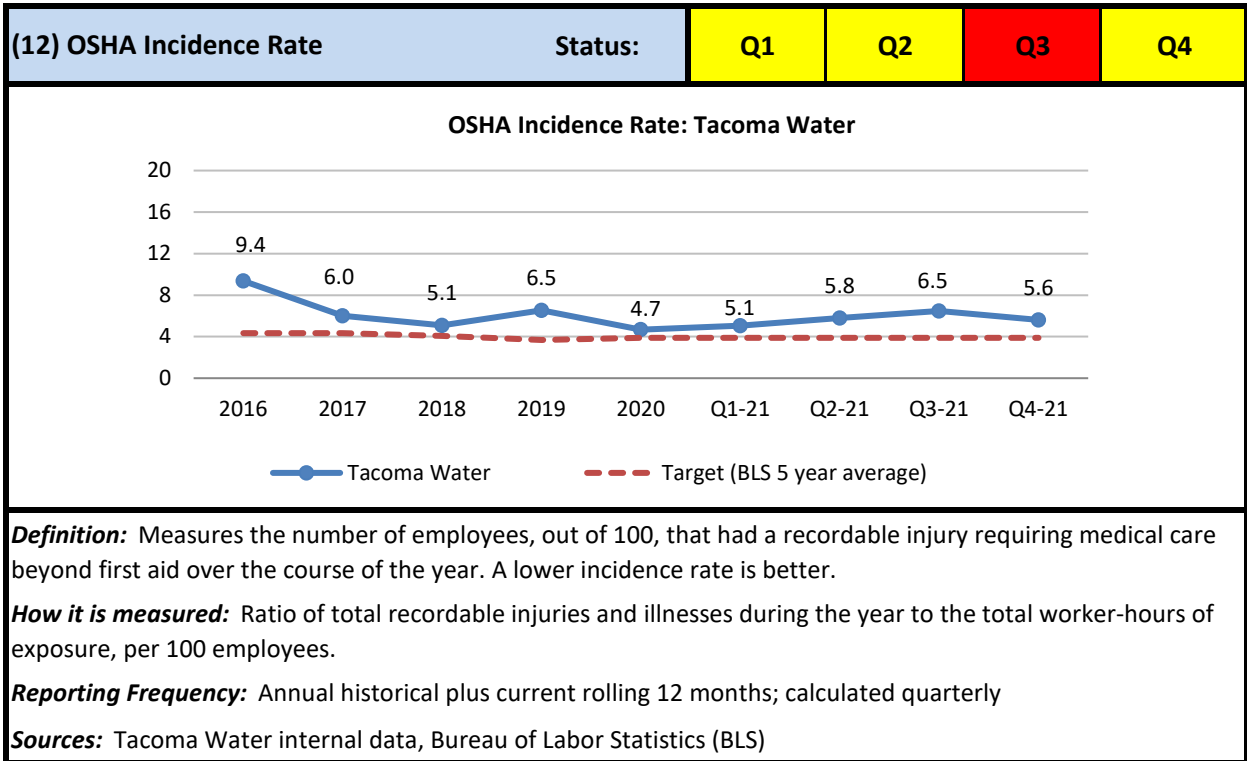


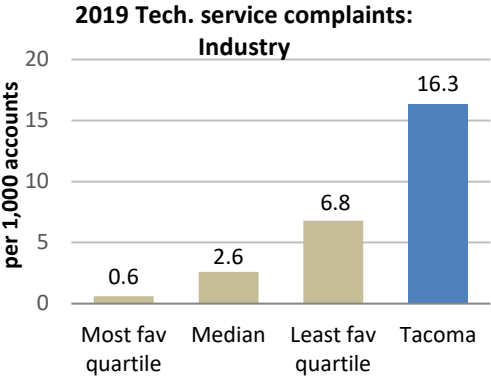
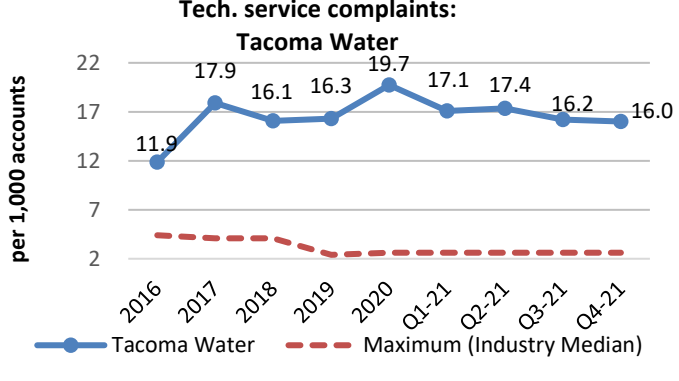
Definition: Measures employees' overall satisfaction with working at Tacoma Water based on an independently conducted employee survey. A higher score indicates greater overall employee satisfaction.

How it is measured: Percentage of total responses receiving a score of 4 or 5, using a 1 to 5 scale with 5 being extremely satisfied.

Reporting Frequency: Updated with each newly conducted survey; next update expected in 2022 Q4.

