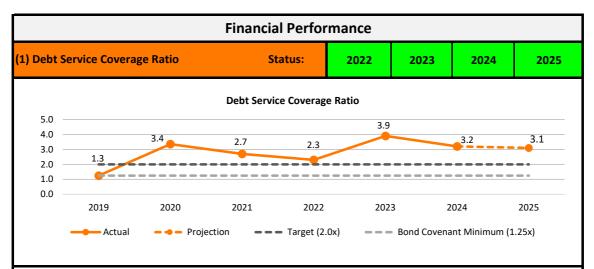
Quarter 1, 2025 Performance Metrics Report Tacoma Public Utilities Financial Performance - Supports Guiding Principle: 2 (Financial Sustainability) 1 Debt Service Coverage 1 Debt Service Coverage 1 Debt Service Coverage 2 Liquidity - Days Cash on Hand 2 Liquidity - Days Cash on Hand 2 Liquidity - Days Cash on Hand **3 Budget Performance 3 Budget Performance 3 Budget Performance** Operational Excellence - Supports Guiding Principle: 3 (Rates); 5 (Environmental Sustainability); 7 (Reliability & Resiliency) 4 Residential Bill Comparison 4 Residential Bill Comparison 4 Railroad Tariffs Comparison 5a **Distribution O&M Cost per Customer** 5 **O&M Cost per Account** 5 Operating Ratio 5b Power Supply Expense per kWh Sold 6 Unplanned Service Disruptions 6 Locomotives Serviced 6a Outage Duration 7 Distribution System Leakage 7 On-Time Switching 8 Storm Water Stewardship 6b Outage Frequency 8 Water Conservation 7 Non-Carbon Power Resources 8 Power Conservation Commitment to Cust & Employees - Supports Guiding Principle: 5 (Environ. Sustainability); 7 (Reliability); 12 (Emp. Relations); 13 (Customer Svc) 9 Customer Satisfaction 9 Customer Satisfaction 9 Customer Satisfaction 10 Employee Satisfaction 10 Employee Satisfaction 10 Employee Satisfaction 11 Employee Safety 11 Employee Safety 11 Employee Safety 12 Call Center Responsiveness 12 Call Center Responsiveness

Quarter 1, 2025

Tacoma Power	- Financial Performance	Tacoma Water	- Financial Performance	Tacoma Rail -	Financial Performance
1 Debt Service Coverage	≥ 2.0x policy minimum	1 Debt Service Coverage	≥ 1.5x policy minimum	1 Debt Service Coverage	≥ 1.5x policy minimum
	< policy min but above bond covenant		< policy min but above bond covenant		NA
	≤ 1.25x bond covenant		≤ 1.25x bond covenant		Below 1.5x policy minimum
2 Days Cash on Hand	≥ 160 days (150-250 desired range)	2 Days Cash on Hand	≥ 60 days minimum	2 Days Cash on Hand	≥ 60 days
	O Between 90 and 160 days		 Between 36 and 60 days (60% of min) 		 Between 36 and 60 days (60% of min)
	Below 90 days		Below 36 days		Below 36 days
3 Budget Performance	 Positive variance to budget 	3 Budget Performance	 Positive variance to budget 	3 Budget Performance	 Positive variance to budget
	 Negative var within 5% of exp budget 		 Negative var within 5% of exp budget 		 Negative var within 5% of exp budget
	Negative var > 5% of exp budget		Negative var > 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	 Below (better than) regional mean 	4 Residential Bill	 Below (better than) regional mean 	4 Railroad Tariffs	 Below (better than) NOPB tariffs
Comparison	Up to 10% over regional mean	Comparison	Up to 10% over regional mean	Comparison	 Between NOPB and PTRA
	≥ 10% over regional mean		≥ 10% over regional mean	·	Above PTRA tariffs
5a Distribution O&M Cost	Below (better than) West Region median	5 O&M Cost per Account	Below (better than) regional median	5 Operating Ratio	< 95% operating ratio
per Customer	Up to 10% over West Region median		Up to 10% over regional median	- p - : ::::: g . : : : : :	Between 95% and 105%
p	 ≥ 10% over West Region median 		> 10% over regional median		> 105%
5b Power Supply Expense	Below (better than) West Region median	6 Unplanned Service	Below industry median (lower is better)	6 Locomotives	● ≥ Budget
per kWh Sold	Up to 10% over West Region median	Disruptions	Within 3rd best quartile	Serviced	 Less than Budget and ≥ 85% of Budget
ρει κνντι 3010	 ≥ 10% over West Region median 	υισιαμαιοπο	Within least favorable quartile	Serviceu	< 85% of Budget
Ca. Outago Duration		7 Dietuibution Custom		7 On Time Coultables	> 85% fulfillment
6a Outage Duration	≤ 90% of target (lower is better)	7 Distribution System	-	7 On-Time Switching	_
	Between 90% and 100% of target	Leakage	 Between 10% and 15% 		Between 75% and 85%
	Above target		At or above 15%		Below 75%
6b Outage Frequency	≤ 90% of target (lower is better)	8 Water Conservation	≥ cumulative conservation target	8 Storm Water	Compliant
	Between 90% and 100% of target		Between 2017 baseline of 0% & target	Stewardship	Corrective Action
	Above target		Below 2017 baseline of 0%		 Non-compliant with storm water permit
7 Non-Carbon	≥ 100% 'green' resources to retail load				
Power Resources	Between 90% and 100%				
	Below 90%				
8 Power Conservation	≥ 100% of conservation target				
	O NA				
	Below 100% of target				
Tacoma Power - Commitment to Cust. & Employees		Tacoma Water - Commitment to Cust. & Employees		Tacoma Rail - Commitment to Cust. & Employees	
9 Customer Satisfaction	● ≥ 8.0 satisfaction	9 Customer Satisfaction	● ≥ 8.0 satisfaction	9 Customer Satisfaction	● ≥3.0 mean score
	Between 7.0 and 8.0	- customer sunspection	 Between 7.0 and 8.0 	- Customer Sunspection	 Between 2.0 and 3.0
	Below 7.0		Below 7.0		Below 2.0
10 Employee Satisfaction	≥ 70% satisfaction	10 Employee Satisfaction		10 Employee Satisfaction	≥ 70% satisfaction
	Between 60% and 70%	10 Employee Satisfaction	≥ 70% satisfactionBetween 60% and 70%	10 Employee Satisfaction	Between 60% and 70%
	Below 60%		Below 60%	4.5.1.21	Below 60%
11 Employee Safety	≤ Target	11 Employee Safety	≤ Target	11 Employee Safety	≤ industry mean
	O NA		O NA		Between 100% and 150% of mean
	> Target		> Target		> 150% of mean
12 Call Center	≥ 75%	12 Call Center	≥ 75% target		
Responsiveness	O Between 65% and 75%	Responsiveness	 Between 65% and 75% 		
	Below 65%		Below 65%		



