

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

June 2014

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - June 2014

	<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	78,672,456	37.4	108,115,728	10.0	98,260,611
Less: Plant Use	<u>7,992,648</u>	29.8	<u>10,374,300</u>	0.9	<u>10,280,031</u>
Net Generation/Wholesale Sales	<u>70,679,808</u>	38.3	<u>97,741,428</u>	11.1	<u>87,980,580</u>
<u>Net Capacity Factors</u>					
Unit 9	47.00	19.7	56.27	(3.2)	58.13
Unit 8/8A	42.04	77.5	74.60	34.0	55.69
Unit 7	11.00	3.5X	49.77	2.6X	13.92
Total Plant	42.52	38.9	59.07	11.5	52.97
<u>KWH Distribution</u>					
Residential	10,500,000	(15.8)	8,837,020	2.1	8,653,487
Commercial I	3,570,150	(13.6)	3,086,110	(3.0)	3,180,708
Commercial II	9,160,750	0.1	9,165,780	12.7	8,133,071
Industrial I	11,462,090	(1.1)	11,335,320	(3.0)	11,685,460
Industrial II	35,928,600	(4.0)	34,491,193	(3.0)	35,558,690
City Enterprise Funds	470,000	(18.8)	381,607	0.9	378,257
Water & Communications Utilities	<u>1,346,627</u>	1.1	<u>1,361,408</u>	2.4	<u>1,330,120</u>
Native System Sales	72,438,217	(5.2)	68,658,438	(0.4)	68,919,793
City Lighting	181,270	(10.0)	163,083	(10.4)	182,059
City Buildings	625,523	4.3	652,235	(8.9)	716,080
Offline Power Plant Usage	84,486	3.1X	342,668	54.9	221,254
Losses & Cycle Billing	<u>3,695,675</u>	(13.4)	<u>3,202,003</u>	(8.2)	<u>3,487,394</u>
Total Native System KWH Distributed/Purchased Power	<u>77,025,171</u>	(5.2)	<u>73,018,427</u>	(0.7)	<u>73,526,580</u>
<u>STEAM SALES - 1000 lbs</u>	<u>257,308</u>	(21.5)	<u>202,094</u>	(11.8)	<u>229,179</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - June 2014

	<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	465,775,797	33.5	621,860,112	1.6	612,267,060
Less: Plant Use	<u>48,457,908</u>	28.4	<u>62,214,655</u>	(0.6)	<u>62,607,690</u>
Net Generation/Wholesale Sales	<u>417,317,889</u>	34.1	<u>559,645,457</u>	1.8	<u>549,659,370</u>
<u>Net Capacity Factors</u>					
Unit 9	46.33	27.3	58.98	(9.4)	65.11
Unit 8/8A	40.49	39.7	56.55	36.8	41.33
Unit 7	9.63	2.7X	35.84	2.3X	11.02
Total Plant	41.61	34.7	56.05	2.2	54.84
<u>KWH Distribution</u>					
Residential	49,750,000	3.5	51,505,531	4.9	49,114,167
Commercial I	18,620,875	0.3	18,675,736	(1.6)	18,970,926
Commercial II	52,201,425	(3.3)	50,456,044	4.8	48,140,862
Industrial I	57,940,890	(6.6)	54,104,880	(7.6)	58,533,320
Industrial II	226,620,475	(1.4)	223,340,073	0.7	221,776,248
City Enterprise Funds	3,150,000	(18.9)	2,553,588	(0.5)	2,566,087
Water & Communications Utilities	<u>7,991,309</u>	3.2	<u>8,244,611</u>	7.0	<u>7,702,145</u>
Native System Sales	416,274,974	(1.8)	408,880,463	0.5	406,803,755
City Lighting	1,034,463	(5.4)	978,812	(4.0)	1,020,081
City Buildings	3,141,060	16.9	3,671,718	6.3	3,455,000
Offline Power Plant Usage	521,108	2.7X	1,909,261	64.1	1,163,178
Losses & Cycle Billing	<u>14,642,885</u>	(14.1)	<u>12,573,745</u>	(3.7)	<u>13,061,086</u>
Total Native System KWH Distributed/Purchased Power	<u>435,614,490</u>	(1.7)	<u>428,013,999</u>	0.6	<u>425,503,100</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,536,367</u>	(8.3)	<u>1,409,554</u>	11.6	<u>1,263,277</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - June 2014