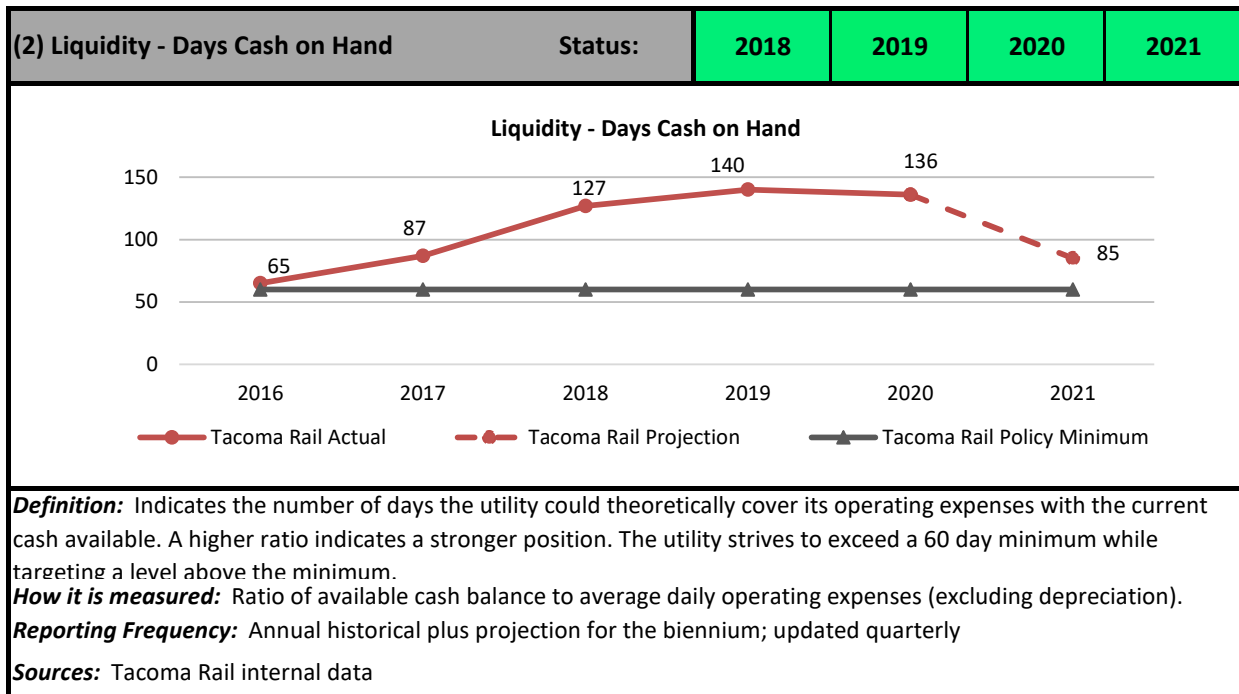
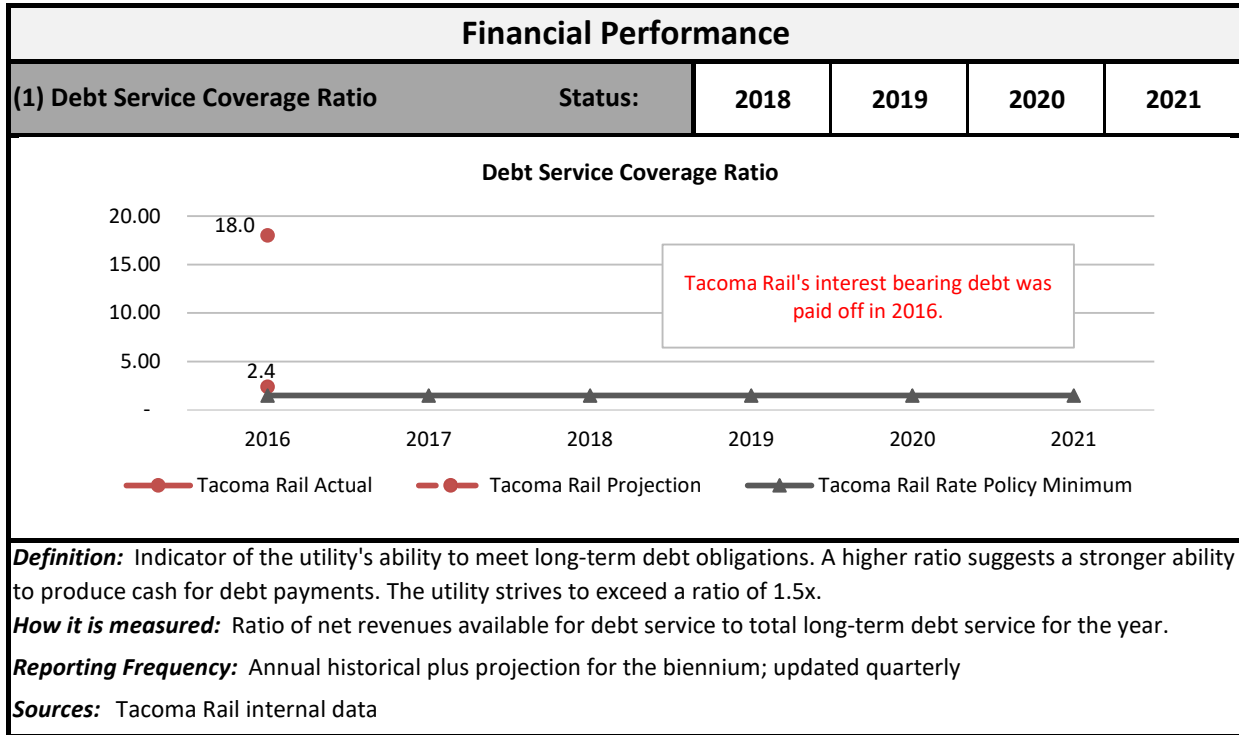
Sources: TPU All-Employee Engagement Survey