Performance Metrics Summary

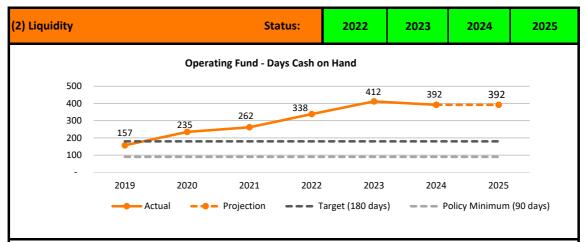


Definition: The debt service coverage ratio measures our ability to use operating income to repay our debt obligations, with a higher coverage generally indicating an affordable debt burden. This measure helps ensure that we comply with debt covenants, supports financing flexibility, and provides assurance to our investors and credit rating agencies. The utility strives to target a ratio of 2.0x.

How it is measured: Ratio of net revenues available for debt service (less City of Tacoma transfers) divided by total debt service for the year.

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly

Sources: Tacoma Power internal data



Definition: Measures the number of days the utility can continue to pay its operating expenses, given the amount of cash available. In support of stable financial and business planning, the utility strives to maintain 180 days of current budgeted expenditures in cash in the Operating Reserve.

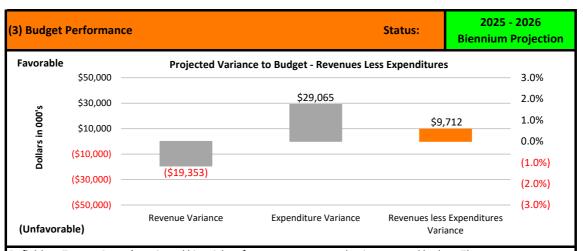
The target of 180 days is 30 days more than 150 day minimum for a AA-level rated utility and double the 90 day policy minimum.

How it is measured: Operating fund cash balance divided by average operating expenses excluding depreciation.

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly

Sources: Tacoma Power internal data





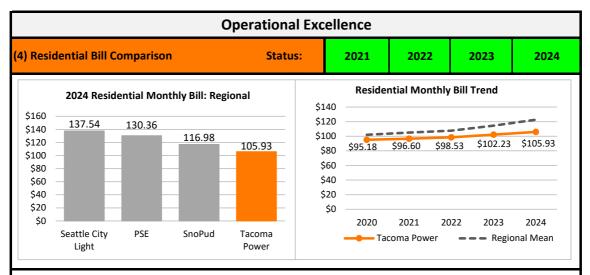
Definition: Tacoma Power's projected biennial performance as compared to its approved budget. The measure compares projected revenues and expenditures to budget for the biennium. A projection which is favorable to budget is preferable.

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

Reporting Frequency: Quarterly updates of biennium-end projection

Sources: Tacoma Power internal data



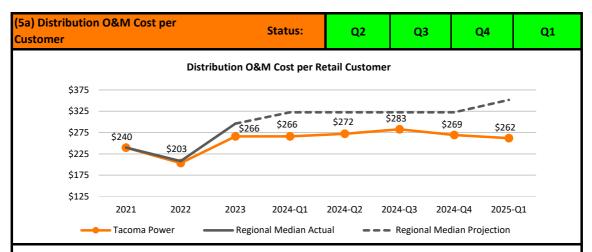


Definition: Measures and compares the monthly power bill for residential customers based on usage of 965 kilowatt hours.

