

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

December 2013
(Unaudited)

**Muscatine Power and Water
Electric Utility**

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

	<u>Budget</u>	<u>% Increase (Decrease)</u>	<u>This Year</u>	<u>% Increase (Decrease)</u>	<u>Last Year</u>
	<u>Estimate</u>	<u>From Budget</u>	<u>Fr. Last Yr.</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>
STEAM SALES - 1000 lbs	<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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$803,461	0.08879	\$865,842	0.10074	fn1	\$754,854
Commercial I	264,870	0.08479	276,696	0.08990	fn1	244,764
Commercial II	522,073	0.06304	537,555	0.06652		479,203
Industrial I	508,230	0.05717	486,890	0.05795		452,965
Industrial II	1,847,442	0.04901	1,873,150	0.04708		1,767,414
City Enterprise Funds	29,657	0.06034	28,194	0.06343		21,883
Water & Communication Utilities	66,451	0.05108	77,761	0.05508		62,866
Native System Sales	4,042,184	0.05873	4,146,088	0.05940		3,783,949
Wholesale Sales	2,300,594	0.02700	3,593,844	0.03515		1,794,562
Energy Sales	6,342,778		7,739,932			5,578,511
Steam Sales	981,765	3.83	1,024,562	3.81		882,364
<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
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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<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	3,100,166	0.08065
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	<u>807,497</u>	<u>0.05029</u>	<u>851,471</u>	<u>0.05301</u>	<u>748,797</u>	<u>0.05011</u>
Native System Sales	48,445,466	0.05724	48,316,833	0.05785	45,905,524	0.05542
Wholesale Sales	<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>
Energy Sales	<u>70,009,417</u>		<u>82,909,661</u>		<u>65,021,996</u>	
<u>Steam Sales</u>	<u>9,833,536</u>	<u>3.71</u>	<u>9,948,274</u>	<u>3.68</u>	<u>9,590,557</u>	<u>3.63</u>
<u>Other Revenue</u>						
Rail Car Lease	218,000		248,738		857,659	
By-Product Revenue	345,576		322,929		519,450	
Miscellaneous Revenue	<u>578,044</u>		<u>616,114</u>		<u>601,064</u>	
Total Other Revenue	<u>1,141,620</u>		<u>1,187,781</u>		<u>1,978,173</u>	
Operating Revenue	<u>80,984,573</u>		<u>94,045,716</u>		<u>76,590,726</u>	
<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	<u>11,339,445</u>		<u>11,244,012</u>		<u>11,152,344</u>	
Total Operating Expense	<u>88,419,650</u>		<u>97,528,564</u>		<u>80,391,769</u>	
Operating Loss	<u>(7,435,077)</u>		<u>(3,482,848)</u>		<u>(3,801,043)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,337,454		1,294,590		1,258,149	
Interest Expense	<u>(5,400)</u>		<u>(1,769)</u>		<u>(1,519)</u>	
Total Nonoperating Revenue (Expense)	<u>1,332,054</u>		<u>1,292,821</u>		<u>1,256,630</u>	
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	<u>(7,104,575)</u>		<u>(7,000,000)</u>		<u>4,000,000</u>	
Change in Net Position	(13,072,265)		(9,127,892)		1,476,689	
Beginning Net Position	<u>163,853,949</u>		<u>163,853,949</u>		<u>162,377,260</u>	
Ending Net Position	<u>\$150,781,684</u>		<u>\$154,726,057</u>		<u>\$163,853,949</u>	
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>	---
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	<hr/> <u>7,354,214</u>	<hr/> <u>4,584,847</u>
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	<u>180,370</u>
	<hr/>	<hr/>
Total Non-Current Liabilities	<hr/> <u>1,996,620</u>	<hr/> <u>1,998,869</u>
Deferred Inflows - Extraordinary O & M	<hr/> <u>13,032,866</u>	<hr/> <u>6,032,866</u>
Net Position:		
Net Investment in Capital Assets	90,777,537	97,667,441
Restricted	13,031,882	6,032,610
Unrestricted	<u>50,916,638</u>	<u>60,153,898</u>
	<hr/>	<hr/>
Total Net Position	<hr/> <u>154,726,057</u>	<hr/> <u>163,853,949</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<hr/> <u>\$177,109,757</u>	<hr/> <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	<u>(1,764,300)</u>	<u>(22,724,091)</u>
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	<u>(377)</u>	<u>48</u>
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>\$29,094,901</u>	<u>\$29,094,901</u>

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

	<u>Current Month</u>	<u>Year- 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>\$13,031,882</u>	<u>\$6,032,610</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>
Purchased Power	\$1,749,953	23.7	\$1,508,251
Average price per kWh	\$0.0240	\$0.0368	\$0.0215
Generation			
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	624,688	622,373	622,359
Total Generation Expense	\$4,240,905	57.4	\$3,707,826
		54.5	56.3

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

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	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>				
Purchased Power	\$21,518,204	26.6	\$25,404,598	27.0	\$19,100,202
Average price per kWh	\$0.0243		\$0.0291		\$0.0220
Generation					
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	<u>5,682</u>	<u>12,755</u>	<u>5,944</u>
Total Transmission Expense	<u>139,350</u>	1.9	<u>163,061</u>
		1.8	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	<u>1,697</u>	<u>3,810</u>	<u>1,775</u>
Total Distribution Expense	<u>\$438,065</u>	5.9	<u>\$403,039</u>
		4.5	6.2