	<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	\$981,284	0.09346	\$852,969	0.09652	\$791,556	0.09147
Commercial I	312,877	0.08764	272,848	0.08841	261,218	0.08213
Commercial II	613,380	0.06696	594,476	0.06486	498,764	0.06133
Industrial I	627,547	0.05475	623,462	0.05500	605,871	0.05185
Industrial II	1,719,765	0.04787	1,641,063	0.04758	1,689,552	0.04751
City Enterprise Funds	28,770	0.06121	27,335	0.07163	23,572	0.06232
Water & Communication Utilities	68,150	0.05061	75,386	0.05537	68,443	0.05146
Native System Sales	4,351,773	0.06008	4,087,539	0.05953	3,938,976	0.05715
Wholesale Sales	2,261,754	0.03200	4,025,504	0.04119	2,844,733	0.03233
Energy Sales	6,613,527		8,113,043		6,783,709	
<u>Steam Sales</u>	976,225	3.79	792,403	3.92	826,367	3.61
<u>Other Revenue</u>						
Rail Car Lease	---		---		---	
By-Product Revenue	93,102		56,187		23,691	
Miscellaneous Revenue	43,747		46,843		44,781	
Total Other Revenue	136,849		103,030		68,472	
Operating Revenue	7,726,601		9,008,476		7,678,548	
<u>Operating Expense</u>						
Purchased Power	2,195,217	0.02850	2,689,027	0.03683	2,065,975	0.02810
Production Fuel	2,172,412		2,337,894		2,255,942	
Emissions Allowance	7,526		9,359		8,663	
Operation	2,001,957		1,754,767		1,612,178	
Maintenance	832,093		719,443		861,895	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	8,159,722		8,455,984		7,741,654	
Operating Income (Loss)	(433,121)		552,492		(63,106)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,403		108,315		117,138	
Interest Expense	(133)		(81)		(103)	
Total Nonoperating Revenue (Expense)	114,270		108,234		117,035	
Net Income (Loss) Before Revenue Adjustment	(318,851)		660,726		53,929	
Capital Contributions	6,278		---		28,250	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(312,573)		660,726		82,179	
Beginning Net Position	152,486,134		157,561,439		163,122,523	
<u>Ending Net Position</u>	\$152,173,561		\$158,222,165		\$163,204,702	
Net Loss Before Rev Adj to Op Revenue	(4.1)		7.3		0.7	
Change in Net Position to Operating Revenue	(4.1)		7.3		1.1	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - June 2014

	<u>Budget</u>	<u>Avg.</u>	<u>This</u>	<u>Avg.</u>	<u>Last</u>	<u>Avg.</u>
	<u>Estimate</u>	<u>Price</u>	<u>Year</u>	<u>Price</u>	<u>Year</u>	<u>Price</u>
<u>Sales of Electricity</u>						
Residential	\$4,762,347	0.09573	\$4,966,307	0.09642	\$4,508,430	0.09179
Commercial I	1,635,587	0.08784	1,636,924	0.08765	1,547,756	0.08159
Commercial II	3,482,433	0.06671	3,336,528	0.06613	2,923,607	0.06073
Industrial I	3,218,623	0.05555	3,117,184	0.05761	3,111,938	0.05317
Industrial II	10,726,747	0.04733	10,596,364	0.04744	10,479,448	0.04725
City Enterprise Funds	186,852	0.05932	166,008	0.06501	152,872	0.05957
Water & Communications Utilities	<u>403,721</u>	<u>0.05052</u>	<u>459,016</u>	<u>0.05567</u>	<u>394,204</u>	<u>0.05118</u>
Native System Sales	24,416,310	0.05865	24,278,331	0.05938	23,118,255	0.05683
Wholesale Sales	<u>11,818,008</u>	<u>0.02832</u>	<u>25,341,126</u>	<u>0.04528</u>	<u>16,732,636</u>	<u>0.03044</u>
Energy Sales	<u>36,234,318</u>		<u>49,619,457</u>		<u>39,850,891</u>	
Steam Sales	<u>5,908,580</u>	<u>3.85</u>	<u>5,444,721</u>	<u>3.86</u>	<u>4,652,056</u>	<u>3.68</u>
<u>Other Revenue</u>						
Rail Car Lease	110,400		68,627		172,575	
By-Product Revenue	233,532		106,590		82,253	
Miscellaneous Revenue	<u>303,192</u>		<u>312,737</u>		<u>311,521</u>	
Total Other Revenue	<u>647,124</u>		<u>487,954</u>		<u>566,349</u>	
Operating Revenue	<u>42,790,022</u>		<u>55,552,132</u>		<u>45,069,296</u>	
<u>Operating Expense</u>						
Purchased Power	11,350,246	0.02606	15,812,866	0.03694	11,347,916	0.02667
Production Fuel	12,128,054		15,245,954		13,792,114	
Emissions Allowance	40,157		47,872		41,094	
Operation	11,787,223		11,077,146		10,695,822	
Maintenance	5,096,740		4,839,906		4,916,821	
Depreciation	<u>5,703,097</u>		<u>5,672,964</u>		<u>5,622,006</u>	
Total Operating Expense	<u>46,105,517</u>		<u>52,696,708</u>		<u>46,415,773</u>	
Operating Income (Loss)	<u>(3,315,495)</u>		<u>2,855,424</u>		<u>(1,346,477)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	686,131		642,236		642,859	
Interest Expense	<u>(799)</u>		<u>(1,552)</u>		<u>(927)</u>	
Total Nonoperating Revenue (Expense)	<u>685,332</u>		<u>640,684</u>		<u>641,932</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,630,163)		3,496,108		(704,545)	
Capital Contributions	77,667		---		55,297	
Revenue Adjustment-Extraordinary O&M	<u>---</u>		<u>---</u>		<u>---</u>	
Change in Net Position	(2,552,496)		3,496,108		(649,248)	
Beginning Net Position	<u>154,726,057</u>		<u>154,726,057</u>		<u>163,853,950</u>	
Ending Net Position	<u>\$152,173,561</u>		<u>\$158,222,165</u>		<u>\$163,204,702</u>	
Net Loss Before Rev Adj to Op Revenue	(6.2)		6.3		(1.6)	
Change in Net Position to Operating Revenue	(6.0)		6.3		(1.4)	