How it is measured: Each utility's bill is calculated based on their effective residential rates multiplied by common billing determinants (965 kWhs).

Reporting Frequency: Annual

Sources: Each utility's published rates as of April 1 of the year.



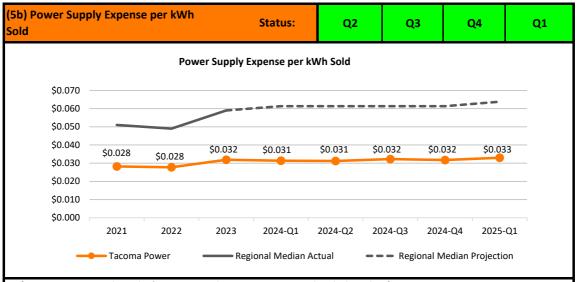
Definition: Measures the utility's distribution expense (O&M) associated with delivering power to each retail customer.

How it is measured: Total distribution expense divided by the total number of retail customers.

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

Sources: Tacoma Power internal data; American Public Power Association (APPA) Financial and Operating Ratios of Public Power Utilities. APPA benchmark is West Region (WR) and the 2023 WR Median is escalated annually using the Handy Whitman Index of Public Utility Construction Costs for Total Distribution Plant in the Pacific Region.



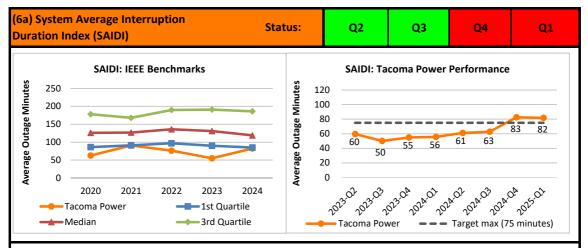


Definition: Measures the utility's power supply expense associated with the sale of power to customers.

How it is measured: Total power supply expense divided by the total kilowatt-hours sold.

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

Sources: Tacoma Power internal data; American Public Power Association (APPA) Financial and Operating Ratios of Public Power Utilities. APPA benchmark is West Region (WR) and the 2023 WR Median is escalated 4% annually thereafter.



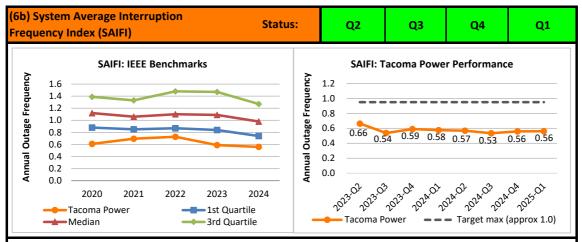
Definition: The number of minutes the average customer is without power for a sustained interruption (greater than five minutes). A lower ratio indicates shorter average outage duration.

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. The target is on average approximately 75 outage minutes per year.

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





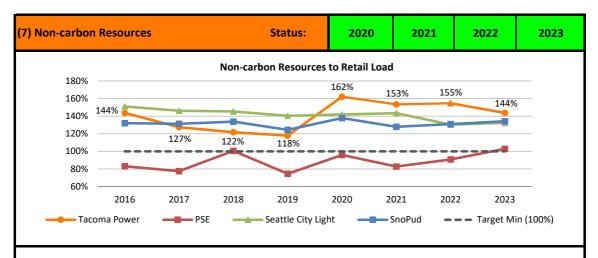
Definition: The number of times the average customer experiences a sustained interruption (greater than five minutes) in service over a specified time. A lower ratio indicates less frequent average outages.

How it is measured: Using industry-standard methods, the ratio of the total number of customers interrupted over a specified time period divided by the average number of customers served during that period. The target is on average approximately 1.0 outage per year.

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





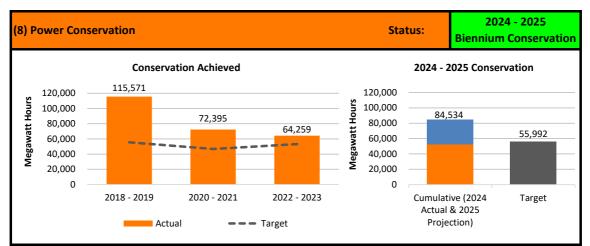
Definition: Measures Tacoma Power's contribution of carbon-free power to the marketplace, including to customers both inside and outside its service territory. A ratio above 100% implies a green power resources contribution which exceeded Tacoma Power's retail load. The higher the percentage, the greater the environmentally friendly contribution.

This measure does not consider Tacoma Power's obligation to purchase greenhouse gas emissions under the WA State Climate Commitment Act.

How it is measured: Ratio of Tacoma Power's non-carbon generated power to retail load. Through wholesale sales of excess hydroelectric carbon-free power to be used outside the Tacoma Power service territory, providing green resources benefiting others' utility customers, the ratio can exceed 100%.

