

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

December 2013
(Unaudited)

**Muscatine Power and Water
Electric Utility**

Table of Contents

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Position.....	3 - 4
Statements of Net Position.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - December 2013

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	94,764,992	19.1	112,836,339	37.5	82,072,006
Less: Plant Use	<u>9,557,796</u>	11.0	<u>10,604,392</u>	3.0	<u>10,295,516</u>
Net Generation/Wholesale Sales	<u>85,207,196</u>	20.0	<u>102,231,947</u>	42.4	<u>71,776,490</u>
<u>Net Capacity Factors</u>					
Unit 9	55.00	8.1	59.44	17.8	50.44
Unit 8/8A	36.98	79.4	66.36	99.2	33.32
Unit 7	35.00	43.5	50.21	---	---
Total Plant	49.61	20.5	59.78	42.6	41.92
<u>KWH Distribution</u>					
Residential	9,049,320	(5.0)	8,594,664	7.6	7,990,851
Commercial I	3,123,880	(1.5)	3,077,698	2.4	3,006,300
Commercial II	8,281,030	(2.4)	8,080,900	0.4	8,048,921
Industrial I	8,890,009	(5.5)	8,402,600	4.3	8,058,640
Industrial II	37,693,175	5.5	39,784,906	5.8	37,588,965
City Enterprise Funds	491,490	(9.6)	444,495	25.1	355,389
Water & Communications Utilities	<u>1,301,043</u>	8.5	<u>1,411,767</u>	10.5	<u>1,277,418</u>
Native System Sales	68,829,947	1.4	69,797,030	5.2	66,326,484
City Lighting	169,723	(4.5)	162,086	(0.5)	162,920
City Buildings	555,769	7.0	594,673	8.9	546,100
Offline Power Plant Usage	---	---	575,786	3.0X	143,972
Losses & Cycle Billing	<u>3,359,281</u>	36.0	<u>4,569,035</u>	48.0	<u>3,086,272</u>
Total Native System KWH Distributed/Purchased Power	<u>72,914,720</u>	3.8	<u>75,698,610</u>	7.7	<u>70,265,748</u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u>256,148</u>	5.0	<u>268,844</u>	12.8	<u>238,279</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - December 2013

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	813,697,688	46.5	1,192,287,575	54.2	773,019,019
Less: Plant Use	<u>84,457,755</u>	43.2	<u>120,910,399</u>	28.9	<u>93,778,796</u>
Net Generation/Wholesale Sales	<u>729,239,933</u>	46.9	<u>1,071,377,176</u>	57.7	<u>679,240,223</u>
<u>Net Capacity Factors</u>					
Unit 9	37.68	56.2	58.86	63.4	36.03
Unit 8/8A	35.65	35.9	48.44	28.5	37.71
Unit 7	25.14	(2.1)	24.62	1.6X	9.63
Total Plant	36.06	47.6	53.22	58.4	33.59
<u>KWH Distribution</u>					
Residential	108,000,000	(2.5)	105,274,930	(0.5)	105,778,631
Commercial I	39,010,400	0.3	39,138,393	1.8	38,438,931
Commercial II	105,444,000	(4.4)	100,779,582	0.7	100,039,238
Industrial I	118,866,000	2.2	121,526,880	4.6	116,194,040
Industrial II	453,500,000	(1.3)	447,595,165	(0.3)	448,869,206
City Enterprise Funds	5,500,000	(12.0)	4,839,797	17.9	4,104,965
Water & Communications Utilities	<u>16,058,000</u>	0.0	<u>16,063,736</u>	7.5	<u>14,943,292</u>
Native System Sales	846,378,400	(1.3)	835,218,483	0.8	828,368,303
City Lighting	2,037,922	(1.9)	2,000,000	(0.4)	2,007,116
City Buildings	6,322,008	10.6	6,994,915	7.9	6,484,681
Offline Power Plant Usage	2,056,000	81.4	3,730,068	(39.0)	6,114,033
Losses & Cycle Billing	<u>26,967,810</u>	(2.7)	<u>26,241,448</u>	11.6	<u>23,513,012</u>
Total Native System KWH Distributed/Purchased Power	<u>883,762,140</u>	(1.1)	<u>874,184,914</u>	0.9	<u>866,487,145</u>
 <u>STEAM SALES - 1000 lbs</u>	 <u>2,652,491</u>	 1.9	 <u>2,704,209</u>	 2.3	 <u>2,642,142</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - December 2013