| (14) Technical Service Complaints | Status: | Q1 | Q2 | Q3 | Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------|----------|--------------------|-------------------|-----|--------|-----|--------------------|-----|--------|------|--------------|--------------------|------|------|------|------|------|------|------|------|------|------|-------|------|-------|------|-------|------|-------|------|--|--|--|--|
| <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>2019 Tech. service complaints: Industry</p>  <table border="1"> <caption>2019 Tech. service complaints: Industry</caption> <thead> <tr> <th>Category</th> <th>per 1,000 accounts</th> </tr> </thead> <tbody> <tr> <td>Most fav quartile</td> <td>0.6</td> </tr> <tr> <td>Median</td> <td>2.6</td> </tr> <tr> <td>Least fav quartile</td> <td>6.8</td> </tr> <tr> <td>Tacoma</td> <td>16.3</td> </tr> </tbody> </table> </div> <div style="width: 45%;"> <p>Tech. service complaints: Tacoma Water</p>  <table border="1"> <caption>Tech. service complaints: Tacoma Water</caption> <thead> <tr> <th>Year/Quarter</th> <th>per 1,000 accounts</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>11.9</td> </tr> <tr> <td>2017</td> <td>17.9</td> </tr> <tr> <td>2018</td> <td>16.1</td> </tr> <tr> <td>2019</td> <td>16.3</td> </tr> <tr> <td>2020</td> <td>19.7</td> </tr> <tr> <td>Q1-21</td> <td>17.1</td> </tr> <tr> <td>Q2-21</td> <td>17.4</td> </tr> <tr> <td>Q3-21</td> <td>16.2</td> </tr> <tr> <td>Q4-21</td> <td>16.0</td> </tr> </tbody> </table> </div> </div> | | Category | per 1,000 accounts | Most fav quartile | 0.6 | Median | 2.6 | Least fav quartile | 6.8 | Tacoma | 16.3 | Year/Quarter | per 1,000 accounts | 2016 | 11.9 | 2017 | 17.9 | 2018 | 16.1 | 2019 | 16.3 | 2020 | 19.7 | Q1-21 | 17.1 | Q2-21 | 17.4 | Q3-21 | 16.2 | Q4-21 | 16.0 | | | | |
| Category | per 1,000 accounts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Most fav quartile | 0.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Median | 2.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Least fav quartile | 6.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tacoma | 16.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year/Quarter | per 1,000 accounts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 11.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 17.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 16.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 16.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 19.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1-21 | 17.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2-21 | 17.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3-21 | 16.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4-21 | 16.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Definition: Measures technical quality complaint frequency per 1,000 customer accounts over the reporting period. Such complaints consist of water quality, taste, odor, appearance, water pressure and service disruptions. A lower number of complaints would be expected to correlate to higher customer satisfaction.</p> <p>How it is measured: Ratio of total number of technical service complaints x 1,000 to number of residential and non-residential accounts.</p> <p>Reporting Frequency: Annual historical plus current rolling 12 months; calculated quarterly</p> <p>Sources: Tacoma Water, AWWA</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



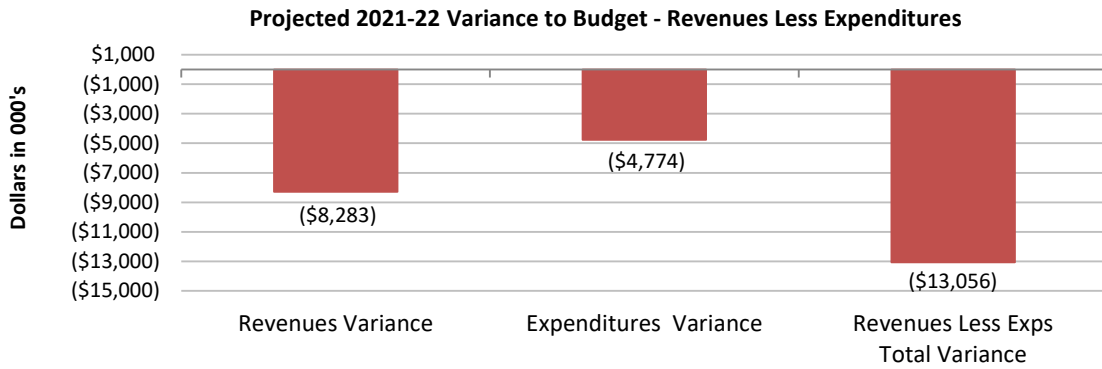
Performance Metrics Summary



(3) Revenues Less Expenditures Projection vs. Budget

Status:

Biennium Projection



Definition: Measures Tacoma Rail's projected biennial financial performance as compared to its approved budget. The measure compares projected "revenues less expenditures" for the biennium. A projection which is favorable to budget is preferable.