Reporting Frequency: As annual reports are published

Sources: Tacoma Power internal data; WA State Dept. of Commerce Utility Fuel Mix Report



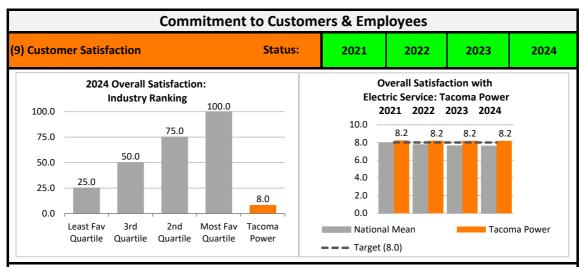
Definition: Measures total conservation achieved in megawatt hours (MWh). The utility strives to meet or exceed its established target per the Energy Independence Act (EIA).

How it is measured: The summation of actual and projected annual conservation savings from all implemented conservation efforts during a 2-year period. Current reporting period is 2024 to 2025. Conservation achieved in 2024 and 2025 is progress towards 2-year goal.

Reporting Frequency: Annual historical plus current year projection; updated quarterly

Sources: Tacoma Power internal data



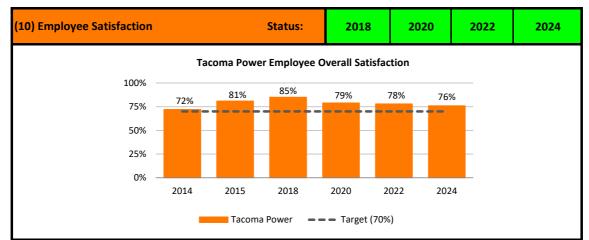


Definition: Indicates customers' overall satisfaction with electric service provided by Tacoma Power. Satisfaction is assessed using a scale from 0 (extremely dissatisfied) to 10 (extremely satisfied). A higher score indicates greater overall satisfaction.

How it is measured: Mean of all scores.

Reporting Frequency: Updated with each annually conducted survey

Sources: Tacoma Public Utilities Residential Customer Satisfaction Baseline Survey; Escalent National Energy Utility Benchmarking



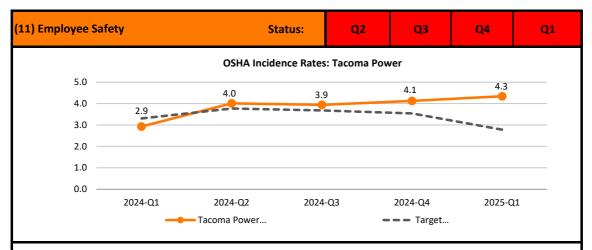
Definition: Indicates employees' response to the question "Overall, I am satisfied with TPU as a place to work." based on an independently conducted employee survey. Satisfaction is assessed using a scale of 1 (strongly disagree) to 5 (strongly agree).

How it is measured: The percentage of total responses receiving a score of 4 or 5.

Reporting Frequency: Updated with each biennially conducted survey

Sources: TPU All-Employee Engagement Survey





Definition: The number of employees per 100 full-time employees that have been involved in a recordable injury or illness. The goal is to achieve a 5% reduction over a 12-month rolling average. A lower ratio indicates less recordable injuries or illnesses.

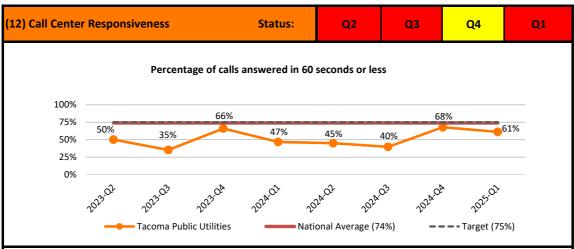
According to OSHA, a recordable is any injury or illness that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.

How it is measured: Recordable Incident Rate (RIR) is calculated using the OSHA RIR calculation (Number of injuries and illnesses X 200,000) / Employee hours worked = Recordable Incidence Rate.

The 200,000 in the formula is a constant and represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates.

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

Sources: City of Tacoma - Safety



Definition: The percentage of customers that are connected to a live representative within 60 seconds.

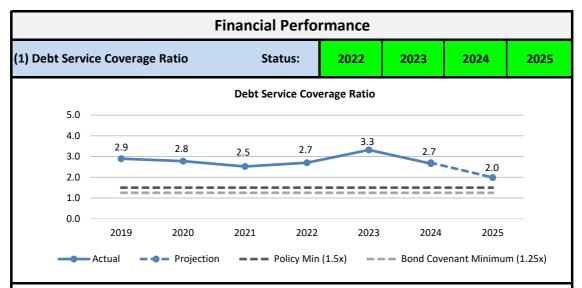
How it is measured: Number of calls answered within 60 seconds divided by the total numbers of calls received.