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$803,461	0.08879	\$865,842	0.10074 ^{fn1}	\$754,854	0.09446 ^{fn2}
Commercial I	264,870	0.08479	276,696	0.08990 ^{fn1}	244,764	0.08142 ^{fn2}
Commercial II	522,073	0.06304	537,555	0.06652	479,203	0.05954
Industrial I	508,230	0.05717	486,890	0.05795	452,965	0.05621
Industrial II	1,847,442	0.04901	1,873,150	0.04708	1,767,414	0.04702
City Enterprise Funds	29,657	0.06034	28,194	0.06343	21,883	0.06157
Water & Communication Utilities	66,451	0.05108	77,761	0.05508	62,866	0.04921
Native System Sales	4,042,184	0.05873	4,146,088	0.05940	3,783,949	0.05705
Wholesale Sales	2,300,594	0.02700	3,593,844	0.03515	1,794,562	0.02500
Energy Sales	6,342,778		7,739,932		5,578,511	
<u>Steam Sales</u>	981,765	3.83	1,024,562	3.81	882,364	3.70
<u>Other Revenue</u>						
Rail Car Lease	---		33,616		76,894	
By-Product Revenue	24,586		9,475		8,432	
Miscellaneous Revenue	45,093		67,356		37,090	
Total Other Revenue	69,679		110,447		122,416	
Operating Revenue	7,394,222		8,874,941		6,583,291	
<u>Operating Expense</u>						
Purchased Power	1,749,953	0.02400	2,789,036	0.03684	1,508,251	0.02146
Production Fuel	2,388,204		2,852,851		1,994,666	
Emissions Allowance	5,261		8,685		(37,535)	
Operation	1,898,548		2,131,007		2,019,798	
Maintenance	774,631		807,925		666,061	
Depreciation	944,953		937,001		929,362	
Total Operating Expense	7,761,550		9,526,505		7,080,603	
Operating Loss	(367,328)		(651,564)		(497,312)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	112,776		107,857		104,491	
Interest Expense	(450)		(139)		(91)	
Total Nonoperating Revenue (Expense)	112,326		107,718		104,400	
Net Loss Before Revenue Adjustment	(255,002)		(543,846)		(392,912)	
Capital Contributions	135,333		---		---	
Revenue Adjustment-Extraordinary O&M	(7,104,575)		(7,000,000)		9,159	
Change in Net Position	(7,224,244)		(7,543,846)		(383,753)	
Beginning Net Position	158,005,928		162,269,903		164,237,702	
Ending Net Position	\$150,781,684		\$154,726,057		\$163,853,949	
Net Loss Before Rev Adj to Op Revenue	(3.5)		(6.1)		(6.0)	
Change in Net Position to Operating Revenue	(97.7)		(85.0)		(5.8)	

fn1 Includes an adjustment to unbilled revenues of \$38,200 and \$7,091 for residential and commercial I customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$18,758 and (\$1,233) for residential and commercial I customers, respectively.

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - December 2013

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$9,393,621	0.08698	\$9,858,062	0.09364 ^{fn1}	\$9,142,470	0.08643 ^{fn2}
Commercial I	3,235,222	0.08293	3,298,785	0.08429 ^{fn1}	3,100,166	0.08065 ^{fn2}
Commercial II	6,477,061	0.06143	6,310,698	0.06262	5,983,338	0.05981
Industrial I	6,536,913	0.05499	6,563,089	0.05401	6,078,164	0.05231
Industrial II	21,673,627	0.04779	21,134,338	0.04722	20,599,304	0.04589
City Enterprise Funds	321,525	0.05846	300,390	0.06207	253,285	0.06170
Water & Communications Utilities	807,497	0.05029	851,471	0.05301	748,797	0.05011
Native System Sales	48,445,466	0.05724	48,316,833	0.05785	45,905,524	0.05542
Wholesale Sales	21,563,951	0.02957	34,592,828	0.03229	19,116,472	0.02814
Energy Sales	70,009,417		82,909,661		65,021,996	
Steam Sales	9,833,536	3.71	9,948,274	3.68	9,590,557	3.63
<u>Other Revenue</u>						
Rail Car Lease	218,000		248,738		857,659	
By-Product Revenue	345,576		322,929		519,450	
Miscellaneous Revenue	578,044		616,114		601,064	
Total Other Revenue	1,141,620		1,187,781		1,978,173	
Operating Revenue	80,984,573		94,045,716		76,590,726	
<u>Operating Expense</u>						
Purchased Power	21,518,204	0.02435	25,404,598	0.02906	19,100,202	0.02204
Production Fuel	21,136,198		28,188,826		19,910,508	
Emissions Allowance	67,688		85,429		43,881	
Operation	22,721,576		21,791,226		21,375,469	
Maintenance	11,636,539		10,814,473		8,809,365	
Depreciation	11,339,445		11,244,012		11,152,344	
Total Operating Expense	88,419,650		97,528,564		80,391,769	
Operating Loss	(7,435,077)		(3,482,848)		(3,801,043)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,337,454		1,294,590		1,258,149	
Interest Expense	(5,400)		(1,769)		(1,519)	
Total Nonoperating Revenue (Expense)	1,332,054		1,292,821		1,256,630	
Net Loss Before Revenue Adjustment and Capital Contributions	(6,103,023)		(2,190,027)		(2,544,413)	
Capital Contributions	135,333		62,135		21,102	
Revenue Adjustment-Extraordinary O&M	(7,104,575)		(7,000,000)		4,000,000	
Change in Net Position	(13,072,265)		(9,127,892)		1,476,689	
Beginning Net Position	163,853,949		163,853,949		162,377,260	
Ending Net Position	\$150,781,684		\$154,726,057		\$163,853,949	
Net Loss Before Rev Adj to Op Revenue	(7.5)		(2.3)		(3.3)	
Change in Net Position to Operating Revenue	(16.1)		(9.7)		1.9	

