

TACOMA PUBLIC UTILITY BOARD

**2027 - 2028 PROPOSED BUDGET
TACOMA POWER**

Wednesday, September 23, 2026

Tacoma Power

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Tacoma Power Recapitulation of Biennial Budget	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
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REVENUE

Operating Revenue

Sales of Electric Energy	\$1,004,149,435	\$1,006,326,466	\$2,177,031	0.2%
Anticipated Additional Revenue	49,682,245	81,811,933	32,129,688	64.7%
Other Electric Revenue	57,555,273	61,285,124	3,729,851	6.5%
Total Operating Revenue	1,111,386,953	1,149,423,523	38,036,570	3.4%
Other Income	34,651,588	31,767,601	(2,883,987)	(8.3%)
Appropriation from Fund Balance	49,736,145	83,348,371	33,612,226	67.6%

Total Revenue & Available Funds	\$1,195,774,686	\$1,264,539,495	\$68,764,809	5.8%
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EXPENDITURES

Personnel Costs	\$313,869,730	\$371,412,717	\$57,542,987	18.3%
Supplies, Other Services & Charges	569,361,669	560,593,481	(8,768,188)	(1.5%)
Taxes - Current Revenue Estimate	126,443,636	140,536,084	14,092,448	11.1%
Taxes - Anticipated Additional Revenue	5,588,861	9,264,976	3,676,115	65.8%
Debt Service	80,856,790	69,592,237	(11,264,553)	(13.9%)
Cash Defeasance - (debt service)	15,000,000	8,650,000	(6,350,000)	(42.3%)
Capital Outlay	84,654,000	104,490,000	19,836,000	23.4%

Total Expenditures	\$1,195,774,686	\$1,264,539,495	\$68,764,809	5.8%
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CAPITAL OUTLAY FINANCING DETAIL

Funded from Operating Fund	\$ 84,654,000	\$ 104,490,000	\$ 19,836,000	23.4%
Funded from New Bonds	137,788,000	125,330,000	(12,458,000)	(9.0%)

Total Capital Outlay	\$222,442,000	\$229,820,000	\$7,378,000	3.3%
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PERSONNEL - Budgeted FTE	902.6 / 902.6	904.6 / 904.6
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Prior years may have been reclassified or restated to reflect organizational changes.

	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
Tacoma Power Revenue				

REVENUE SUMMARY

Sales of Electric Energy	\$1,004,149,435	\$1,006,326,466	\$2,177,031	0.2%
Anticipated Additional Revenue	49,682,245	81,811,933	32,129,688	64.7%
Other Electric Revenue	57,555,273	61,285,124	3,729,851	6.5%
Total Operating Revenue	1,111,386,953	1,149,423,523	38,036,570	3.4%
Other Income	34,651,588	31,767,601	(2,883,987)	(8.3%)
Appropriation from Fund Balance	49,736,145	83,348,371	33,612,226	67.6%
Total Revenue & Available Funds	\$1,195,774,686	\$1,264,539,495	\$68,764,809	5.8%

REVENUE DETAIL

Sales of Electric Energy

Residential	\$402,795,366	\$469,697,068	\$66,901,702	16.6%
Private Off-Street Lighting	2,431,718	3,819,081	1,387,363	57.1%
Small General	68,764,411	72,754,220	3,989,809	5.8%
General	271,327,154	267,070,037	(4,257,117)	(1.6%)
High Voltage General	59,458,684	60,753,892	1,295,208	2.2%
Contract Industrial - Firm	12,398,473	15,155,940	2,757,467	22.2%
New Large Load	6,134,492	11,559,516	5,425,024	88.4%
Street Lighting & Traffic Signals	1,799,092	2,086,063	286,971	16.0%
Total Retail Sales	825,109,390	902,895,817	77,786,427	9.4%

Other Sales

Bulk Power Sales	179,040,045	103,430,649	(75,609,396)	(42.2%)
Total Other Sales	179,040,045	103,430,649	(75,609,396)	(42.2%)
Anticipated Additional Revenue	49,682,245	81,811,933	32,129,688	64.7%
Total Sales of Electric Energy	1,053,831,680	1,088,138,399	34,306,719	3.3%