How it is measured: Projected revenues less projected expenditures for the biennium are compared to budgeted revenues less expenditures. Projections consider actual to-date results plus assumptions for future performance.

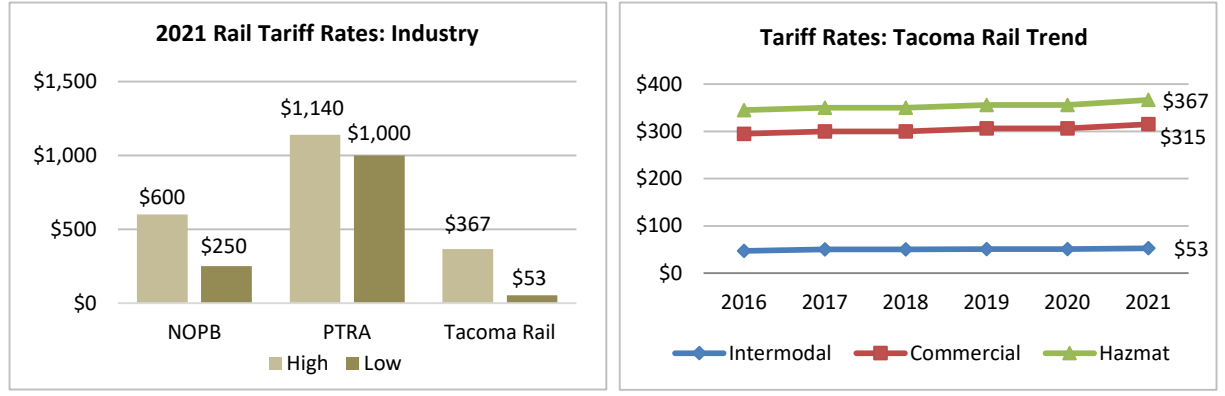
Reporting Frequency: Quarterly updates of biennium projection

Sources: Tacoma Rail internal data



Operational Excellence

| | | | | | |
|--|---------|------|------|------|------|
| (4) Terminal Short Line Tariff Comparison | Status: | 2018 | 2019 | 2020 | 2021 |
|--|---------|------|------|------|------|



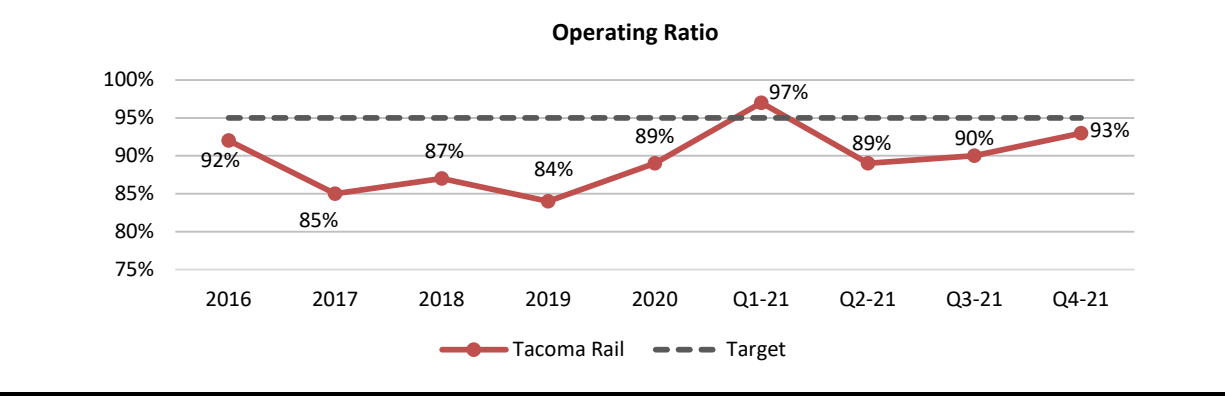
Definition: Compares Tacoma Rail tariff rates to similar short-line railroads. Lower rates are favorable for customers, all other things being equal.

How it is measured: The low and high range of tariff rates for Tacoma Rail commercial, intermodal and hazmat traffic are compared to similar short-line railroads such as New Orleans Public Beltline (NOPB) and Port Terminal Railroad Association (PTRA).