Muscatine Power and Water - Electric Utility
Statements of Net Position
June 2014

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,042,488	\$1,231,242
Investments	<u>11,000,000</u>	<u>4,800,728</u>
Total Restricted Current Assets	<u>13,042,488</u>	<u>6,031,970</u>
<u>Unrestricted</u>		
Cash - interest bearing	20,370,460	7,249,029
Investments	5,500,000	12,701,847
Receivables:		
Consumer Accounts	4,966,254	4,867,730
Refined Coal	4,166,910	---
Wholesale	1,026,413	633,455
Steam Sales	829,434	851,344
Interest	633,533	630,789
Pension Provision	---	35,129
Inventories	6,022,815	6,530,188
Fuel	2,581,582	6,522,299
Prepaid Expenses	<u>1,283,635</u>	<u>1,097,719</u>
Total Unrestricted Current Assets	<u>47,381,037</u>	<u>41,119,529</u>
Total Current Assets	<u>60,423,525</u>	<u>47,151,499</u>
Property and Equipment:		
At Cost	413,417,780	411,436,489
Less Accumulated Depreciation	<u>326,597,749</u>	<u>317,067,153</u>
Net Property and Equipment	<u>86,820,031</u>	<u>94,369,336</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	1,150,000	400,000
Joint Venture Rights	<u>96,724</u>	<u>96,360</u>
Total Other Assets	<u>36,573,724</u>	<u>35,823,360</u>
TOTAL ASSETS	<u>\$183,817,280</u>	<u>\$177,344,195</u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
June 2014

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$6,235,783	\$2,802,769
Pension Provision	1,071,276	---
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	357,222	323,778
Accrued Vacation	1,148,059	1,189,346
Accrued Emission Allowance Expense	58,667	41,094
Consumers' Deposits	645,522	586,699
Retained Percentage on Contracts	---	35,917
Accrued Property Taxes	98,668	108,731
Miscellaneous Accrued Expenses	<u>769,821</u>	<u>754,805</u>
Total Unrestricted Current Liabilities	<u>10,614,118</u>	<u>6,016,965</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,396,654	1,728,596
Post-Employment Health Benefit Provision	371,107	180,696
Consumer Advances for Construction	<u>180,370</u>	<u>180,370</u>
Total Non-Current Liabilities	<u>1,948,131</u>	<u>2,089,662</u>
Deferred Inflows of Resources - Extraordinary O & M	<u>13,032,866</u>	<u>6,032,866</u>
Net Position:		
Net Investment in Capital Assets	86,820,031	94,369,336
Restricted	13,042,488	6,031,970
Unrestricted	<u>58,359,646</u>	<u>62,803,396</u>
Total Net Position	<u>158,222,165</u>	<u>163,204,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$183,817,280</u></u>	<u><u>\$177,344,195</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
June 2014