fn1 Includes an adjustment to unbilled revenues of \$38,200 and \$7,091 for residential and commercial I customers, respectively.

fn2 Includes an adjustment to unbilled revenues of \$18,758 and (\$1,233) for residential and commercial I customers, respectively.

Muscatine Power and Water - Electric Utility
Statements of Net Position
December 2013

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$8,031,242	\$6,032,610
Investments	<u>5,000,640</u>	<u>---</u>
Total Restricted Current Assets	<u>13,031,882</u>	<u>6,032,610</u>
<u>Unrestricted</u>		
Cash - interest bearing	6,563,019	10,942,364
Investments	9,500,000	---
Receivables:		
Consumer Accounts	6,760,627 ^{fn1}	4,770,610 ^{fn2}
Wholesale	1,041,476	94,579
Steam Sales	1,078,590	934,531
Interest	647,903	623,610
Intercompanies	---	17,211
Inventories	6,318,608	6,685,310
Fuel	5,069,168	12,788,160
Prepaid Expenses	<u>492,326</u>	<u>476,547</u>
Total Unrestricted Current Assets	<u>37,471,717</u>	<u>37,332,922</u>
Total Current Assets	<u>50,503,599</u>	<u>43,365,532</u>
Property and Equipment:		
At Cost	412,024,737	409,363,366
Less Accumulated Depreciation	<u>321,247,200</u>	<u>311,695,925</u>
Net Property and Equipment	<u>90,777,537</u>	<u>97,667,441</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	400,000	---
Joint Venture Rights	<u>101,621</u>	<u>110,558</u>
Total Other Assets	<u>35,828,621</u>	<u>35,437,558</u>
TOTAL ASSETS	<u><u>\$177,109,757</u></u>	<u><u>\$176,470,531</u></u>

fn1 Includes \$439,938 for unbilled revenues.

fn2 Includes \$394,647 for unbilled revenues.

Muscatine Power and Water - Electric Utility
Statements of Net Position
December 2013

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,016,565	\$1,385,710
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	462,833	391,786
Accrued Vacation	1,093,480	1,111,844
Accrued Emission Allowance Expense	70,695	66,025
Consumers' Deposits	593,941	574,916
Accrued Property Taxes	97,560	106,319
Miscellaneous Accrued Expenses	787,073	760,571
Unearned Mooring Lease	2,967	---
Economic Development Reserves	---	13,850
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	7,354,214	4,584,847
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,494,518	1,649,735
Post-Employment Health Benefit Provision	321,732	168,764
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,996,620	1,998,869
	<hr/>	<hr/>
Deferred Inflows - Extraordinary O & M	13,032,866	6,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	90,777,537	97,667,441
Restricted	13,031,882	6,032,610
Unrestricted	50,916,638	60,153,898
	<hr/>	<hr/>
Total Net Position	154,726,057	163,853,949
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$177,109,757</u>	<u>\$176,470,531</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
December 2013