	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
Tacoma Power Revenue				

Other Electric Revenue

Rent from Electric Property	6,545,137	5,699,789	(845,348)	(12.9%)
Lightcurve (Rainier Connect) IRU	6,457,500	6,400,000	(57,500)	(0.9%)
BPA Efficiency Incentive	7,200,000	7,200,000	0	0.0%
Interdepartmental Rent	5,763,518	6,418,889	655,371	11.4%
Service Connection Fees	1,860,527	2,316,413	455,886	24.5%
Green Power	162,777	181,978	19,201	11.8%
Overhead on Work for Others	2,204,606	1,983,135	(221,471)	(10.0%)
Late Payment Fees	3,638,481	3,508,197	(130,284)	(3.6%)
Income from Campgrounds	5,700,000	5,959,065	259,065	4.5%
Wheeling	17,488,936	21,000,000	3,511,064	20.1%
Miscellaneous	533,791	617,658	83,867	15.7%
Total Other Electric Revenue	57,555,273	61,285,124	3,729,851	6.5%

Other Income

Interest	23,211,880	24,444,139	1,232,259	5.3%
Federal Subsidy for BABS/CREBS interest	7,191,602	0	(7,191,602)	(100.0%)
Miscellaneous	4,248,106	7,323,462	3,075,356	72.4%
Total Other Income	34,651,588	31,767,601	(2,883,987)	(8.3%)

Other Available Funds

Appropriation from Fund Balance	49,736,145	83,348,371	33,612,226	67.6%
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Total Revenue & Available Funds	\$1,195,774,686	\$1,264,539,495	\$68,764,809	5.8%
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	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
Tacoma Power Division Consolidation				

SUMMARY - Operation & Maintenance by Section

Power Administration	\$212,957,478	\$245,116,397	\$32,158,919	15.1%
Generation	125,143,291	151,727,372	26,584,081	21.2%
Power Management	404,278,065	377,017,198	(27,260,867)	(6.7%)
Power Shared Services	43,315,763	48,087,582	4,771,819	11.0%
Rates, Planning & Analysis	8,154,635	10,025,899	1,871,264	22.9%
Transmission & Distribution	163,111,299	187,321,104	24,209,806	14.8%
Utility Technology Services	58,303,365	62,511,706	4,208,341	7.2%

Total for Division	\$1,015,263,896	\$1,081,807,258	\$66,543,362	6.6%
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SUMMARY - Operation & Maintenance by Category

Salaries & Wages	\$278,159,078	\$317,800,778	\$39,641,700	14.3%
Employee Benefits	96,538,192	116,558,928	20,020,736	20.7%
Capital Credit & Labor To/From Others	(60,827,540)	(62,946,989)	(2,119,449)	3.5%
Total Personnel Costs	313,869,730	371,412,717	57,542,987	18.3%
Supplies	322,801,384	278,924,355	(43,877,029)	(13.6%)
Services	92,917,725	108,182,579	15,264,854	16.4%
Other Charges	57,075,704	68,645,968	11,570,263	20.3%
Total Assessments	96,566,855	104,840,580	8,273,725	8.6%
Taxes	132,032,497	149,801,060	17,768,563	13.5%
Total Supplies & Other Charges	701,394,166	710,394,541	9,000,375	1.3%

Total for Division	\$1,015,263,896	\$1,081,807,258	\$66,543,362	6.6%
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	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
Tacoma Power Taxes				

TAX PAYMENTS

City of Tacoma:

Gross Earnings Tax (7.5%)	\$79,371,547	\$84,799,077	\$5,427,530	6.8%
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State of Washington:

Utility & Business Tax	31,992,731	36,344,243	4,351,512	13.6%
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Other*

County/Schools/Fire Protection Dist.	5,934,069	5,844,179	(89,890)	(1.5%)
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Franchise Administrative Fees	9,145,289	13,548,585	4,403,296	48.1%
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Subtotal	126,443,636	140,536,084	14,092,448	11.1%
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Anticipated Additional Revenue**

Gross Earnings Tax (7.5%)	3,687,243	6,117,478	2,430,235	65.9%
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Utility & Business Tax	1,901,618	3,147,498	1,245,880	65.5%
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	5,588,861	9,264,976	3,676,115	65.8%
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Total City and Utility Tax	132,032,497	149,801,060	17,768,563	13.5%
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Federal Taxes (FICA)	18,834,824	21,347,117	2,512,293	13.3%
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Total Tacoma Power Taxes	\$150,867,321	\$171,148,177	\$20,280,856	13.4%
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Note: State Sales Tax is included in O & M budget line items for materials.