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,070,908	\$24,342,848
MISO sales	4,049,103	24,897,259
Steam sales	913,155	5,636,557
Coal sales	4,208,885	17,790,751
Railcar/facilities leasing	5,000	167,832
By-product sales	12,022	179,871
Miscellaneous sources	76,520	271,369
Cash paid to/for:		
Suppliers	(907,329)	(4,784,814)
MISO purchases/administration fees	(2,383,098)	(15,875,363)
Coal purchases	(6,621,800)	(30,638,331)
Employees payroll, taxes and benefits	<u>(1,554,466)</u>	<u>(10,374,453)</u>
Net cash flows from operating activities	<u>1,868,900</u>	<u>11,613,526</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(407,598)	(1,657,615)
Loan to Water Utility	<u>(250,000)</u>	<u>(750,000)</u>
Net cash flows from capital and related financing activities	<u>(657,598)</u>	<u>(2,407,615)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(44,470)
Interest received on investments and note receivable	557	657,246
Amortization/accretion of investments	---	(568)
Mark to Market	---	(72)
Net cash flows from investing activities	<u>557</u>	<u>612,136</u>
Net increase in cash and investments	<u>1,211,859</u>	<u>9,818,047</u>
Cash and investments at beginning of period	<u>37,701,089</u>	<u>29,094,901</u>
Cash and investments at end of period	<u>\$38,912,948</u>	<u>\$38,912,948</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
June 2014

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$552,492	\$2,855,424
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	5,672,964
Amortization of joint venture rights	8,925	49,367
Changes in assets and liabilities:		
Consumer accounts receivable	1,557	1,794,373
Refined coal	41,975	(4,166,910)
Wholesale receivable	71,038	15,063
Steam sales receivable	120,478	249,156
Inventories	332,001	295,793
Fuel	213,991	2,487,586
Prepaid expenses	(206,941)	(643,402)
Accounts payable	(420,863)	2,013,468
Pension provision	178,546	1,071,276
Health & dental insurance provision	(53,199)	(97,864)
Other post-employment benefit provision	8,229	49,375
Accrued payroll	70,185	(105,611)
Accrued vacation	(29,681)	54,579
Accrued emission allowance expense	9,359	(12,028)
Consumers' deposits	13,575	51,581
Accrued property taxes	8,138	1,108
Miscellaneous accrued expenses	4,433	(18,805)
Unearned mooring lease	<u>(832)</u>	<u>(2,967)</u>
Net cash flows from operating activities	<u><u>\$1,868,900</u></u>	<u><u>\$11,613,526</u></u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
June 2014

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,042,488</u>	<u>\$6,031,970</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,042,488</u>	<u>\$6,031,970</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2014

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$2,195,217	28.4	29.8
Average price per kWh	\$0.0285	\$0.0368	\$0.0281
Generation			
Operation Supervision	76,827	76,555	74,744
Fuel:			
Coal	2,060,839	2,218,298	2,168,419
Fuel Oil	15,749	29,333	4,183
Gas	10,450	23,585	22,794
Coal Handling Expense	71,402	61,313	58,254
Landfill Operation Expense	13,972	5,365	2,292
Emissions Allowance Expense	7,526	9,359	8,663
Steam Expense:			
Boiler	105,630	90,430	91,598
Pollution Control	93,314	34,469	31,241
Electric Expense	100,731	98,350	91,072
Miscellaneous Steam Power Expense	217,851	139,624	117,314
Maintenance:			
Supervision	81,941	84,069	73,107
Structures	78,807	36,200	48,272
Boiler Plant:			
Boiler	201,394	231,755	265,896
Pollution Control	69,019	38,935	92,249
Electric Plant	38,363	29,041	53,400
System Control	19,450	15,474	14,966
Miscellaneous Steam Plant	68,528	53,216	65,401
Coal Handling Equipment	86,672	35,947	42,680
System Control and Load Dispatch	28,749	23,364	26,955
Vacation, Holiday, Sick Leave	68,482	83,690	77,218
Depreciation	<u>625,409</u>	<u>624,707</u>	<u>622,373</u>
Total Generation Expense	<u>\$4,141,105</u>	53.6	44.9
		<u>\$4,043,079</u>	<u>\$4,053,091</u>
		52.8	

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2014

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	<u>Budget</u>			
	<u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>	
Purchased Power	\$11,350,246	26.5	\$15,812,866	28.5
Average price per kWh	\$0.0261	\$0.0369		\$0.0267
Generation				
Operation Supervision	465,548	477,631	465,815	
Fuel:				
Coal	11,501,088	14,432,193	13,273,389	
Fuel Oil	95,517	123,324	35,404	
Gas	93,350	267,561	68,018	
Coal Handling Expense	403,527	408,278	389,457	
Landfill Operation Expense	34,572	14,598	25,846	
Emissions Allowance Expense	40,157	47,872	41,094	
Steam Expense:				
Boiler	615,590	597,141	602,379	
Pollution Control	284,804	210,177	207,246	
Electric Expense	549,948	565,461	544,748	
Miscellaneous Steam Power Expense	1,302,790	915,571	944,267	
Maintenance:				
Supervision	486,963	503,755	490,684	
Structures	435,070	340,889	377,766	
Boiler Plant:				
Boiler	1,317,900	1,212,076	1,192,939	
Pollution Control	358,827	433,161	318,591	
Electric Plant	298,715	290,935	395,703	
System Control	115,110	112,332	108,826	
Miscellaneous Steam Plant	481,995	390,858	377,401	
Coal Handling Equipment	401,815	435,639	456,207	
System Control and Load Dispatch	183,884	159,287	163,163	
Vacation, Holiday, Sick Leave	509,816	604,652	549,983	
Depreciation	<u>3,752,452</u>	<u>3,748,242</u>	<u>3,734,238</u>	
Total Generation Expense	<u>\$23,729,438</u>	55.5	<u>\$26,291,633</u>	47.3
			<u>\$24,763,164</u>	54.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2014