Reporting Frequency: Annual, or as rates change

Sources: Tacoma Rail internal data, New Orleans Public Beltline (NOPB) and Port Terminal Railroad Association (PTRA)

| | | | | | |
|----------------------------|---------|----|----|----|----|
| (5) Operating Ratio | Status: | Q1 | Q2 | Q3 | Q4 |
|----------------------------|---------|----|----|----|----|

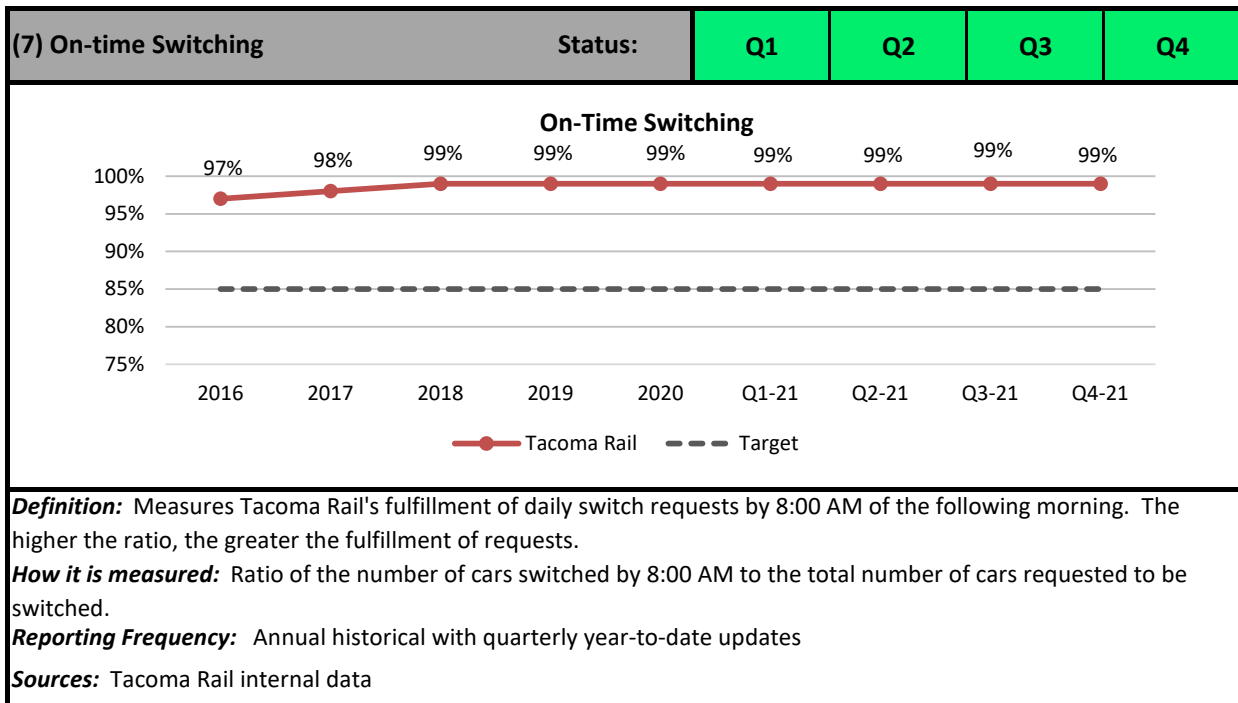
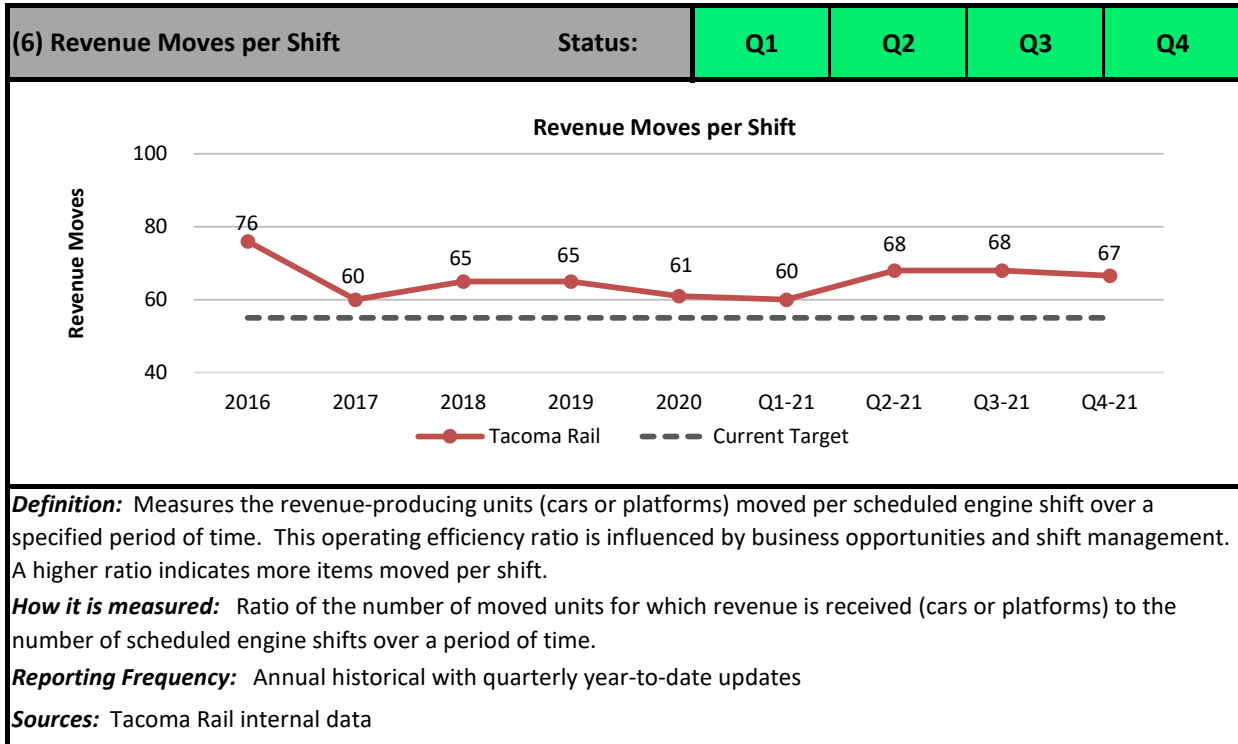