Reporting Frequency: Quarterly

Sources: Tacoma Public Utilities - Customer Services; E Source utility contact center data



Performance Metrics Summary



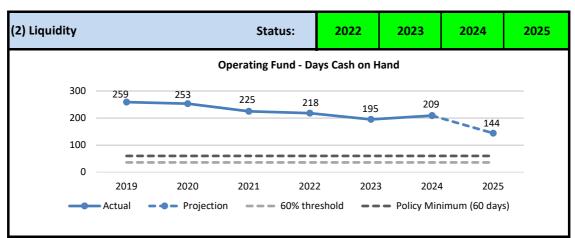
Definition: The debt service coverage ratio measures our ability to use operating income to repay our debt obligations, with a higher coverage generally indicating an affordable debt burden. This measure helps ensure that we comply with debt covenants, supports financing flexibility, and provides assurance to our investors and credit rating agencies.

The utility strives to exceed a ratio of 1.5x.

How it is measured: Ratio of net revenues available for debt service (less City of Tacoma transfers) divided by total Water Parity Bond debt service for the year.

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly

Sources: Tacoma Water internal data



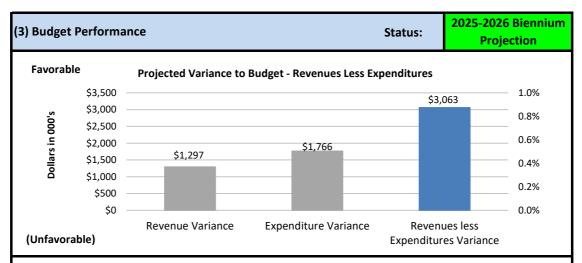
Definition: Indicates the number of days the utility could theoretically cover its operating expenses with the current cash available. A higher ratio indicates a stronger position. The utility strives to exceed a 60 day minimum while targeting a level above the minimum.

How it is measured: Ratio of available cash balance to average daily operating expenses (excluding depreciation).

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly

Sources: Tacoma Water internal data





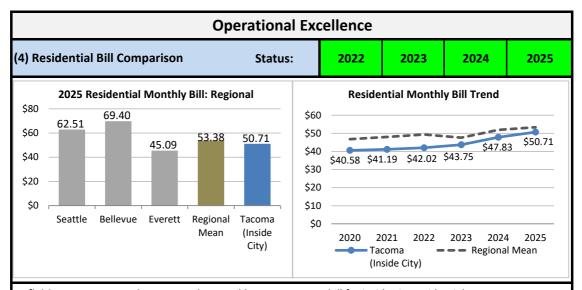
Definition: Tacoma Water's projected biennial performance as compared to its approved budget. The measure compares projected revenues and expenditures to budget for the biennium. A projection which is favorable to budget is preferable.

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

Reporting Frequency: Quarterly updates of biennium-end projection

Sources: Tacoma Water internal data



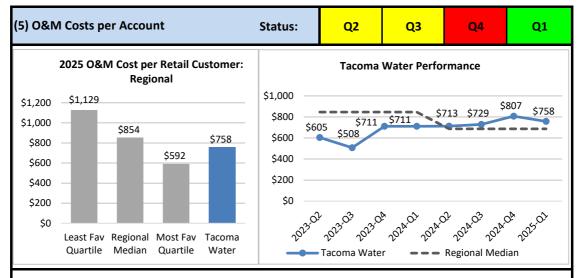


Definition: Measures and compares the monthly average water bill for inside city residential customers.

How it is measured: Total cost of the monthly fixed charge for 5/8" meter plus the volumetric charge based on a typical residential consumption pattern (6 CCF winter per month, 9 CCF per summer month).

Reporting Frequency: Annual, or as rates change

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



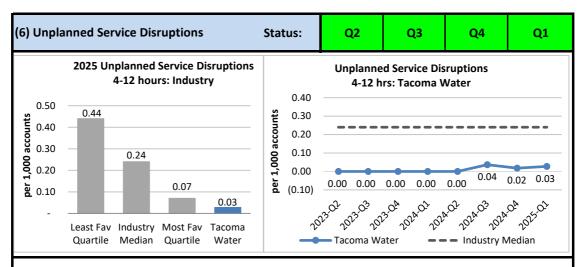
Definition: Measures the utility's operation and maintenance (O&M) cost per retail customer account.

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 2022 Regional median is escalated annually based on the Water/Sewer/Trash indices.



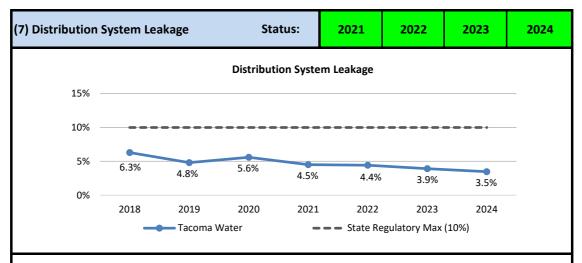


Definition: Measures the number of unplanned service disruptions lasting between 4 and 12 hours over the period, expressed per 1,000 accounts. A lower ratio is preferred, indicating fewer unplanned service disruptions.