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Transmission</u>					
Operation Supervision	\$3,945		\$4,296		\$3,184
Load Dispatching	50,800		53,982		46,393
Station Expense	12,850		14,243		7,157
Overhead Line Expense	129		366		889
Transmission of Electricity by Others	28,433		29,551		14,448
Miscellaneous Transmission Expense	33,416		10,314		3,847
Maintenance:					
Supervision	1,977		1,929		1,633
Structures	3,674		---		---
Station Equipment	5,971		2,569		3,599
Overhead Lines	10,385		12,500		5,802
Vacation, Holiday, Sick Leave	5,084		4,485		7,469
Depreciation	31,041		30,688		30,625
Tax on Rural Property	5,716		5,642		5,774
 Total Transmission Expense	 193,421	 2.5	 170,565	 1.9	 130,820
					1.7
 <u>Distribution</u>					
Operation Supervision	11,116		11,557		9,876
Load Dispatching	29,417		33,809		31,347
Station Expense	6,664		8,615		6,125
Overhead Line Expense	6,954		3,777		2,511
Vehicle Expense	17,761		13,690		16,424
Underground Line Expense	3,031		3,724		3,791
Street Lighting	1,718		1,279		3,083
Signal Expense	760		239		125
Meter Expense	7,919		9,363		5,915
Consumer Installation Expense	643		591		200
Miscellaneous Distribution Expense	46,215		48,962		48,632
Maintenance:					
Supervision	10,150		10,360		9,051
Structures	2,884		1,498		---
Station Equipment	8,378		7,040		5,730
Overhead Lines	44,527		61,838		82,365
Underground Lines	8,576		10,095		10,820
Line Transformers	3,068		6,151		2,476
Street Lighting	5,116		2,906		31,993
Signal System	2,903		4,537		3,639
Meters	2,365		1,666		3,636
Miscellaneous Distribution Plant	2,318		3,940		2,107
Vacation, Holiday, Sick Leave	21,723		20,361		20,219
Depreciation	159,472		158,237		155,502
Tax on Rural Property	1,708		1,685		1,725
 Total Distribution Expense	 \$405,386	 5.2	 \$425,920	 4.7	 \$457,292
					6.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2014

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Transmission			
Operation Supervision	\$23,408	\$25,775	\$23,579
Load Dispatching	351,758	372,678	331,815
Station Expense	54,114	85,560	39,107
Overhead Line Expense	459	2,438	2,415
Transmission of Electricity by Others	170,600	174,943	76,194
Miscellaneous Transmission Expense	91,838	29,919	34,659
Maintenance:			
Supervision	11,654	12,066	11,107
Structures	7,742	---	---
Station Equipment	47,760	34,112	40,023
Overhead Lines	64,710	80,001	85,832
Vacation, Holiday, Sick Leave	37,825	37,795	39,238
Depreciation	186,247	184,128	183,750
Tax on Rural Property	<u>34,296</u>	<u>33,957</u>	<u>34,280</u>
Total Transmission Expense	<u>1,082,411</u>	2.5	1.9
	<u>1,073,372</u>	<u>901,999</u>	<u>2.0</u>
Distribution			
Operation Supervision	65,079	71,552	66,181
Load Dispatching	173,302	177,387	156,900
Station Expense	43,627	61,301	31,189
Overhead Line Expense	45,375	10,333	10,384
Vehicle Expense	106,591	92,250	102,835
Underground Line Expense	19,176	16,173	16,548
Street Lighting	10,006	12,505	10,406
Signal Expense	3,810	1,639	947
Meter Expense	49,881	55,258	53,709
Consumer Installation Expense	3,782	3,950	3,918
Miscellaneous Distribution Expense	283,575	299,008	316,774
Maintenance:			
Supervision	59,078	64,263	59,765
Structures	7,156	1,498	---
Station Equipment	106,047	41,838	63,343
Overhead Lines	305,577	272,232	431,584
Underground Lines	53,194	138,181	35,489
Line Transformers	28,907	20,498	42,876
Street Lighting	31,841	27,246	48,426
Signal System	15,980	19,069	11,537
Meters	16,570	12,254	16,543
Miscellaneous Distribution Plant	13,905	19,786	12,916
Vacation, Holiday, Sick Leave	162,609	158,302	169,252
Depreciation	956,830	949,422	933,012
Tax on Rural Property	<u>10,248</u>	<u>10,138</u>	<u>10,236</u>
Total Distribution Expense	<u>\$2,572,146</u>	6.0	4.6
	<u>\$2,536,083</u>	<u>4.6</u>	<u>\$2,604,770</u>
			5.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2014