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,186,669	\$47,926,989
MISO sales	3,395,496	32,676,006
Steam sales	749,269	9,741,539
Coal & transportation allowances	---	3,925
Railcar leasing	15,814	307,399
By-product sales	1,778	198,495
Miscellaneous sources	22,351	558,670
Cash paid to/for:		
Suppliers	(890,205)	(9,364,805)
MISO purchases/administration fees	(2,927,926)	(25,539,529)
Coal	(2,258,376)	(18,178,152)
Employees payroll, taxes and benefits	(1,764,300)	(22,724,091)
Net cash flows from operating activities	<u>530,570</u>	<u>15,606,446</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(303,015)	(4,264,520)
Loan to Water Utility	<u>---</u>	<u>(400,000)</u>
Net cash flows from capital and related financing activities	<u>(303,015)</u>	<u>(4,664,520)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(92,470)
Interest received on investments and note receivable	7,943	1,271,474
Accrued interest purchased	---	(1,540)
Amortization/accretion of investments	(143)	489
Mark to Market	(377)	48
Net cash flows from investing activities	<u>7,423</u>	<u>1,178,001</u>
Net increase in cash and investments	<u>234,978</u>	<u>12,119,927</u>
Cash and investments at beginning of period	<u>28,859,923</u>	<u>16,974,974</u>
Cash and investments at end of period	<u><u>\$29,094,901</u></u>	<u><u>\$29,094,901</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
December 2013

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$651,564)	(\$3,482,848)
Noncash items in operating income:		
Depreciation of electric utility plant	937,001	11,244,012
Amortization of joint venture rights	6,335	101,407
Changes in assets and liabilities:		
Consumer accounts receivable	(1,583,510)	(1,990,017)
Wholesale receivable	(335,046)	(946,897)
Steam sales receivable	(275,649)	(144,059)
Intercompany receivable	---	17,211
Inventories	102,567	247,706
Fuel	120,463	7,718,992
Prepaid expenses	41,106	(15,779)
Accounts payable	1,760,239	2,722,230
Pension provision	257,812	---
Health & dental insurance provision	(88,278)	(99,943)
Other post-employment benefit provision	23,506	152,968
Accrued payroll	126,304	71,047
Accrued vacation	(32,631)	(18,364)
Accrued emission allowance expense	8,684	4,670
Consumers' deposits	(1,473)	19,025
Retained percentage	---	---
Accrued property taxes	15,927	(8,759)
Miscellaneous accrued expenses	98,777	24,727
Miscellaneous unearned credits	---	(10,883)
Net cash flows from operating activities	<u>\$530,570</u>	<u>\$15,606,446</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
December 2013**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,031,882</u>	<u>\$6,032,610</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,031,882</u></u>	<u><u>\$6,032,610</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - December 2013

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,749,953</u>	23.7	<u>\$2,789,036</u>	31.4	<u>\$1,508,251</u>	22.9
Average price per kWh	\$0.0240		\$0.0368		\$0.0215	
<u>Generation</u>						
Operation Supervision	76,933		78,942		72,812	
Fuel:						
Coal	2,271,351		2,693,878		1,894,222	
Fuel Oil	18,999		63,595		430	
Gas	25,000		16,366		21,303	
Coal Handling Expense	69,521		65,367		68,250	
Landfill Operation Expense	3,333		13,645		10,461	
Emissions Allowance Expense	5,261		8,685		(37,535)	
Steam Expense:						
Boiler	109,373		95,631		105,003	
Pollution Control	40,207		33,277		34,985	
Electric Expense	90,977		99,314		98,114	
Miscellaneous Steam Power Expense	147,049		254,514		101,169	
Maintenance:						
Supervision	76,897		78,695		70,746	
Structures	54,766		71,563		37,266	
Boiler Plant:						
Boiler	142,098		209,279		107,829	
Pollution Control	21,672		21,365		37,082	
Electric Plant	42,558		16,786		71,316	
System Control	18,030		17,377		14,846	
Miscellaneous Steam Plant	64,752		67,501		58,125	
Coal Handling Equipment	181,888		143,616		139,640	
System Control and Load Dispatch	25,474		12,752		23,994	
Vacation, Holiday, Sick Leave	130,078		153,949		155,409	
Depreciation	<u>624,688</u>		<u>622,373</u>		<u>622,359</u>	
Total Generation Expense	<u>\$4,240,905</u>	57.4	<u>\$4,838,470</u>	54.5	<u>\$3,707,826</u>	56.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - December 2013