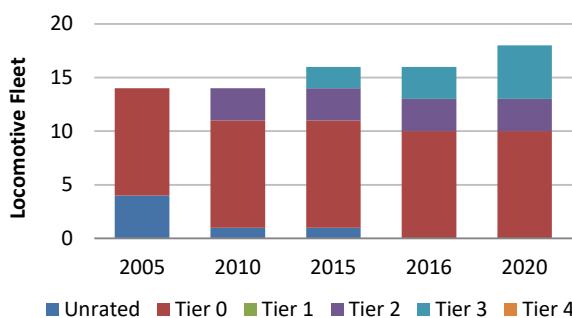
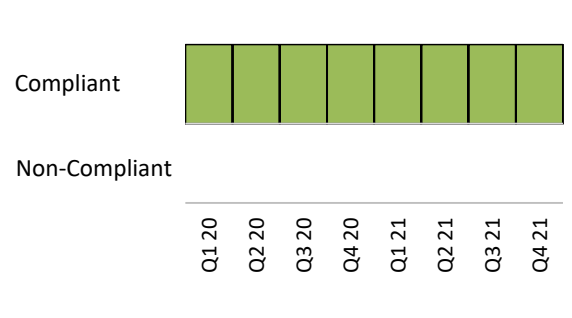
Definition: A key measure of railroad performance, the operating ratio is an indicator of profitability and operating efficiency. A lower ratio is better as more revenue is available to reinvest in the business and minimize customer rates. As a municipal short-line railroad, performance below 100% is favorable.


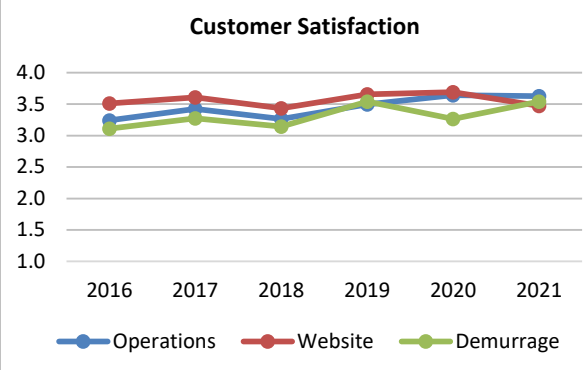
How it is measured: Ratio of operating expenses to revenues.

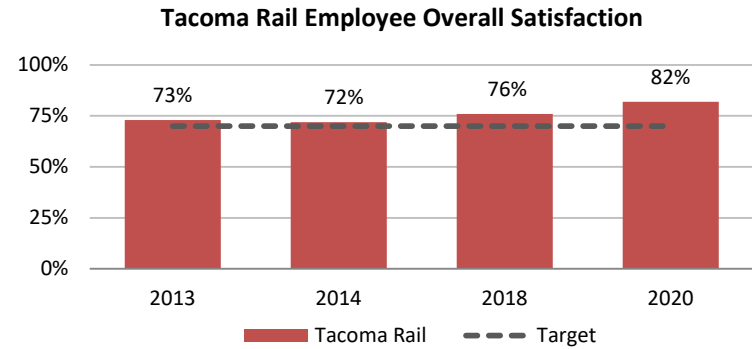
Reporting Frequency: Annual historical with quarterly year-to-date updates