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Customer Service Expense</u>					
Customer Information Expense	\$21,420		\$3,274		\$4,334
Energy Efficiency Rebates	20,116		77,680		29,031
Electric Ranges/Dryers Maintenance	441		177		482
Electric Water Heaters Maintenance	140		30		86
 Total Customer Service Expense	<u>42,117</u>	0.5	<u>81,161</u>	0.9	<u>33,933</u> 0.4
 <u>Consumer Accounts</u>					
Supervision	2,761		3,311		2,845
Meter Reading Expense	9,104		8,755		9,481
Consumer Records and Collection	32,264		28,322		30,889
Uncollectible Accounts Expense	4,317		4,316		3,297
Vacation, Holiday, Sick Leave	3,318		3,898		3,322
 Total Consumer Accounts Expense	<u>51,764</u>	0.7	<u>48,602</u>	0.5	<u>49,834</u> 0.6
 <u>Administrative and General</u>					
Administrative and General Salaries	165,844		153,461		167,840
Office Supplies and Expenses	18,742		10,807		10,075
Outside Services Employed	101,092		32,226		54,378
Property Insurance	59,026		59,470		55,169
Casualty Ins, Injuries & Damages	41,720		31,780		28,391
Employee Pensions and Benefits	501,445		485,725		431,105
Fringe Benefits Charged to Constr.	(33,875)		(32,881)		(18,667)
Regulatory Commission	8,608		7,334		8,602
Miscellaneous General Expense	36,979		25,738		24,591
Maintenance of General Plant	29,199		28,226		10,666
Maintenance of A/O Center	46,428		39,551		32,407
Vacation, Holiday, Sick Leave	20,909		24,331		17,651
Depreciation	134,595		131,862		128,501
 Total Administrative and General	<u>1,130,712</u>	14.6	<u>997,630</u>	11.1	<u>950,709</u> 12.4
 Total Operating Expense	<u>\$8,159,722</u>		<u>\$8,455,984</u>		<u>\$7,741,654</u>
 Percent to Operating Revenue		105.6		93.9	100.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2014

	Budget <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$86,792	\$38,795	\$41,444
Energy Efficiency Rebates	120,692	107,756	79,143
Electric Ranges/Dryers Maintenance	2,747	2,314	3,505
Electric Water Heaters Maintenance	<u>1,042</u>	<u>448</u>	<u>591</u>
Total Customer Service Expense	<u>\$211,273</u>	0.5	<u>\$124,683</u> 0.3
<u>Consumer Accounts</u>			
Supervision	16,522	17,441	18,025
Meter Reading Expense	53,677	57,603	55,731
Consumer Records and Collection	193,405	193,483	201,117
Uncollectible Accounts Expense	25,899	25,899	19,782
Vacation, Holiday, Sick Leave	<u>24,980</u>	<u>28,831</u>	<u>26,146</u>
Total Consumer Accounts Expense	<u>314,483</u>	0.7	<u>320,801</u> 0.7
<u>Administrative and General</u>			
Administrative and General Salaries	995,139	984,969	1,036,261
Office Supplies and Expenses	126,443	82,603	92,427
Outside Services Employed	486,872	290,134	290,699
Property Insurance	342,237	343,917	305,368
Casualty Ins, Injuries & Damages	252,720	274,626	188,211
Employee Pensions and Benefits	3,098,319	3,058,064	3,004,818
Fringe Benefits Charged to Constr.	(164,810)	(144,142)	(91,044)
Regulatory Commission	51,650	42,740	49,480
Miscellaneous General Expense	262,934	246,572	203,441
Maintenance of General Plant	190,937	176,776	147,281
Maintenance of A/O Center	239,287	200,441	191,982
Vacation, Holiday, Sick Leave	156,224	162,312	162,510
Depreciation	<u>807,568</u>	<u>791,172</u>	<u>771,006</u>
Total Administrative and General	<u>6,845,520</u>	16.0	<u>6,352,440</u> 14.1
Total Operating Expense	<u>\$46,105,517</u>	<u>\$52,696,708</u>	<u>\$46,415,773</u>
Percent to Operating Revenue		107.7	94.9
			103.0