How it is measured: Ratio of total number of unplanned service disruptions of 4-12 hours x 1,000 divided by the number of residential and non-residential accounts.

Reporting Frequency: Quarterly

Sources: Tacoma Water internal data; AWWA



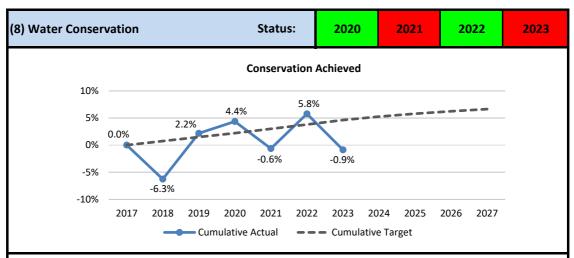
Definition: Measures the difference between the amount of water Tacoma Water produces and the amount of water accounted for in sales and other known uses for a given period. Identifies leaks and/or unauthorized use of water in the Tacoma Water transmission and distribution systems. A lower ratio is preferred.

How it is measured: Ratio of total water produced minus authorized consumption to total water produced x 100.

Reporting Frequency: Annual

Sources: Tacoma Water internal data





Definition: Measurement of realized conservation compared to conservation goal. The current conservation goal for Tacoma Water is to achieve a 6.65% reduction in peak water production (measured May to October) between 2018 and 2027.

How it is measured: Cumulative percentage reduction in consumption, measured in gallons per capita per day.

Reporting Frequency: Annual progress towards 10-year goal

Sources: Tacoma Water internal data



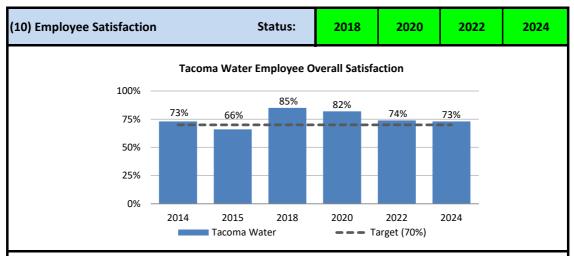


Definition: Indicates customers' overall satisfaction with water service provided by Tacoma Water. Satisfaction is assessed using a scale from 0 (extremely dissatisfied) to 10 (extremely satisfied). A higher score indicates greater overall satisfaction.

How it is measured: Mean of all scores.

Reporting Frequency: Updated with each annually conducted survey

Sources: Tacoma Public Utilities Residential Customer Satisfaction Baseline Survey



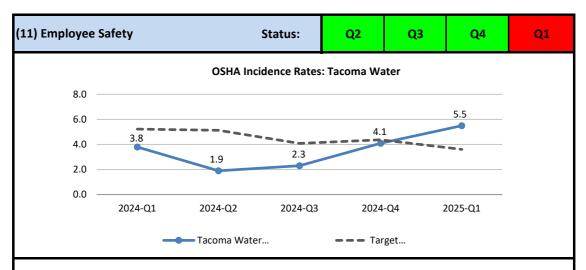
Definition: Indicates employees' response to the question "Overall, I am satisfied with TPU as a place to work." based on an independently conducted employee survey. Satisfaction is assessed using a scale of 1 (strongly disagree) to 5 (strongly agree).

How it is measured: Percentage of total responses receiving a score of 4 or 5.

Reporting Frequency: Updated with each biennially conducted survey

Sources: TPU All-Employee Engagement Survey





Definition: The number of employees per 100 full-time employees that have been involved in a recordable injury or illness. The goal is to achieve a 5% reduction over a 12-month rolling average. A lower ratio indicates less recordable injuries or illnesses.

According to OSHA, a recordable is any injury or illness that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.

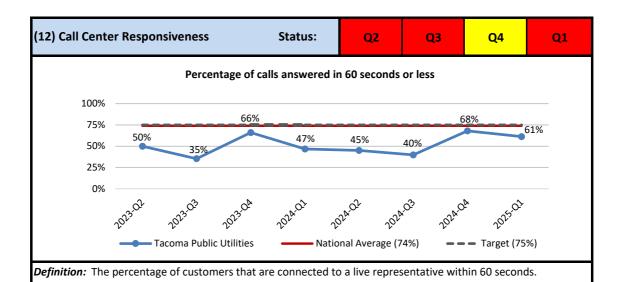
How it is measured: Recordable Incident Rate (RIR) is calculated using the OSHA RIR calculation (Number of injuries and illnesses X 200,000) / Employee hours worked = Recordable Incidence Rate.

The 200,000 in the formula is a constant and represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates.