FICA tax is included in O & M budget line items for personnel costs/employee benefits.

*Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

**Taxes on anticipated additional revenue due to rate increase.

	2025-2026 Current Budget	2027-2028 Proposed Budget	2025-26 to 2027-28 Budget Comparison	
Tacoma Power Debt Service				

DEBT SERVICE SUMMARY

Interest	\$65,451,790	\$61,817,237	(\$3,634,553)	(5.6%)
Principal	30,405,000	16,425,000	(13,980,000)	(46.0%)
Cash Defeasance	(15,000,000)	(8,650,000)	6,350,000	(42.3%)

Total Debt Service	\$80,856,790	\$69,592,237	(\$11,264,553)	-13.9%
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DEBT SERVICE DETAIL

2010B Revenue Bonds	Interest	\$17,383,647	\$0	(\$17,383,647)	(100.0%)
\$147,070,000	Principal	0	0	0	0.0%
2010C Revenue Bonds	Interest	2,728,552	0	(2,728,552)	(100.0%)
\$24,185,000	Principal	24,185,000	0	(24,185,000)	(100.0%)
2013A Ref & Rev Bonds	Interest	4,321,200	4,321,200	0	0.0%
\$181,610,000	Principal	0	0	0	0.0%
2017 Bonds	Interest	5,516,600	4,737,350	(779,250)	(14.1%)
\$80,000,000	Principal	2,610,000	8,650,000	6,040,000	231.4%
2021 Bonds	Interest	9,967,100	9,967,100	0	0.0%
\$121,855,000	Principal	0	0	0	0.0%
2024A Revenue Bonds	Interest	9,530,000	9,530,000	0	0.0%
\$95,300,000	Principal	0	0	0	0.0%
2024B Refunding Bonds	Interest	4,184,000	3,813,750	(370,250)	(8.8%)
\$47,360,000	Principal	3,610,000	7,775,000	4,165,000	115.4%
2025 Revenue Bonds	Interest	11,820,691	13,678,050	1,857,359	15.7%
\$132,530,000	Principal	0	0	0	0.0%
2025B Refunding Bonds	Interest	0	9,087,500	9,087,500	100.0%
\$91,785,000	Principal	0	0	0	0.0%
2027 Revenue Bonds	Interest	0	6,682,287	6,682,287	100.0%
\$145,000,000 - Anticipated	Principal	0	0	0	0.0%
Reduction due to Defeasance		(15,000,000)	(8,650,000)	6,350,000	(42.3%)

Total Debt Service	\$80,856,790	\$69,592,237	(\$11,264,553)	(13.9%)
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	2025-2026 Current Budget	2027-2028 Proposed Budget
Tacoma Power Capital Outlay		

SUMMARY

Portfolio Budget Adjustment **\$0** **(\$34,340,000)**

General Plant

Capital Projects:	\$24,501,000	\$37,685,000
Additions and Replacements:	21,960,000	23,039,000
General Plant Total	46,461,000	60,724,000

Generation

Capital Projects:	39,416,000	45,237,000
Additions and Replacements:	1,798,000	1,888,000
Generation Total	41,214,000	47,125,000

Power Management

Capital Projects:	9,000,000	21,446,000
Power Management Total	9,000,000	21,446,000

Transmission & Distribution

Capital Projects:	10,712,000	15,312,000
Additions and Replacements:	86,086,000	87,626,000
Transmission & Distribution Total	96,798,000	102,938,000

Utility Technology Services

Capital Projects:	23,170,000	29,054,000
Additions and Replacements:	5,799,000	2,873,000
Utility Technology Services Total	28,969,000	31,927,000

Sub-Total	\$222,442,000	\$229,820,000
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Projects Funded from New Bonds (137,788,000) (125,330,000)

Total Operating Fund Capital Outlay	\$84,654,000	\$104,490,000
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	2025-2026 Current Budget	2027-2028 Proposed Budget
Tacoma Power Capital Outlay		

Portfolio Budget Adjustments

Portfolio Budget Adjustment	\$0	(\$34,340,000)
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General Plant Capital Projects