Muscatine Power and Water - Electric Utility
Statistical Data
June 2014

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

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.703	\$1.783
Per Net MW Generated	\$19.92	\$19.92
Net Peak Monthly Demand-KW	124,070	127,520
Date of Peak	6/30	6/12
Hour of Peak	1400	1400

	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.878	\$1.816
Per Net MW Generated	\$21.76	\$20.10
Net Peak Monthly Demand-KW	124,070	127,520
Date of Peak	6/30	6/12
Hour of Peak	1400	1400
Average Temperature	71.7°	70.4°

<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,731	9,727
Commercial I	1,369	1,380
Commercial II	118	115
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
Total	<u>11,285</u>	<u>11,289</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - June 2014

	<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>70,679,808</u>		<u>97,741,428</u>		<u>87,980,580</u>	
<u>Wholesale Sales</u>	<u>\$2,261,754</u>	<u>\$0.03200</u>	<u>\$4,025,504</u>	<u>\$0.04119</u>	<u>\$2,844,733</u>	<u>\$0.03233</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,458,819	0.02064	1,865,787	0.01909	1,676,926	0.01906
Emissions:						
SO ² Allowances ^{fn1}	352	0.00000	83	0.00000	50	0.00000
NO _x Allowances ^{fn2}	5,868	0.00008	15,320	0.00016	6,181	0.00007
Other ^{fn3}	<u>186,673</u>	<u>0.00264</u>	<u>184,962</u>	<u>0.00189</u>	<u>187,258</u>	<u>0.00213</u>
Total Variable Costs	<u>1,651,712</u>	<u>0.02337</u>	<u>2,066,152</u>	<u>0.02114</u>	<u>1,870,415</u>	<u>0.02126</u>
<u>Gross Margin</u>	<u>\$610,042</u>	<u>\$0.00863</u>	<u>\$1,959,352</u>	<u>\$0.02005</u>	<u>\$974,318</u>	<u>\$0.01107</u>
Percent Gross Margin	27.0%		48.7%		34.2%	

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>417,317,889</u>		<u>559,645,457</u>		<u>549,659,370</u>	
<u>Wholesale Sales</u>	<u>\$11,818,008</u>	<u>\$0.02832</u>	<u>\$25,341,126</u>	<u>\$0.04528</u>	<u>\$16,732,636</u>	<u>\$0.03044</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	8,018,658	0.01921	11,623,691	0.02077	10,527,353	0.01915
Emissions:						
SO ² Allowances ^{fn1}	2,226	0.00001	324	0.00000	220	0.00000
NO _x Allowances ^{fn2}	33,244	0.00008	112,377	0.00020	31,215	0.00006
Other ^{fn3}	<u>1,120,038</u>	<u>0.00268</u>	<u>1,118,327</u>	<u>0.00200</u>	<u>1,142,553</u>	<u>0.00208</u>
Total Variable Costs	<u>9,174,166</u>	<u>0.02198</u>	<u>12,854,719</u>	<u>0.02297</u>	<u>11,701,341</u>	<u>0.02129</u>
<u>Gross Margin</u>	<u>\$2,643,842</u>	<u>\$0.00634</u>	<u>\$12,486,407</u>	<u>\$0.02231</u>	<u>\$5,031,295</u>	<u>\$0.00915</u>
Percent Gross Margin	22.4%		49.3%		30.1%	

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

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.88	\$0.75
YTD SO ²	2.00	0.79	0.75
fn2 NO _x annual	42.50	61.50	45.00
NO _x seasonal	10.00	24.50	21.50
fn3 YTD NO _x annual	42.50	57.18	40.93
YTD NO _x seasonal	10.00	24.90	4.79