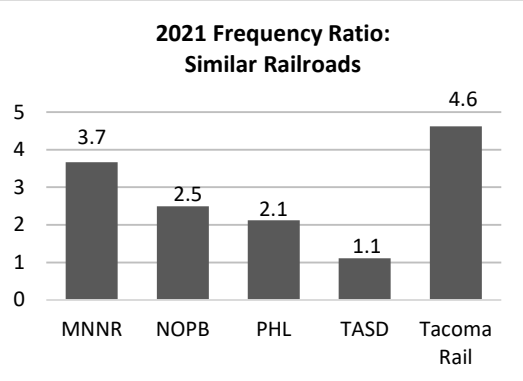
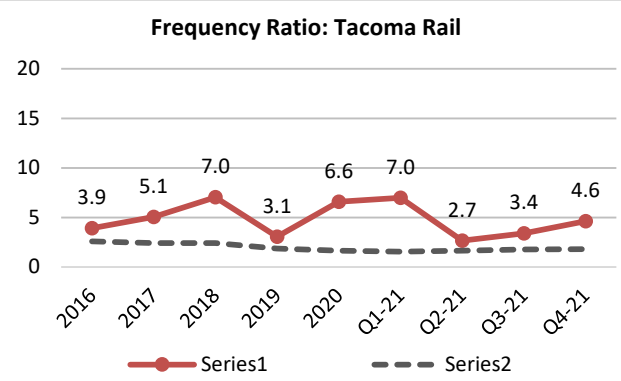
Sources: Tacoma Rail internal data



| (8) Diesel Conversion & Storm Water Remediation | | Status: | 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------|---------------|--------|--------|--------|--------|--------|------|---|----|---|---|---|---|------|---|----|---|---|---|---|------|---|----|---|---|---|---|------|---|----|---|---|---|---|------|---|----|---|---|---|---|--|---------|-----------|---------------|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|
| <p style="text-align: center;">Diesel Conversion</p>  <table border="1"> <caption>Diesel Conversion Data (Estimated)</caption> <thead> <tr> <th>Year</th> <th>Unrated</th> <th>Tier 0</th> <th>Tier 1</th> <th>Tier 2</th> <th>Tier 3</th> <th>Tier 4</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>4</td> <td>10</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2010</td> <td>1</td> <td>10</td> <td>0</td> <td>3</td> <td>0</td> <td>0</td> </tr> <tr> <td>2015</td> <td>1</td> <td>10</td> <td>0</td> <td>3</td> <td>2</td> <td>0</td> </tr> <tr> <td>2016</td> <td>0</td> <td>10</td> <td>0</td> <td>3</td> <td>3</td> <td>0</td> </tr> <tr> <td>2020</td> <td>0</td> <td>10</td> <td>0</td> <td>3</td> <td>5</td> <td>0</td> </tr> </tbody> </table> | Year | Unrated | Tier 0 | Tier 1 | Tier 2 | Tier 3 | Tier 4 | 2005 | 4 | 10 | 0 | 0 | 0 | 0 | 2010 | 1 | 10 | 0 | 3 | 0 | 0 | 2015 | 1 | 10 | 0 | 3 | 2 | 0 | 2016 | 0 | 10 | 0 | 3 | 3 | 0 | 2020 | 0 | 10 | 0 | 3 | 5 | 0 | <p style="text-align: center;">Storm Water Compliance</p>  <table border="1"> <caption>Storm Water Compliance Data</caption> <thead> <tr> <th>Quarter</th> <th>Compliant</th> <th>Non-Compliant</th> </tr> </thead> <tbody> <tr><td>Q1 20</td><td>100%</td><td>0%</td></tr> <tr><td>Q2 20</td><td>100%</td><td>0%</td></tr> <tr><td>Q3 20</td><td>100%</td><td>0%</td></tr> <tr><td>Q4 20</td><td>100%</td><td>0%</td></tr> <tr><td>Q1 21</td><td>100%</td><td>0%</td></tr> <tr><td>Q2 21</td><td>100%</td><td>0%</td></tr> <tr><td>Q3 21</td><td>100%</td><td>0%</td></tr> <tr><td>Q4 21</td><td>100%</td><td>0%</td></tr> </tbody> </table> | Quarter | Compliant | Non-Compliant | Q1 20 | 100% | 0% | Q2 20 | 100% | 0% | Q3 20 | 100% | 0% | Q4 20 | 100% | 0% | Q1 21 | 100% | 0% | Q2 21 | 100% | 0% | Q3 21 | 100% | 0% | Q4 21 | 100% | 0% |
| Year | Unrated | Tier 0 | Tier 1 | Tier 2 | Tier 3 | Tier 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2005 | 4 | 10 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2010 | 1 | 10 | 0 | 3 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015 | 1 | 10 | 0 | 3 | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 0 | 10 | 0 | 3 | 3 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 0 | 10 | 0 | 3 | 5 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Compliant | Non-Compliant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1 20 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 20 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3 20 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 20 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1 21 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 21 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3 21 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 21 | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Definition: 1) Diesel locomotive conversion increases the emission tier levels of Tacoma Rail's locomotive fleet. A higher tier level equates to reduced emissions. 2) Tacoma Rail strives to be compliant with its Industrial Storm Water Permit which includes testing for zinc, copper, oil, turbidity and pH levels in storm water runoff.</p> <p>How it is measured: For diesel conversion, as Tacoma Rail acquires or repowers its locomotive fleet, the locomotives achieve a higher EPA tier level. For Storm Water compliance, per Washington State Department of Ecology standards, tests of water flows at storm water collection locations at Tacoma Rail are conducted and summarized in a detailed report.</p> <p>Reporting Frequency: 5 years (Diesel), Quarterly (Storm Water)</p> <p>Sources: Tacoma Rail internal data (Diesel); Washington State Department of Ecology (Storm Water)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Commitment to Customers & Employees | | | | | |
|---|---------|--|------|------|------|
| (9) Customer Satisfaction | Status: | 2018 | 2019 | 2020 | 2021 |
| <p>2021 Customer Satisfaction</p>  | | <p>Customer Satisfaction</p>  | | | |
| <p>Definition: Measures customers' overall satisfaction with services provided by Tacoma Rail in the areas of operations, demurrage services and the customer-facing website. Based on a customer survey using a 1 to 4 scale, with 3 being satisfied and 4 being very satisfied. A higher score indicates greater overall satisfaction in key areas.</p> <p>How it is measured: Mean of the weighted average score of question categories in the survey.</p> <p>Reporting Frequency: Updated with each newly conducted annual survey</p> <p>Sources: Tacoma Rail internal data</p> | | | | | |