ABN Atrium and Entry Replacement	\$1,201,000	\$0
Lot G Expansion	0	945,000
South Service Center Storage	6,350,000	18,000,000
TPU Admin Complex Storage and Parking Facility	16,950,000	12,240,000
TPU Admin Workplace Modernization	0	6,500,000

General Plant A & R

Fleet Replacement	20,000,000	16,947,000
General Plant	250,000	4,835,000
Tacoma Power Security Upgrade	1,500,000	1,050,000
TPU Critical Operations Power Supply	210,000	207,000
General Plant Total	\$46,461,000	\$60,724,000

Generation Capital Projects

Cowlitz Falls Downstream Fish Passage Improvements	\$200,000	\$445,000
Cowlitz Falls Debris Conveyor Replacement	0	101,000
Cowlitz FERC Relicensing	0	2,710,000
Cooling Water Piping & Valve Replacement	0	180,000
Cowlitz Mayfield Spillway Gate Controls Modernization	0	327,000
Cowlitz Mayfield Powerhouse GSU U41 Bank #2 Replacement	0	1,048,000
Cowlitz Mayfield Crane Controls Upgrade	2,000,000	0
Cowlitz Mayfield Downstream Collection	3,720,000	10,013,000
Cowlitz Mossyrock Dam Left Embankment Analysis & Upgrade	0	2,512,000
Cowlitz Mossyrock Dam Pier Interim Risk Reduction	0	506,000
Cowlitz Mossyrock Governor Controls Replacement	300,000	0
Cowlitz Mossyrock Physical Security Upgrade at Dam	0	271,000
Cowlitz Mossyrock PDS-6 Replacement	380,000	0
Cowlitz Mossyrock SpillGate Seismic Structural Remediation	761,000	618,000
Cowlitz Mossyrock U51, U52 Exciter Controls Retrofit	290,000	0
Cowlitz Off-Site Fish Rearing - Satellite Ponds	301,000	475,000
Cowlitz Trout Hatchery Remodel	3,820,000	2,710,000
Cushman EG 2 Replacement	0	839,000
Cushman #1 Debris Removal Ramp	80,000	0
Cushman #1 Right/Left Wing Wall Anchor	1,800,000	200,000
Cushman #1 Spillway Stop Logs	0	250,000
Cushman #2 U21, U22 Actuator & Bypass Valve	0	442,000
Cushman #2 Saltwater Park Hatchery Auxiliary Water Supply	1,000,000	182,000
Cushman #2 U31, U32 Unit Rebuild	10,000,000	6,700,000
Cushman #2 U31, U32, U33 Protective Relay Upgrade	1,175,000	575,000
Cushman #2 U31, U32 Pressure Regulating Valve Refurbishment	1,585,000	856,000

Tacoma Power Capital Outlay	2025-2026 Current Budget	2027-2028 Proposed Budget
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Cushman #2 Valve House EG Upgrades & ATS	110,000	0
Generation Dam Deflection Survey Pedestal	302,000	280,000
Hydro Spillway Seismic Upgrades	4,000,000	2,070,000
Nisqually Alder & LaGrande Cooling Water Piping & Valve Replacement	144,000	0
Nisqually Alder Park Sewer Station EG & ATS Upgrade	132,000	0
Nisqually Alder Powerhouse 10" & 6" Skimmer/Motor Replacement	0	643,000
Nisqually Alder U11 Generator Rewind	300,000	0
Nisqually FERC Relicensing	0	1,000,000
Nisqually LaGrande Road Culvert Replacement	0	278,000
Nisqually LaGrande Downstream Fish Barrier - FERC	251,000	800,000
Nisqually LaGrande U1, U2, U3, U4 Excitation Upgrade	575,000	0
Nisqually LaGrande U1, U2, U3, U4 Protection Relay Upgrade	1,000,000	20,000
Nisqually LaGrande Tram Modifications & Access Improvements	0	6,231,000
Nisqually U5, U12 Turbine Generation Modernization	5,000,000	600,000
PCS Server Replacement	0	1,214,000
Taidnapam Day Use Playground Repl	0	141,000
Wynoochee Powerhouse Substation EG	190,000	0

Generation A & R

Generation Engineering	110,000	0
Generation Hydro Project	1,322,000	1,192,000
Generation Natural Resources	366,000	696,000
Generation Total	\$41,214,000	\$47,125,000