Page 11

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$21,518,204</u>	26.6	<u>\$25,404,598</u>	27.0	<u>\$19,100,202</u>	24.9
Average price per kWh	\$0.0243		\$0.0291		\$0.0220	
<u>Generation</u>						
Operation Supervision	932,971		952,252		907,761	
Fuel:						
Coal	19,792,407		26,977,184		18,776,329	
Fuel Oil	225,728		222,075		179,400	
Gas	205,000		147,438		154,882	
Coal Handling Expense	821,438		773,873		727,131	
Landfill Operation Expense	91,625		68,256		72,766	
Emissions Allowance Expense	67,688		85,429		43,881	
Steam Expense:						
Boiler	1,416,210		1,206,356		1,148,147	
Pollution Control	600,010		439,000		406,978	
Electric Expense	1,162,130		1,116,301		1,123,941	
Miscellaneous Steam Power Expense	2,099,423		2,130,218		1,857,833	
Maintenance:						
Supervision	963,667		969,369		936,814	
Structures	811,039		732,009		627,027	
Boiler Plant:						
Boiler	3,374,256		3,079,421		2,082,338	
Pollution Control	555,305		767,728		777,674	
Electric Plant	1,114,909		976,365		522,630	
System Control	258,923		208,042		200,703	
Miscellaneous Steam Plant	883,187		831,479		770,046	
Coal Handling Equipment	1,416,067		1,087,381		945,185	
System Control and Load Dispatch	292,053		311,178		343,457	
Vacation, Holiday, Sick Leave	1,116,163		1,216,771		1,219,109	
Depreciation	<u>7,496,256</u>		<u>7,468,476</u>		<u>7,468,308</u>	
Total Generation Expense	<u>\$45,696,455</u>	56.4	<u>\$51,766,601</u>	55.0	<u>\$41,292,340</u>	53.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - December 2013

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,695		\$3,523		\$2,675	
Load Dispatching	44,318		40,198		43,430	
Station Expense	7,205		11,118		3,892	
Overhead Line Expense	130		---		568	
Transmission of Electricity by Others	10,934		12,599		2,601	
Miscellaneous Transmission Expense	9,516		2,795		3,889	
Maintenance:						
Supervision	1,885		1,654		1,458	
Structures	23		---		---	
Station Equipment	5,438		4,470		2,507	
Overhead Lines	10,057		33,586		(2,535)	
Vacation, Holiday, Sick Leave	9,722		9,738		13,416	
Depreciation	30,745		30,625		30,625	
Tax on Rural Property	5,682		12,755		5,944	
Total Transmission Expense	139,350	1.9	163,061	1.8	108,470	1.6
<u>Distribution</u>						
Operation Supervision	10,418		10,080		8,977	
Load Dispatching	36,980		26,584		28,340	
Station Expense	6,818		7,114		4,549	
Overhead Line Expense	2,952		2,449		6,165	
Vehicle Expense	15,643		16,282		21,823	
Underground Line Expense	3,520		2,778		1,808	
Street Lighting	1,667		1,467		4,203	
Signal Expense	555		---		383	
Meter Expense	7,167		8,653		9,460	
Consumer Installation Expense	593		212		1,137	
Miscellaneous Distribution Expense	49,799		37,047		37,253	
Maintenance:						
Supervision	9,130		9,128		8,313	
Structures	450		---		---	
Station Equipment	10,837		9,240		10,779	
Overhead Lines	55,748		49,195		42,277	
Underground Lines	8,473		8,010		3,990	
Line Transformers	3,097		867		4,522	
Street Lighting	5,054		6,508		1,767	
Signal System	3,587		493		1,820	
Meters	2,217		1,522		3,936	
Miscellaneous Distribution Plant	2,278		1,913		1,871	
Vacation, Holiday, Sick Leave	43,248		44,185		53,729	
Depreciation	156,137		155,502		152,158	
Tax on Rural Property	1,697		3,810		1,775	
Total Distribution Expense	\$438,065	5.9	\$403,039	4.5	\$411,035	6.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - December 2013

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$44,279		\$48,165		\$43,866	
Load Dispatching	540,766		624,308		606,155	
Station Expense	93,554		88,496		86,680	
Overhead Line Expense	961		2,912		3,786	
Transmission of Electricity by Others	131,200		156,514		31,824	
Miscellaneous Transmission Expense	125,972		61,947		84,972	
Maintenance:						
Supervision	22,425		22,697		20,184	
Structures	10,812		---		---	
Station Equipment	84,336		67,089		47,994	
Overhead Lines	124,385		152,129		129,799	
Vacation, Holiday, Sick Leave	80,576		86,122		74,140	
Depreciation	368,937		367,500		367,500	
Tax on Rural Property	68,184		68,035		67,572	
Total Transmission Expense	<u>1,696,387</u>	2.1	<u>1,745,914</u>	1.9	<u>1,564,472</u>	2.0
<u>Distribution</u>						
Operation Supervision	124,723		135,012		119,980	
Load Dispatching	427,426		347,812		340,209	
Station Expense	84,698		78,481		69,638	
Overhead Line Expense	52,586		22,917		27,431	
Vehicle Expense	187,762		196,528		176,735	
Underground Line Expense	40,110		41,636		35,966	
Street Lighting	20,531		24,333		20,715	
Signal Expense	10,158		4,683		2,894	
Meter Expense	92,048		96,218		117,065	
Consumer Installation Expense	7,303		6,425		16,824	
Miscellaneous Distribution Expense	616,756		588,039		619,533	
Maintenance:						
Supervision	113,349		121,977		108,092	
Structures	10,921		---		---	
Station Equipment	109,936		130,733		87,428	
Overhead Lines	670,107		655,881		563,505	
Underground Lines	107,120		100,842		86,497	
Line Transformers	55,727		54,188		65,704	
Street Lighting	61,964		87,572		32,886	
Signal System	32,869		25,482		55,105	
Meters	29,542		25,772		11,865	
Miscellaneous Distribution Plant	27,336		29,580		23,553	
Vacation, Holiday, Sick Leave	354,171		364,840		351,119	
Depreciation	1,873,649		1,866,024		1,825,896	
Tax on Rural Property	20,364		20,311		20,189	
Total Distribution Expense	<u>\$5,131,156</u>	6.3	<u>\$5,025,286</u>	5.3	<u>\$4,778,829</u>	6.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - December 2013