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

Sources: City of Tacoma - Safety

Reporting Frequency: Quarterly

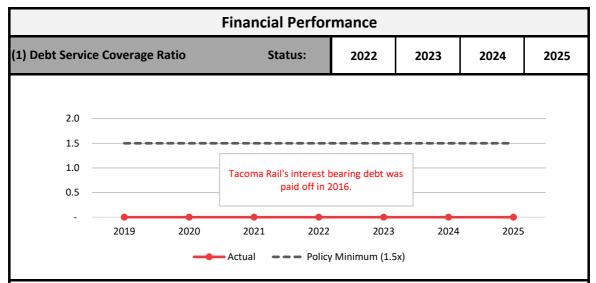


Sources: Tacoma Public Utilities - Customer Services; E Source utility contact center data

How it is measured: Number of calls answered within 60 seconds divided by the total numbers of calls received.



Performance Metrics Summary



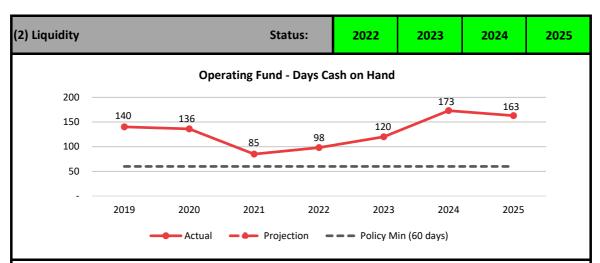
Definition: The debt service coverage ratio measures our ability to use operating income to repay our debt obligations, with a higher coverage generally indicating an affordable debt burden. This measure helps ensure that we comply with debt covenants, supports financing flexibility, and provides assurance to our investors and credit rating agencies.

The utility strives to exceed a ratio of 1.5x.

How it is measured: Ratio of net revenues available for debt service to total long-term debt service (less City of Tacoma transfers) for the year.

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly

Sources: Tacoma Rail internal data

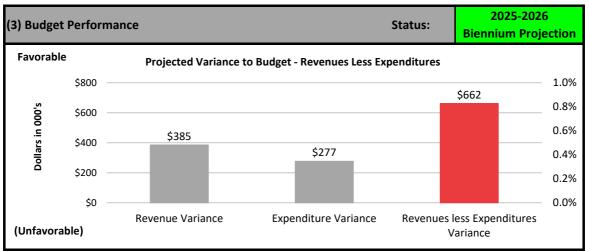


Definition: Measures the number of days the utility can continue to pay its operating expenses, given the amount of cash available. In support of stable financial and business planning, the utility's policy is to maintain 60 days of current budgeted expenditures in cash in the Operating Reserve.

How it is measured: Operating fund cash balance divided by average operating expenses excluding depreciation.

Reporting Frequency: Annual historical actuals plus annual projections; updated quarterly



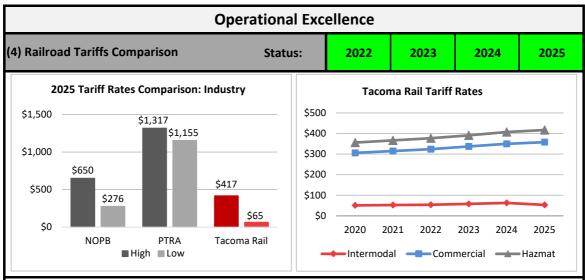


Definition: Tacoma Rail's projected biennial performance as compared to its approved budget. The measure compares projected revenues and expenditures to budget for the biennium. A projection which is favorable to budget is preferable.

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-end projection



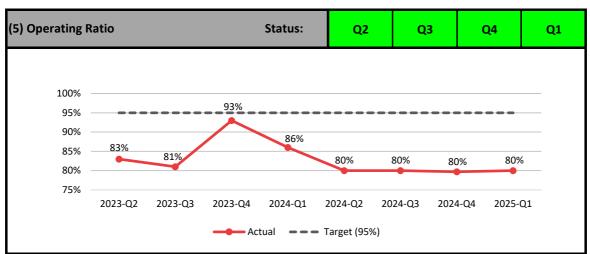


Definition: Compares Tacoma Rail freight tariff rates to similar short-line railroads. Lower rates are favorable for customers, all other things being equal.

How it is measured: The low and high range of Tacoma Rail freight tariff rates in the Tidelands Division are compared to similar short-line railroads; the 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)

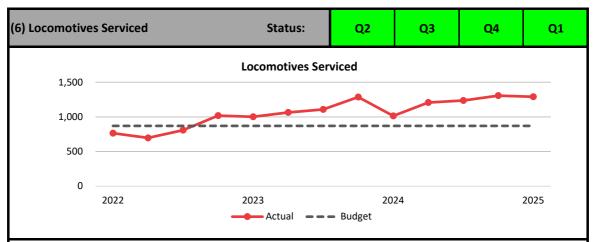


Definition: A key measure of railroad performance, the operating ratio is an indicator of profitability and operating efficiency. A lower ratio is better as more revenue is available to reinvest in the business and minimize customer rates. As a municipal short-line railroad, performance below 100% is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

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

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

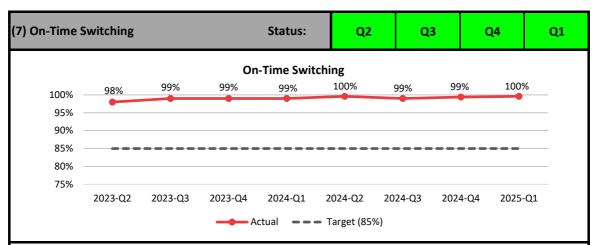




Definition: Measures the number of mainline locomotives left with Tacoma Rail for servicing, making them ready for eastbound train movements. A higher number is favorable.