fn3 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
June 2014

<u>Delivered to Wholesale Customers</u>	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Wholesale Sales KWHs	<u>70,679,808</u>	<u>97,741,428</u>	<u>87,980,580</u>	<u>417,317,889</u>	<u>559,645,457</u>	<u>549,659,370</u>
Wholesale Sales	<u>\$2,261,754</u>	<u>\$4,025,504</u>	<u>\$2,844,733</u>	<u>\$11,818,008</u>	<u>\$25,341,126</u>	<u>\$16,732,636</u>
Less:						
Production Fuel	<u>1,549,244</u>	<u>1,937,877</u>	<u>1,742,441</u>	<u>8,488,910</u>	<u>12,126,003</u>	<u>10,973,660</u>
Generation-Other	<u>1,938,602</u>	<u>1,666,796</u>	<u>1,675,274</u>	<u>11,404,064</u>	<u>10,857,869</u>	<u>10,441,259</u>
Transmission	<u>193,421</u>	<u>170,565</u>	<u>130,820</u>	<u>1,082,411</u>	<u>1,073,372</u>	<u>901,999</u>
Subtotal	<u>3,681,267</u>	<u>3,775,238</u>	<u>3,548,535</u>	<u>20,975,385</u>	<u>24,057,244</u>	<u>22,316,918</u>
Wholesale Margin	<u>(\$1,419,513)</u>	<u>\$250,266</u>	<u>(\$703,802)</u>	<u>(\$9,157,377)</u>	<u>\$1,283,882</u>	<u>(\$5,584,282)</u>
<u>Delivered to Steam Customer</u>	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Steam Sales - 1,000 lbs.	<u>257,308</u>	<u>202,094</u>	<u>229,179</u>	<u>1,536,367</u>	<u>1,409,554</u>	<u>1,263,277</u>
Steam Sales	<u>\$976,225</u>	<u>\$792,403</u>	<u>\$826,367</u>	<u>\$5,908,580</u>	<u>\$5,444,721</u>	<u>\$4,652,056</u>
Less:						
Production Fuel	<u>623,168</u>	<u>400,017</u>	<u>513,501</u>	<u>3,639,144</u>	<u>3,119,951</u>	<u>2,818,454</u>
Generation-Other	<u>30,091</u>	<u>38,389</u>	<u>121,875</u>	<u>197,320</u>	<u>187,810</u>	<u>529,791</u>
Steam sales Margin	<u>\$322,966</u>	<u>\$353,997</u>	<u>\$190,991</u>	<u>\$2,072,116</u>	<u>\$2,136,960</u>	<u>\$1,303,811</u>
<u>Delivered to Paying Native System Customers</u>	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Native System Sales KWHs	<u>72,438,217</u>	<u>68,658,438</u>	<u>68,919,793</u>	<u>416,274,974</u>	<u>408,880,463</u>	<u>406,803,755</u>
Native System Sales	<u>\$4,351,773</u>	<u>\$4,087,539</u>	<u>\$3,938,976</u>	<u>\$24,416,310</u>	<u>\$24,278,331</u>	<u>\$23,118,255</u>
Less:						
Purchased Power	<u>2,195,217</u>	<u>2,689,027</u>	<u>2,065,975</u>	<u>11,350,246</u>	<u>15,812,866</u>	<u>11,347,916</u>
Distribution	<u>405,386</u>	<u>425,920</u>	<u>457,292</u>	<u>2,572,146</u>	<u>2,536,083</u>	<u>2,604,770</u>
Customer Service	<u>42,117</u>	<u>81,161</u>	<u>33,933</u>	<u>211,273</u>	<u>149,313</u>	<u>124,683</u>
Consumers Accounts	<u>51,764</u>	<u>48,602</u>	<u>49,834</u>	<u>314,483</u>	<u>323,257</u>	<u>320,801</u>
Administrative & General	<u>1,130,712</u>	<u>997,630</u>	<u>950,709</u>	<u>6,845,520</u>	<u>6,510,184</u>	<u>6,352,440</u>
Subtotal	<u>3,825,196</u>	<u>4,242,340</u>	<u>3,557,743</u>	<u>21,293,668</u>	<u>25,331,703</u>	<u>20,750,610</u>
Native System Margin	<u>526,577</u>	<u>(154,801)</u>	<u>381,233</u>	<u>3,122,642</u>	<u>(1,053,372)</u>	<u>2,367,645</u>
Steam Sales Margin	<u>322,966</u>	<u>353,997</u>	<u>190,991</u>	<u>2,072,116</u>	<u>2,136,960</u>	<u>1,303,811</u>
Wholesale Margin	<u>(\$1,419,513)</u>	<u>250,266</u>	<u>(703,802)</u>	<u>(9,157,377)</u>	<u>\$1,283,882</u>	<u>(\$5,584,282)</u>
Net Electric Margin	<u>(569,970)</u>	<u>449,462</u>	<u>(131,578)</u>	<u>(3,962,619)</u>	<u>2,367,470</u>	<u>(1,912,826)</u>
Other Revenue	<u>136,849</u>	<u>103,030</u>	<u>68,472</u>	<u>647,124</u>	<u>487,954</u>	<u>566,349</u>
Nonoperating Revenue (Expense)	<u>114,270</u>	<u>108,234</u>	<u>117,035</u>	<u>685,332</u>	<u>640,684</u>	<u>641,932</u>
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$318,851)</u>	<u>\$660,726</u>	<u>\$53,929</u>	<u>(\$2,630,163)</u>	<u>\$3,496,108</u>	<u>(\$704,545)</u>