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$14,739		\$15,194		\$15,187	
Energy Efficiency Rebates	19,891		43,227		43,110	
Electric Ranges/Dryers Maintenance	450		192		153	
Electric Water Heaters Maintenance	179		---		---	
Total Customer Service Expense	<u>35,259</u>	0.5	<u>58,613</u>	0.7	<u>58,450</u>	0.9
<u>Consumer Accounts</u>						
Supervision	2,758		2,247		1,442	
Meter Reading Expense	8,388		9,238		8,756	
Consumer Records and Collection	31,399		35,792		26,539	
Uncollectible Accounts Expense	3,297		10,893		48,819	
Vacation, Holiday, Sick Leave	6,643		7,294		6,943	
Total Consumer Accounts Expense	<u>52,485</u>	0.7	<u>65,464</u>	0.7	<u>92,499</u>	1.4
<u>Administrative and General</u>						
Administrative and General Salaries	167,796		160,664		148,775	
Office Supplies and Expenses	19,465		12,095		11,422	
Outside Services Employed	64,701		40,010		39,009	
Property Insurance	55,708		55,169		46,620	
Casualty Ins, Injuries & Damages	36,613		106,596		241,507	
Employee Pensions and Benefits	512,195		600,877		500,152	
Fringe Benefits Charged to Constr.	(17,916)		(23,728)		(20,846)	
Regulatory Commission	8,567		2,114		(32,479)	
Miscellaneous General Expense	30,315		29,020		34,131	
Maintenance of General Plant	27,766		25,527		22,640	
Maintenance of A/O Center	25,930		29,630		25,866	
Vacation, Holiday, Sick Leave	41,010		42,347		53,055	
Depreciation	133,383		128,501		124,220	
Total Administrative and General	<u>1,105,533</u>	15.0	<u>1,208,822</u>	13.6	<u>1,194,072</u>	18.1
Total Operating Expense	<u>\$7,761,550</u>		<u>\$9,526,505</u>		<u>\$7,080,603</u>	
Percent to Operating Revenue		105.0		107.3		107.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - December 2013

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$177,414		\$94,748		\$114,185	
Energy Efficiency Rebates	243,700		155,580		210,876	
Electric Ranges/Dryers Maintenance	5,815		6,163		5,204	
Electric Water Heaters Maintenance	<u>2,051</u>		<u>809</u>		<u>1,014</u>	
Total Customer Service Expense	<u>\$428,980</u>	0.5	<u>\$257,300</u>	0.3	<u>\$331,279</u>	0.4
<u>Consumer Accounts</u>						
Supervision	32,549		34,461		24,186	
Meter Reading Expense	100,209		101,266		103,665	
Consumer Records and Collection	379,086		399,017		356,285	
Uncollectible Accounts Expense	39,559		47,160		75,246	
Vacation, Holiday, Sick Leave	<u>54,174</u>		<u>57,547</u>		<u>56,799</u>	
Total Consumer Accounts Expense	<u>605,577</u>	0.7	<u>639,451</u>	0.7	<u>616,181</u>	0.8
<u>Administrative and General</u>						
Administrative and General Salaries	1,963,271		2,084,771		1,969,048	
Office Supplies and Expenses	256,696		177,849		193,944	
Outside Services Employed	811,121		426,883		663,451	
Property Insurance	640,508		636,381		536,009	
Casualty Ins, Injuries & Damages	439,361		434,106		733,530	
Employee Pensions and Benefits	6,250,454		6,151,649		5,895,572	
Fringe Benefits Charged to Constr.	(285,077)		(252,520)		(261,285)	
Regulatory Commission	102,800		63,052		25,892	
Miscellaneous General Expense	433,941		383,591		398,329	
Maintenance of General Plant	357,719		301,348		274,015	
Maintenance of A/O Center	440,638		387,389		440,321	
Vacation, Holiday, Sick Leave	330,856		352,903		349,000	
Depreciation	<u>1,600,603</u>		<u>1,542,012</u>		<u>1,490,640</u>	
Total Administrative and General	<u>13,342,891</u>	16.5	<u>12,689,414</u>	13.5	<u>12,708,466</u>	16.6
Total Operating Expense	<u><u>\$88,419,650</u></u>		<u><u>\$97,528,564</u></u>		<u><u>\$80,391,769</u></u>	
Percent to Operating Revenue		109.2		103.7		105.0