How it is measured: Count of BNSF and Union Pacific locomotives that have been serviced by Tacoma Rail as compared to budgeted volumes.

Reporting Frequency: Quarterly actuals **Sources:** Tacoma Rail internal data

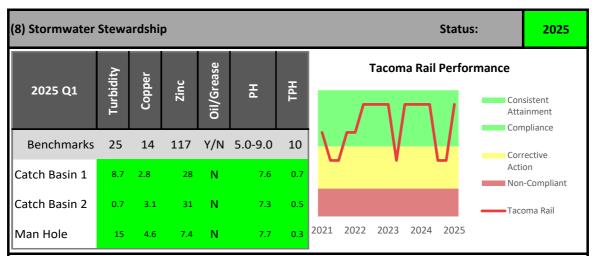


Definition: Measures Tacoma Rail's fulfillment of daily switch requests by 8:00 AM of the following morning. The higher the ratio, the greater the fulfillment of requests.

How it is measured: Ratio of the number of railcars switched by 8:00 AM to the total number of railcars requested to be switched.

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





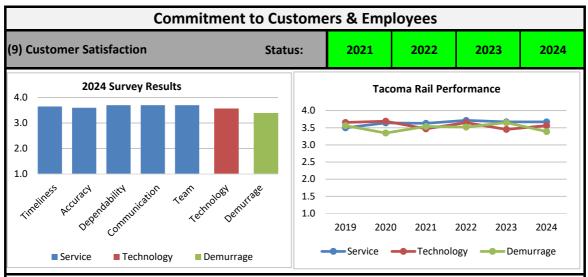
Definition: Tacoma Rail strives to be compliant with its Industrial Stormwater Permit which includes testing for zinc, copper, oil, turbidity, pH and total petroleum hydrocarbon levels in storm water runoff at three location points. The goal is to achieve full consistent attainment which is achieved after eight quarters of compliance. If any level tests out of the Washington State Department of Ecology (WSDOE) standard, a Corrective Action is needed. Each Corrective action level has specific requirements defined by the applied Industrial Stormwater Permit.

How it is measured: For Washington State Department of Ecology standards for stormwater compliance, quarterly tests of water flows at collection locations at Tacoma Rail are conducted and summarized in a detailed report. Green represents compliance. Yellow represents an exceedance that resulted in corrective action(s) taken. Red is non-compliance.

Reporting Frequency: Quarterly

Sources: Washington State Department of Ecology (Stormwater)



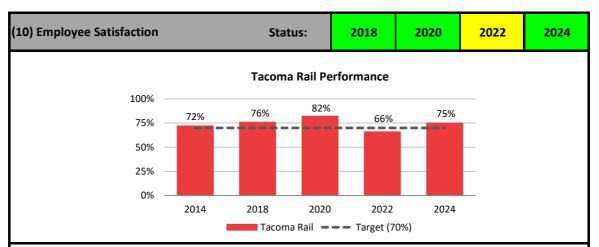


Definition: Measures customers' overall satisfaction with Tacoma Rail in the areas of service, technology, and demurrage. Based on a customer survey using a 1 to 4 scale, with 3 being satisfied and 4 being very satisfied. A higher score indicates greater overall satisfaction in key areas.

How it is measured: Mean of the weighted average score of question categories in the survey.

Reporting Frequency: Updated with each newly conducted annual survey

Sources: Tacoma Rail internal data



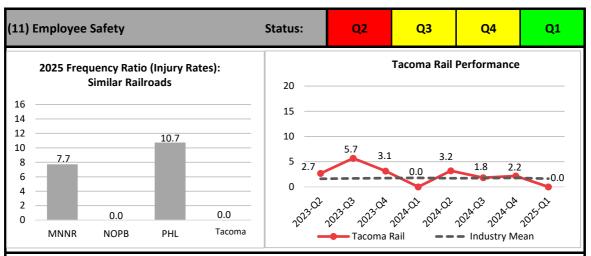
Definition: Indicates employees' response to the question "Overall, I am satisfied with TPU as a place to work." based on an independently conducted employee survey. Satisfaction is assessed using a scale of 1 (strongly disagree) to 5 (strongly agree).

How it is measured: The percentage of total responses receiving a score of 4 or 5.

Reporting Frequency: Updated with each biennially conducted survey

Sources: TPU All-Employee Engagement Survey





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.

How it is measured: Railroad employee on-duty safety metrics by railroad per 200,000 hours worked.

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

Sources: Tacoma Rail internal data; ASLRRA; Minnesota Commercial Railway (MNNR); New Orleans Public Beltline (NOPB); Pacific Harbor Line (PHL); Terminal Railway Alabama State Docks (TASD)