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

	<u>Budget</u> <u>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	<u>68,184</u>	<u>68,035</u>	<u>67,572</u>			
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	<u>20,364</u>	<u>20,311</u>	<u>20,189</u>			
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	 35,259	 0.5	 58,450
		58,613	0.7
		 58,450	 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	 52,485	 0.7	 92,499
		65,464	0.7
		 92,499	 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	 1,105,533	 15.0	 1,194,072
		1,208,822	13.6
		 1,194,072	 18.1
 Total Operating Expense	 \$7,761,550	 \$9,526,505	 \$7,080,603
 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</u> <u>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>\$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>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
 Total Operating Expense	 <u>\$88,419,650</u>	 <u>\$97,528,564</u>	 <u>\$80,391,769</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}	<u>191,059</u>	<u>0.00224</u>	<u>187,258</u>	<u>0.00183</u>	<u>192,761</u>	<u>0.00269</u>
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}	<u>2,292,708</u>	<u>0.00314</u>	<u>2,266,101</u>	<u>0.00212</u>	<u>2,317,047</u>	<u>0.00341</u>
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	<u>85,207,196</u>	<u>102,231,947</u>	<u>71,776,490</u>	<u>729,239,933</u>	<u>1,071,377,176</u>	<u>679,240,223</u>
Wholesale Sales	<u>\$2,300,594</u>	<u>\$3,593,844</u>	<u>\$1,794,562</u>	<u>\$21,563,951</u>	<u>\$34,592,828</u>	<u>\$19,116,472</u>
Less:						
Production Fuel	<u>1,789,492</u>	<u>2,216,394</u>	<u>1,478,098</u>	<u>15,146,529</u>	<u>22,121,481</u>	<u>14,105,524</u>
Generation-Other	<u>1,823,217</u>	<u>1,951,380</u>	<u>1,671,099</u>	<u>24,049,603</u>	<u>22,751,097</u>	<u>20,963,005</u>
Transmission	<u>139,350</u>	<u>163,061</u>	<u>108,470</u>	<u>1,696,387</u>	<u>1,745,914</u>	<u>1,564,472</u>
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><u>(\$1,451,465)</u></u>	<u><u>(\$736,991)</u></u>	<u><u>(\$1,463,105)</u></u>	<u><u>(\$19,328,568)</u></u>	<u><u>(\$12,025,664)</u></u>	<u><u>(\$17,516,529)</u></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.	<u>256,148</u>	<u>268,844</u>	<u>238,279</u>	<u>2,652,491</u>	<u>2,704,209</u>	<u>2,642,142</u>
Steam Sales	<u>\$981,765</u>	<u>\$1,024,562</u>	<u>\$882,364</u>	<u>\$9,833,536</u>	<u>\$9,948,274</u>	<u>\$9,590,557</u>
Less:						
Production Fuel	<u>598,712</u>	<u>636,457</u>	<u>516,568</u>	<u>5,989,669</u>	<u>6,067,345</u>	<u>5,804,984</u>
Generation-Other	<u>29,484</u>	<u>34,239</u>	<u>42,061</u>	<u>510,654</u>	<u>826,678</u>	<u>418,827</u>
Steam sales Margin	<u><u>\$353,569</u></u>	<u><u>\$353,866</u></u>	<u><u>\$323,735</u></u>	<u><u>\$3,333,213</u></u>	<u><u>\$3,054,251</u></u>	<u><u>\$3,366,746</u></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	<u>68,829,947</u>	<u>69,797,030</u>	<u>66,326,484</u>	<u>846,378,400</u>	<u>835,218,483</u>	<u>828,368,303</u>
Native System Sales	<u>\$4,042,184</u>	<u>\$4,146,088</u>	<u>\$3,783,949</u>	<u>\$48,445,466</u>	<u>\$48,316,833</u>	<u>\$45,905,524</u>
Less:						
Purchased Power	<u>1,749,953</u>	<u>2,789,036</u>	<u>1,508,251</u>	<u>21,518,204</u>	<u>25,404,598</u>	<u>19,100,202</u>
Distribution	<u>438,065</u>	<u>403,039</u>	<u>411,035</u>	<u>5,131,156</u>	<u>5,025,286</u>	<u>4,778,829</u>
Customer Service	<u>35,259</u>	<u>58,613</u>	<u>58,450</u>	<u>428,980</u>	<u>257,300</u>	<u>331,279</u>
Consumers Accounts	<u>52,485</u>	<u>65,464</u>	<u>92,499</u>	<u>605,577</u>	<u>639,451</u>	<u>616,181</u>
Administrative & General	<u>1,105,533</u>	<u>1,208,822</u>	<u>1,194,072</u>	<u>13,342,891</u>	<u>12,689,414</u>	<u>12,708,466</u>
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	<u>660,889</u>	<u>(378,886)</u>	<u>519,642</u>	<u>7,418,658</u>	<u>4,300,784</u>	<u>8,370,567</u>
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>
Wholesale Margin	<u><u>(1,451,465)</u></u>	<u><u>(736,991)</u></u>	<u><u>(1,463,105)</u></u>	<u><u>(19,328,568)</u></u>	<u><u>(12,025,664)</u></u>	<u><u>(17,516,529)</u></u>
Net Electric Margin	<u>(437,007)</u>	<u>(762,011)</u>	<u>(619,728)</u>	<u>(8,576,697)</u>	<u>(4,670,629)</u>	<u>(5,779,216)</u>
Other Revenue	<u>69,679</u>	<u>110,447</u>	<u>122,416</u>	<u>1,141,620</u>	<u>1,187,781</u>	<u>1,978,173</u>
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><u>(\$255,002)</u></u>	<u><u>(\$543,846)</u></u>	<u><u>(\$392,912)</u></u>	<u><u>(\$6,103,023)</u></u>	<u><u>(\$2,190,027)</u></u>	<u><u>(\$2,544,413)</u></u>