Muscatine Power and Water - Electric Utility
Statistical Data
December 2013

Total Fuel Cost
(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2013</u>	<u>2012</u>
Per Million Btu.	\$1.913	\$1.841
Per Net MW Generated	\$21.74	\$20.73
Net Peak Monthly Demand-KW	123,060	112,290
Date of Peak	12/11	12/10
Hour of Peak	1900	1400

	<u>Calendar Year-To-Date</u>	
	<u>2013</u>	<u>2012</u>
Per Million Btu.	\$1.848	\$1.857
Per Net MW Generated	\$20.77	\$20.89
Net Peak Monthly Demand-KW	138,170	138,450
Date of Peak	9/9	7/5
Hour of Peak	1700	1500

Average Temperature	19°	32°
---------------------	-----	-----

<u>Services</u>	<u>2013</u>	<u>2012</u>
Residential	9,734	9,744
Commercial I	1,373	1,391
Commercial II	116	111
Industrial I	10	11
Industrial II	2	2
City Enterprise Funds	23	22
Water & Communications Utility	33	34
Total	<u>11,291</u>	<u>11,315</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - December 2013

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>85,207,196</u>		<u>102,231,947</u>		<u>71,776,490</u>	
<u>Wholesale Sales</u>	<u>\$2,300,594</u>	<u>\$0.02700</u>	<u>\$3,593,844</u>	<u>\$0.03515</u>	<u>\$1,794,562</u>	<u>\$0.02500</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,712,319	0.02010	2,132,500	0.02086	1,391,945	0.01939
Emissions:						
SO ² Allowances ^{fn1}	231	0.00000	62	0.00000	19	0.00000
NO _x Allowances ^{fn2}	4,053	0.00005	7,821	0.00008	3,840	0.00005
Other ^{fn3}	191,059	0.00224	187,258	0.00183	192,761	0.00269
Total Variable Costs	<u>1,907,662</u>	<u>0.02239</u>	<u>2,327,641</u>	<u>0.02277</u>	<u>1,588,565</u>	<u>0.02213</u>
Gross Margin	<u>\$392,932</u>	<u>\$0.00461</u>	<u>\$1,266,203</u>	<u>\$0.01239</u>	<u>\$205,997</u>	<u>\$0.00287</u>
Percent Gross Margin	17.1%		35.2%		11.5%	

Calendar Year To Date

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>729,239,933</u>		<u>1,071,377,176</u>		<u>679,240,223</u>	
<u>Wholesale Sales</u>	<u>\$21,563,951</u>	<u>\$0.02957</u>	<u>\$34,592,828</u>	<u>\$0.03229</u>	<u>\$19,116,472</u>	<u>\$0.02814</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	14,158,412	0.01942	21,218,830	0.01981	13,250,052	0.01951
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	2,135	0.00000	531	0.00000	659	0.00000
NO _x Allowances ^{fn3}	44,551	0.00006	78,457	0.00007	46,285	0.00007
Other ^{fn4}	2,292,708	0.00314	2,266,101	0.00212	2,317,047	0.00341
Total Variable Costs	<u>16,497,806</u>	<u>0.02262</u>	<u>23,563,919</u>	<u>0.02199</u>	<u>15,614,043</u>	<u>0.02299</u>
Gross Margin	<u>\$5,066,145</u>	<u>\$0.00695</u>	<u>\$11,028,909</u>	<u>\$0.01029</u>	<u>\$3,502,429</u>	<u>\$0.00516</u>
Percent Gross Margin	23.5%		31.9%		18.3%	

Allowance costs are based on budgeted and market prices for allowances:

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$0.50
YTD SO ²	2.00	0.75	1.22
fn2 NO _x annual	42.50	45.00	40.00
NO _x seasonal	10.00	21.50	0.00
fn3 YTD NO _x annual	42.50	43.11	40.80
YTD NO _x seasonal	10.00	15.77	8.96

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
December 2013

Delivered to Wholesale Customers

	Current Month <u>2013 Budget</u>	Current Month <u>2013 Actual</u>	Current Month <u>2012 Actual</u>	Year-To-Date <u>2013 Budget</u>	Year-To-Date <u>2013 Actual</u>	Year-To-Date <u>2012 Actual</u>
Wholesale Sales KWHs	85,207,196	102,231,947	71,776,490	729,239,933	1,071,377,176	679,240,223
Wholesale Sales	\$2,300,594	\$3,593,844	\$1,794,562	\$21,563,951	\$34,592,828	\$19,116,472
Less:						
Production Fuel	1,789,492	2,216,394	1,478,098	15,146,529	22,121,481	14,105,524
Generation-Other	1,823,217	1,951,380	1,671,099	24,049,603	22,751,097	20,963,005
Transmission	139,350	163,061	108,470	1,696,387	1,745,914	1,564,472
Subtotal	<u>3,752,059</u>	<u>4,330,835</u>	<u>3,257,667</u>	<u>40,892,519</u>	<u>46,618,492</u>	<u>36,633,001</u>
Wholesale Margin	<u>(\$1,451,465)</u>	<u>(\$736,991)</u>	<u>(\$1,463,105)</u>	<u>(\$19,328,568)</u>	<u>(\$12,025,664)</u>	<u>(\$17,516,529)</u>

Delivered to Steam Customer

	Current Month <u>2013 Budget</u>	Current Month <u>2013 Actual</u>	Current Month <u>2012 Actual</u>	Year-To-Date <u>2013 Budget</u>	Year-To-Date <u>2013 Actual</u>	Year-To-Date <u>2012 Actual</u>
Steam Sales - 1,000 lbs.	256,148	268,844	238,279	2,652,491	2,704,209	2,642,142
Steam Sales	\$981,765	\$1,024,562	\$882,364	\$9,833,536	\$9,948,274	\$9,590,557
Less:						
Production Fuel	598,712	636,457	516,568	5,989,669	6,067,345	5,804,984
Generation-Other	29,484	34,239	42,061	510,654	826,678	418,827
Steam sales Margin	<u>\$353,569</u>	<u>\$353,866</u>	<u>\$323,735</u>	<u>\$3,333,213</u>	<u>\$3,054,251</u>	<u>\$3,366,746</u>

Delivered to Paying Native System Customers

	Current Month <u>2013 Budget</u>	Current Month <u>2013 Actual</u>	Current Month <u>2012 Actual</u>	Year-To-Date <u>2013 Budget</u>	Year-To-Date <u>2013 Actual</u>	Year-To-Date <u>2012 Actual</u>
Native System Sales KWHs	68,829,947	69,797,030	66,326,484	846,378,400	835,218,483	828,368,303
Native System Sales	\$4,042,184	\$4,146,088	\$3,783,949	\$48,445,466	\$48,316,833	\$45,905,524
Less:						
Purchased Power	1,749,953	2,789,036	1,508,251	21,518,204	25,404,598	19,100,202
Distribution	438,065	403,039	411,035	5,131,156	5,025,286	4,778,829
Customer Service	35,259	58,613	58,450	428,980	257,300	331,279
Consumers Accounts	52,485	65,464	92,499	605,577	639,451	616,181
Administrative & General	1,105,533	1,208,822	1,194,072	13,342,891	12,689,414	12,708,466
Subtotal	<u>3,381,295</u>	<u>4,524,974</u>	<u>3,264,307</u>	<u>41,026,808</u>	<u>44,016,049</u>	<u>37,534,957</u>
Native System Margin	660,889	(378,886)	519,642	7,418,658	4,300,784	8,370,567
Steam Sales Margin	353,569	353,866	323,735	3,333,213	3,054,251	3,366,746
Wholesale Margin	<u>(1,451,465)</u>	<u>(736,991)</u>	<u>(1,463,105)</u>	<u>(19,328,568)</u>	<u>(12,025,664)</u>	<u>(17,516,529)</u>
Net Electric Margin	(437,007)	(762,011)	(619,728)	(8,576,697)	(4,670,629)	(5,779,216)
Other Revenue	69,679	110,447	122,416	1,141,620	1,187,781	1,978,173
Nonoperating Revenue (Expense)	<u>112,326</u>	<u>107,718</u>	<u>104,400</u>	<u>1,332,054</u>	<u>1,292,821</u>	<u>1,256,630</u>
Net Loss Before Revenue						
Adjustment and Capital Contributions	<u>(\$255,002)</u>	<u>(\$543,846)</u>	<u>(\$392,912)</u>	<u>(\$6,103,023)</u>	<u>(\$2,190,027)</u>	<u>(\$2,544,413)</u>