Power Management Capital Projects

Customer Energy Programs	\$9,000,000	\$8,500,000
SPP Markets Plus Implementation	0	12,946,000
Power Management Total	\$9,000,000	\$21,446,000

Transmission & Distribution Capital Projects

#6 Copper Conductor Replacement	\$1,540,000	\$2,400,000
115 kV Sectionalizing MOD	400,000	0
Distribution Automation	1,983,000	1,057,000
Fawcett Ave Duct bank	1,473,000	2,916,000
MC Switchgear Replacement Pilot Project	2,670,000	1,200,000
Southwest Bank 1 Replacement	60,000	2,980,000
South Service Area West Distribution Substation	1,778,000	0
Spanaway Substation	0	1,738,000
Steel Pole Installs and Replacements	0	1,480,000
Substation Grounding Enhancements	520,000	205,000
TPU Decant Facility Flock Tank Addition	0	375,000
Transmission Line Upgrading	288,000	961,000

	2025-2026 Current Budget	2027-2028 Proposed Budget
Tacoma Power Capital Outlay		

Transmission & Distribution A & R

Central Business District	\$2,595,000	\$3,131,000
Distribution Efficiency	280,000	102,000
Distribution Substation Transformer Replacement	3,319,000	4,309,000
Distribution System Upgrades	737,000	2,416,000
Distribution Transformer	16,640,000	14,228,000
Distribution UG/PM Switchgear Replacement	669,000	226,000
Energy Management System	3,520,000	1,171,000
HFC Fiber Projects	834,000	450,000
Joint Use	2,290,000	1,400,000
MC Switchgear Replacement	2,495,000	0
Meters and Devices	2,690,000	3,332,000
New Services	4,430,000	3,652,000
Overhead Distribution & Transmission	26,570,000	35,696,000
Protection & Controls	2,127,000	2,245,000
Rental Light	760,000	297,000
Roads / Public R/W	4,690,000	4,495,000
Substation	5,105,000	4,575,000
T&D Tools and Materials	540,000	525,000
Transmission	3,385,000	2,418,000
Underground	2,410,000	2,958,000
Transmission & Distribution Total	\$96,798,000	\$102,938,000

Utility Technology Services Capital Projects

Advanced Metering Infrastructure (AMI)	\$590,000	\$0
AI for Quality Assurance	97,000	0
Asset Management Data Digitization	0	300,000
Automated Distribution Management System	10,572,000	10,000,000
Aveva Pi - Generation	0	50,000
CIP-015 Procurement / Implementation	0	350,000
Distributed Antenna Systems	1,348,000	250,000
Data Governance Tool	0	462,000
EAP Notifications	45,000	250,000
Enterprise Work & Asset Management EWAM	0	1,216,000
Enterprise Service Bus (ESB) Modernization	0	668,000
ESRI ArcGIS Portal 12.1 Platform Upgrade	0	355,000
Facilities Management System	0	1,300,000
iVanti (Phase 1)	0	150,000
MyAccount Value Stream	704,000	0
Paging and Alert System Upgrade	1,095,000	0
Paymentus	0	355,000
Power GIS Modernization	4,966,000	0
Power GIS Destination 2	0	650,000
Power GIS Destination 3	0	2,700,000

	2025-2026 Current Budget	2027-2028 Proposed Budget
Tacoma Power Capital Outlay		
Property Manager	0	566,000
Qmatic Major Upgrade	0	95,000
RTU Replacements	1,470,000	900,000
SAP Training Environment	0	170,000
Shoreline Permitting	0	540,000
Telephony Modernization	2,283,000	0
Telephony Modernization (CCaaS)	0	2,500,000
Telephony Modernization (UCaaS)	0	977,000
VxRail Hardware Replacement	0	4,250,000
<u>Utility Technology Services A & R</u>		
Advanced Metering	\$1,846,000	\$1,062,000
Conference Room AV Upgrades	558,000	348,000
Cybersecurity and Resilience	228,000	69,000
Telephony	576,000	0
Unmanned Aircraft Systems Program	110,000	130,000
Utility/Grid Modernization	1,112,000	0
UTS Communications	1,369,000	1,264,000
Utility Technology Services Total	\$28,969,000	\$31,927,000
Total Capital Outlay	\$222,442,000	\$229,820,000