| (10) Employee Satisfaction | Status: | 2013 | 2014 | 2018 | 2020 |
|---|---------|------|------|------|------|
| <p>Tacoma Rail Employee Overall Satisfaction</p>  | | | | | |
| <p>Definition: Measures employees' overall satisfaction with working at Tacoma Rail based on an independently conducted employee survey. A higher score indicates greater overall employee satisfaction.</p> <p>How it is measured: Percentage of total responses receiving a score of 4 or 5, using a 1 to 5 scale with 5 being extremely satisfied.</p> <p>Reporting Frequency: Updated with each newly conducted survey; next update scheduled for 2022</p> <p>Sources: TPU All-Employee Engagement Survey</p> | | | | | |

| (11) Frequency Ratio (Injury Rate) | Status: | Q1 | Q2 | Q3 | Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-----------------|----------|-----------------|------|-----|------|-----|-----|-----|-------|-----|-------------|-----|--------------|-----------------|------|-----|------|-----|------|-----|------|-----|------|-----|-------|-----|-------|-----|-------|-----|-------|-----|--|--|--|--|
| <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="text-align: center;">2021 Frequency Ratio: Similar Railroads</p>  <table border="1"> <caption>2021 Frequency Ratio: Similar Railroads</caption> <thead> <tr> <th>Railroad</th> <th>Frequency Ratio</th> </tr> </thead> <tbody> <tr> <td>MNNR</td> <td>3.7</td> </tr> <tr> <td>NOPB</td> <td>2.5</td> </tr> <tr> <td>PHL</td> <td>2.1</td> </tr> <tr> <td>T ASD</td> <td>1.1</td> </tr> <tr> <td>Tacoma Rail</td> <td>4.6</td> </tr> </tbody> </table> </div> <div style="width: 45%;"> <p style="text-align: center;">Frequency Ratio: Tacoma Rail</p>  <table border="1"> <caption>Frequency Ratio: Tacoma Rail</caption> <thead> <tr> <th>Year/Quarter</th> <th>Frequency Ratio</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>3.9</td> </tr> <tr> <td>2017</td> <td>5.1</td> </tr> <tr> <td>2018</td> <td>7.0</td> </tr> <tr> <td>2019</td> <td>3.1</td> </tr> <tr> <td>2020</td> <td>6.6</td> </tr> <tr> <td>Q1-21</td> <td>7.0</td> </tr> <tr> <td>Q2-21</td> <td>2.7</td> </tr> <tr> <td>Q3-21</td> <td>3.4</td> </tr> <tr> <td>Q4-21</td> <td>4.6</td> </tr> </tbody> </table> </div> </div> | | Railroad | Frequency Ratio | MNNR | 3.7 | NOPB | 2.5 | PHL | 2.1 | T ASD | 1.1 | Tacoma Rail | 4.6 | Year/Quarter | Frequency Ratio | 2016 | 3.9 | 2017 | 5.1 | 2018 | 7.0 | 2019 | 3.1 | 2020 | 6.6 | Q1-21 | 7.0 | Q2-21 | 2.7 | Q3-21 | 3.4 | Q4-21 | 4.6 | | | | |
| Railroad | Frequency Ratio | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MNNR | 3.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NOPB | 2.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PHL | 2.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| T ASD | 1.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tacoma Rail | 4.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year/Quarter | Frequency Ratio | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 3.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 5.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 7.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 3.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 6.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q1-21 | 7.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2-21 | 2.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q3-21 | 3.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4-21 | 4.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Definition: Standardized American Short Line & Regional Railroad Association (ASLRRA) safety metric. Railroads report the number of OJI incidents and employee on-duty hours. A lower metric is better.</p> <p>How it is measured: Railroad employee on-duty safety metrics by railroad per 200,000 hours worked.</p> <p>Reporting Frequency: Annual historical with quarterly year-to-date updates</p> <p>Sources: Tacoma Rail internal data; ASLRRA; Minnesota Commercial Railway (MNNR); New Orleans Public Beltline (NOPB); Pacific Harbor Line (PHL); Terminal Railway Alabama State Docks (T ASD)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |