

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

July 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 - July 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	130,894,598	(43.3)	74,196,667	(25.8)	99,941,667
Less: Plant Use	<u>11,461,320</u>	(11.1)	<u>10,189,567</u>	1.1	<u>10,079,486</u>
Net Generation/Wholesale Sales	<u><u>119,433,278</u></u>	(46.4)	<u><u>64,007,100</u></u>	(28.8)	<u><u>89,862,181</u></u>
<u>Net Capacity Factors</u>					
Unit 9	70.00	(50.7)	34.52	(33.3)	51.73
Unit 8/8A	77.90	(14.8)	66.35	7.4	61.80
Unit 7	50.00	(90.4)	4.82	(87.8)	39.64
Total Plant	69.54	(46.2)	37.44	(28.5)	52.36
<u>KWH Distribution</u>					
Residential	14,599,450	(28.3)	10,472,992	(7.2)	11,284,628
Commercial I	4,308,325	(19.9)	3,451,755	(5.3)	3,643,057
Commercial II	10,677,000	(15.9)	8,977,700	(4.6)	9,409,196
Industrial I	11,864,555	(3.4)	11,462,520	(5.6)	12,145,900
Industrial II	38,709,930	(2.8)	37,642,192	9.5	34,384,557
City Enterprise Funds	450,000	0.7	453,093	19.9	378,019
Water & Communications Utilities	<u>1,431,722</u>	0.1	<u>1,433,635</u>	(0.4)	<u>1,439,049</u>
Native System Sales	82,040,982	(9.9)	73,893,887	1.7	72,684,406
City Lighting	170,987	(1.2)	168,875	(0.1)	169,004
City Buildings	604,037	(5.7)	569,660	(7.9)	618,842
Offline Power Plant Usage	1,840	69.0X	128,800	(67.1)	390,947
Losses & Cycle Billing	<u>4,581,795</u>	(56.9)	<u>1,972,878</u>	(20.2)	<u>2,472,982</u>
Total Native System KWH Distributed/Purchased Power	<u><u>87,399,641</u></u>	(12.2)	<u><u>76,734,100</u></u>	0.5	<u><u>76,336,181</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>263,719</u></u>	(14.4)	<u><u>225,846</u></u>	(12.4)	<u><u>257,863</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - July 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	596,670,395	16.7	696,056,779	(2.3)	712,208,727
Less: Plant Use	<u>59,919,228</u>	20.8	<u>72,404,222</u>	(0.4)	<u>72,687,176</u>
Net Generation/Wholesale Sales	<u>536,751,167</u>	16.2	<u>623,652,557</u>	(2.5)	<u>639,521,551</u>
<u>Net Capacity Factors</u>					
Unit 9	49.79	11.3	55.40	(12.3)	63.15
Unit 8/8A	45.96	26.2	57.98	30.8	44.32
Unit 7	15.53	1.0X	31.30	1.1X	15.21
Total Plant	45.70	16.7	53.33	(2.1)	54.48
<u>KWH Distribution</u>					
Residential	64,349,450	(3.7)	61,978,523	2.6	60,398,795
Commercial I	22,929,200	(3.5)	22,127,491	(2.2)	22,613,983
Commercial II	62,878,425	(5.5)	59,433,744	3.3	57,550,058
Industrial I	69,805,445	(6.1)	65,567,400	(7.2)	70,679,220
Industrial II	265,330,405	(1.6)	260,982,265	1.9	256,160,805
City Enterprise Funds	3,600,000	(16.5)	3,006,681	2.1	2,944,106
Water & Communications Utilities	<u>9,423,031</u>	2.7	<u>9,678,246</u>	5.9	<u>9,141,194</u>
Native System Sales	498,315,956	(3.1)	482,774,350	0.7	479,488,161
City Lighting	1,205,450	(4.8)	1,147,687	(3.5)	1,189,085
City Buildings	3,745,097	13.3	4,241,378	4.1	4,073,491
Offline Power Plant Usage	522,948	2.9X	2,038,061	31.1	1,554,125
Losses & Cycle Billing	<u>19,224,680</u>	(24.1)	<u>14,585,623</u>	(6.1)	<u>15,534,419</u>
Total Native System KWH Distributed/Purchased Power	<u>523,014,131</u>	(3.5)	<u>504,787,099</u>	0.6	<u>501,839,281</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,800,086</u>	(9.1)	<u>1,635,400</u>	7.5	<u>1,521,140</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 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	\$1,320,187	0.09043	\$987,744	0.09431	\$999,509	0.08857
Commercial I	373,022	0.08658	302,755	0.08771	296,583	0.08141
Commercial II	666,209	0.06240	587,065	0.06539	548,631	0.05831
Industrial I	638,017	0.05378	628,479	0.05483	624,620	0.05143
Industrial II	1,809,460	0.04674	1,758,932	0.04673	1,618,737	0.04708
City Enterprise Funds	27,008	0.06002	29,387	0.06486	23,273	0.06157
Water & Communication Utilities	72,186	0.05042	79,253	0.05528	71,633	0.04978
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Native System Sales	4,906,089	0.05980	4,373,615	0.05919	4,182,986	0.05755
Wholesale Sales	4,956,481	0.04150	2,326,758	0.03635	3,216,866	0.03580
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Energy Sales	9,862,570		6,700,373		7,399,852	
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<u>Steam Sales</u>	1,000,006	3.79	886,747	3.93	932,398	3.62
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<u>Other Revenue</u>						
Rail Car Lease	---		---		---	
By-Product Revenue	31,292		31,617		22,810	
Miscellaneous Revenue	43,781		60,657		54,298	
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Total Other Revenue	75,073		92,274		77,108	
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Operating Revenue	10,937,649		7,679,394		8,409,358	
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<u>Operating Expense</u>						
Purchased Power	3,233,787	0.03700	2,381,741	0.03104	2,412,605	0.03160
Production Fuel	3,292,023		1,953,531		2,464,719	
Emissions Allowance	7,587		11,157		9,684	
Operation	1,983,459		1,826,449		1,725,239	
Maintenance	867,445		514,292		699,317	
Depreciation	950,517		945,494		937,001	
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Total Operating Expense	10,334,818		7,632,664		8,248,565	
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Operating Income	602,831		46,731		160,793	
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<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,536		108,664		108,433	
Interest Expense	(133)		(86)		(107)	
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Total Nonoperating Revenue (Expense)	114,403		108,578		108,326	
	<hr/>		<hr/>		<hr/>	
Net Income Before Revenue Adjustment	717,234		155,309		269,119	
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Capital Contributions	6,278		---		5,400	
Revenue Adjustment-Extraordinary O&M	---		---		---	
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Change in Net Position	723,512		155,309		274,519	
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Beginning Net Position	152,173,561		158,222,165		163,204,702	
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Ending Net Position	<u>\$152,897,073</u>		<u>\$158,377,474</u>		<u>\$163,479,221</u>	
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Net Loss Before Rev Adj to Op Revenue	6.6		2.0		3.2	
Change in Net Position to Operating Revenue	6.6		2.0		3.3	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - July 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	\$6,082,534	0.09452	\$5,954,050	0.09607	\$5,507,939	0.09119
Commercial I	2,008,609	0.08760	1,939,679	0.08766	1,844,339	0.08156
Commercial II	4,148,642	0.06598	3,923,594	0.06602	3,472,238	0.06033
Industrial I	3,856,640	0.05525	3,745,663	0.05713	3,736,559	0.05287
Industrial II	12,536,207	0.04725	12,355,296	0.04734	12,098,186	0.04723
City Enterprise Funds	213,861	0.05941	195,395	0.06499	176,144	0.05983
Water & Communications Utilities	475,907	0.05050	538,270	0.05562	465,836	0.05096
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Native System Sales	29,322,400	0.05884	28,651,947	0.05935	27,301,241	0.05694
Wholesale Sales	16,774,489	0.03125	27,667,885	0.04436	19,949,503	0.03119
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Energy Sales	46,096,889		56,319,832		47,250,744	
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<u>Steam Sales</u>	6,908,586	3.84	6,331,468	3.87	5,584,454	3.67
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<u>Other Revenue</u>						
Rail Car Lease	110,400		68,627		172,575	
By-Product Revenue	264,824		138,207		105,063	
Miscellaneous Revenue	346,974		373,394		365,821	
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Total Other Revenue	722,198		580,228		643,459	
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Operating Revenue	53,727,673		63,231,528		53,478,657	
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<u>Operating Expense</u>						
Purchased Power	14,584,033	0.02788	18,194,607	0.03604	13,760,520	0.02742
Production Fuel	15,420,076		17,199,487		16,256,833	
Emissions Allowance	47,744		59,028		50,777	
Operation	13,770,683		12,903,596		12,421,063	
Maintenance	5,964,185		5,354,196		5,616,139	
Depreciation	6,653,614		6,618,458		6,559,007	
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Total Operating Expense	56,440,335		60,329,372		54,664,339	
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Operating Income (Loss)	(2,712,662)		2,902,156		(1,185,682)	
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<u>Nonoperating Revenue (Expense)</u>						
Interest Income	800,667		750,900		751,291	
Interest Expense	(933)		(1,639)		(1,035)	
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Total Nonoperating Revenue (Expense)	799,734		749,261		750,256	
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Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,912,928)		3,651,417		(435,426)	
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Capital Contributions	83,944		---		60,697	
Revenue Adjustment-Extraordinary O&M	---		---		---	
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Change in Net Position	(1,828,984)		3,651,417		(374,729)	
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Beginning Net Position	154,726,057		154,726,057		163,853,950	
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Ending Net Position	<u>\$152,897,073</u>		<u>\$158,377,474</u>		<u>\$163,479,221</u>	
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Net Loss Before Rev Adj to Op Revenue	(3.6)		5.8		(0.8)	
Change in Net Position to Operating Revenue	(3.4)		5.8		(0.7)	

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,042,488	\$231,242
Investments	11,000,000	5,800,778
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Total Restricted Current Assets	13,042,488	6,032,020
<u>Unrestricted</u>		
Cash - interest bearing	21,165,515	3,304,671
Investments	5,500,000	17,701,954
Receivables:		
Consumer Accounts	5,277,086	4,971,581
Refined Coal	3,179,690	---
Wholesale	2,203	950,210
Steam Sales	932,104	964,185
Intercompany	553	---
Interest	117,956	115,139
Inventories	6,099,928	6,443,840
Fuel	2,906,230	5,979,830
Prepaid Expenses	1,254,913	1,024,447
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Total Unrestricted Current Assets	46,436,178	41,455,857
Total Current Assets	<hr/>	<hr/>
	59,478,666	47,487,877
Property and Equipment:		
At Cost	413,889,382	411,722,019
Less Accumulated Depreciation	327,542,863	317,896,119
	<hr/>	<hr/>
Net Property and Equipment	86,346,519	93,825,900
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	1,400,000	400,000
Joint Venture Rights	112,831	113,660
	<hr/>	<hr/>
Total Other Assets	36,839,831	35,840,660
TOTAL ASSETS	<hr/> <hr/>	<hr/> <hr/>
	\$182,665,016	\$177,154,437

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
Unrestricted		
Accounts Payable	\$4,709,528	\$2,089,331
Pension Provision	1,249,822	101,572
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	527,039	469,611
Accrued Vacation	1,125,040	1,163,859
Accrued Emission Allowance Expense	69,823	50,777
Consumers' Deposits	646,119	582,989
Retained Percentage on Contracts	---	41,179
Accrued Property Taxes	107,953	114,735
Miscellaneous Accrued Expenses	598,756	723,839
Mooring Lease	---	6,350
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Total Unrestricted Current Liabilities	9,263,180	5,518,068
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Non-Current Liabilities:		
Health & Dental Insurance Provision	1,431,790	1,739,710
Post-Employment Health Benefit Provision	379,336	204,202
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,991,496	2,124,282
	<hr/>	<hr/>
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	6,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	86,346,519	93,825,900
Restricted	13,042,488	6,032,020
Unrestricted	58,988,467	63,621,301
	<hr/>	<hr/>
Total Net Position	158,377,474	163,479,221
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$182,665,016</u>	<u>\$177,154,437</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,929,149	\$28,457,752
MISO sales	3,849,657	28,746,916
Steam sales	784,385	6,420,942
Coal sales	4,166,910	21,957,661
Railcar/facilities leasing	5,000	172,832
By-product sales	26,296	206,167
Miscellaneous sources	12,391	283,761
Cash paid to/for:		
Suppliers	(700,085)	(5,670,653)
MISO purchases/administration fees	(2,936,799)	(18,812,162)
Coal purchases	(6,591,483)	(37,229,814)
Employees payroll, taxes and benefits	(1,571,094)	(11,945,547)
Net cash flows from operating activities	<u>974,328</u>	<u>12,587,855</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(528,445)	(2,186,060)
Loan to Water Utility	(250,000)	(1,000,000)
Net cash flows from capital and related financing activities	<u>(778,445)</u>	<u>(3,186,060)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(25,070)	(69,540)
Interest received on investments and note receivable	624,242	1,281,487
Amortization/accretion of investments	---	(568)
Mark to Market	---	(72)
Net cash flows from investing activities	<u>599,172</u>	<u>1,211,307</u>
Net increase in cash and investments	<u>795,055</u>	<u>10,613,102</u>
Cash and investments at beginning of period	<u>38,912,948</u>	<u>29,094,901</u>
Cash and investments at end of period	<u>\$39,708,003</u>	<u>\$39,708,003</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$46,731	\$2,902,156
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	6,618,458
Amortization of joint venture rights	8,962	58,329
Changes in assets and liabilities:		
Consumer accounts receivable	(310,832)	1,483,541
Refined coal	987,220	(3,179,690)
Wholesale receivable	1,024,210	1,039,273
Steam sales receivable	(102,670)	146,486
Intercompany receivable	(553)	(553)
Inventories	(77,113)	218,680
Fuel	(324,648)	2,162,938
Prepaid expenses	28,722	(614,680)
Accounts payable	(1,469,792)	543,676
Pension provision	178,546	1,249,822
Health & dental insurance provision	35,136	(62,728)
Other post-employment benefit provision	8,229	57,604
Accrued payroll	169,817	64,206
Accrued vacation	(23,019)	31,560
Accrued emission allowance expense	11,156	(872)
Consumers' deposits	597	52,178
Accrued property taxes	9,285	10,393
Miscellaneous accrued expenses	(171,150)	(189,955)
Unearned mooring lease	---	(2,967)
	<u>---</u>	<u>---</u>
Net cash flows from operating activities	<u>\$974,328</u>	<u>\$12,587,855</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,042,488</u>	<u>\$6,032,020</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,042,488</u>	<u>\$6,032,020</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$3,233,787</u>	29.6	<u>\$2,381,741</u>	31.0	<u>\$2,412,605</u>	28.7
Average price per kWh	\$0.0370		\$0.0310		\$0.0316	
<u>Generation</u>						
Operation Supervision	81,027		82,056		80,492	
Fuel:						
Coal	3,189,199		1,843,892		2,325,135	
Fuel Oil	15,749		7,147		45,783	
Gas	10,000		33,906		14,581	
Coal Handling Expense	69,871		62,548		71,955	
Landfill Operation Expense	7,204		6,038		7,265	
Emissions Allowance Expense	7,587		11,157		9,684	
Steam Expense:						
Boiler	157,999		101,917		92,958	
Pollution Control	46,826		31,193		29,028	
Electric Expense	104,974		95,060		96,690	
Miscellaneous Steam Power Expense	174,445		153,084		137,039	
Maintenance:						
Supervision	80,008		81,377		73,543	
Structures	140,660		21,392		39,744	
Boiler Plant:						
Boiler	126,355		106,518		109,779	
Pollution Control	72,518		25,662		37,747	
Electric Plant	37,951		21,505		111,936	
System Control	19,233		17,355		14,275	
Miscellaneous Steam Plant	67,773		57,753		83,760	
Coal Handling Equipment	85,859		97,502		60,785	
System Control and Load Dispatch	30,633		19,617		23,715	
Vacation, Holiday, Sick Leave	102,550		123,239		118,059	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
Total Generation Expense	<u>\$5,253,830</u>	48.0	<u>\$3,624,625</u>	47.2	<u>\$4,206,326</u>	50.0

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<u>Purchased Power</u>	<u>\$14,584,033</u>	27.1	<u>\$18,194,607</u>	28.8	<u>\$13,760,520</u>	25.7
Average price per kWh	\$0.0279		\$0.0360		\$0.0274	
<u>Generation</u>						
Operation Supervision	546,576		559,688		546,307	
Fuel:						
Coal	14,690,287		16,276,085		15,598,524	
Fuel Oil	111,266		130,471		81,187	
Gas	103,350		301,467		82,599	
Coal Handling Expense	473,398		470,827		461,412	
Landfill Operation Expense	41,775		20,637		33,111	
Emissions Allowance Expense	47,744		59,028		50,777	
Steam Expense:						
Boiler	773,589		699,057		695,337	
Pollution Control	331,630		241,369		236,274	
Electric Expense	654,921		660,521		641,437	
Miscellaneous Steam Power Expense	1,477,235		1,068,656		1,081,306	
Maintenance:						
Supervision	566,972		585,132		564,227	
Structures	575,729		362,281		417,511	
Boiler Plant:						
Boiler	1,444,255		1,318,594		1,302,718	
Pollution Control	431,345		458,822		356,338	
Electric Plant	336,666		312,440		507,640	
System Control	134,343		129,687		123,100	
Miscellaneous Steam Plant	549,768		448,611		461,161	
Coal Handling Equipment	487,673		533,141		516,992	
System Control and Load Dispatch	214,517		178,904		186,879	
Vacation, Holiday, Sick Leave	612,367		727,891		668,042	
Depreciation	<u>4,377,861</u>		<u>4,372,949</u>		<u>4,356,611</u>	
Total Generation Expense	<u>\$28,983,267</u>	53.9	<u>\$29,916,258</u>	47.3	<u>\$28,969,490</u>	54.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,962		\$4,114		\$4,464	
Load Dispatching	51,693		41,253		48,099	
Station Expense	7,394		11,559		7,268	
Overhead Line Expense	68		1,430		224	
Transmission of Electricity by Others	28,433		33,845		15,324	
Miscellaneous Transmission Expense	10,908		10,939		7,957	
Maintenance:						
Supervision	1,986		1,954		2,072	
Structures	884		---		---	
Station Equipment	5,809		2,328		4,492	
Overhead Lines	10,429		8,789		6,607	
Vacation, Holiday, Sick Leave	7,694		7,274		6,866	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,642		5,774	
Total Transmission Expense	166,017	1.5	159,815	2.1	139,772	1.7
<u>Distribution</u>						
Operation Supervision	10,855		11,634		12,213	
Load Dispatching	30,395		35,731		35,685	
Station Expense	8,132		12,199		8,984	
Overhead Line Expense	2,958		2,339		2,231	
Vehicle Expense	17,789		16,404		24,441	
Underground Line Expense	3,106		4,036		3,149	
Street Lighting	1,728		2,320		3,654	
Signal Expense	691		250		80	
Meter Expense	8,131		8,291		8,874	
Consumer Installation Expense	679		784		306	
Miscellaneous Distribution Expense	44,555		63,286		43,724	
Maintenance:						
Supervision	9,606		10,525		11,049	
Structures	5,554		---		---	
Station Equipment	8,455		11,966		10,797	
Overhead Lines	48,278		23,305		37,122	
Underground Lines	7,276		(86,243)		11,870	
Line Transformers	2,906		6,475		5,572	
Street Lighting	5,130		11,075		5,478	
Signal System	2,578		16,853		4,812	
Meters	2,095		1,935		1,956	
Miscellaneous Distribution Plant	2,318		2,413		2,063	
Vacation, Holiday, Sick Leave	33,134		35,282		32,973	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,685		1,725	
Total Distribution Expense	\$417,529	3.8	\$350,782	4.6	\$424,260	5.0

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

	Budget		This Year		Last Year	
	Estimate					
<u>Transmission</u>						
Operation Supervision	\$27,369		\$29,889		\$28,043	
Load Dispatching	403,452		413,931		379,914	
Station Expense	61,508		97,120		46,375	
Overhead Line Expense	527		3,868		2,639	
Transmission of Electricity by Others	199,033		208,788		91,518	
Miscellaneous Transmission Expense	102,745		40,858		42,616	
Maintenance:						
Supervision	13,640		14,020		13,179	
Structures	8,626		---		---	
Station Equipment	53,569		36,440		44,515	
Overhead Lines	75,138		88,790		92,439	
Vacation, Holiday, Sick Leave	45,519		45,068		46,104	
Depreciation	217,288		214,816		214,375	
Tax on Rural Property	40,012		39,599		40,054	
	<u>1,248,426</u>	2.3	<u>1,233,187</u>	2.0	<u>1,041,771</u>	1.9
<u>Distribution</u>						
Operation Supervision	75,935		83,186		78,395	
Load Dispatching	203,696		213,119		192,585	
Station Expense	51,759		73,500		40,173	
Overhead Line Expense	48,334		12,672		12,616	
Vehicle Expense	124,380		108,654		127,276	
Underground Line Expense	22,282		20,208		19,698	
Street Lighting	11,734		14,824		14,060	
Signal Expense	4,500		1,890		1,027	
Meter Expense	58,012		63,550		62,584	
Consumer Installation Expense	4,462		4,735		4,224	
Miscellaneous Distribution Expense	328,129		362,294		360,498	
Maintenance:						
Supervision	68,685		74,788		70,815	
Structures	12,710		1,498		---	
Station Equipment	114,501		53,804		74,140	
Overhead Lines	353,855		295,537		468,706	
Underground Lines	60,470		51,938		47,358	
Line Transformers	31,813		26,973		48,448	
Street Lighting	36,971		38,320		53,904	
Signal System	18,559		35,922		16,349	
Meters	18,665		14,189		18,500	
Miscellaneous Distribution Plant	16,223		22,199		14,979	
Vacation, Holiday, Sick Leave	195,743		193,584		202,225	
Depreciation	1,116,302		1,107,659		1,088,514	
Tax on Rural Property	11,956		11,823		11,961	
	<u>\$2,989,676</u>	5.6	<u>\$2,886,866</u>	4.6	<u>\$3,029,035</u>	5.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$8,022		\$3,729		\$6,126	
Energy Efficiency Rebates	25,114		7,310		11,318	
Electric Ranges/Dryers Maintenance	443		212		337	
Electric Water Heaters Maintenance	141		27		29	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	33,720	0.3	11,278	0.1	17,810	0.2
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	2,849		3,483		3,153	
Meter Reading Expense	8,798		9,164		7,267	
Consumer Records and Collection	32,909		34,096		31,840	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	5,124		5,743		5,211	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	53,997	0.5	56,803	0.7	50,768	0.6
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	171,090		173,536		187,916	
Office Supplies and Expenses	23,699		18,960		14,044	
Outside Services Employed	68,091		20,269		15,454	
Property Insurance	59,026		59,470		55,169	
Casualty Ins, Injuries & Damages	43,319		41,679		25,331	
Employee Pensions and Benefits	506,859		499,048		462,294	
Fringe Benefits Charged to Constr.	(28,869)		(33,020)		(22,572)	
Regulatory Commission	8,608		7,722		8,980	
Miscellaneous General Expense	33,636		22,609		24,776	
Maintenance of General Plant	32,722		31,067		28,283	
Maintenance of A/O Center	91,062		42,786		35,575	
Vacation, Holiday, Sick Leave	32,100		31,632		33,273	
Depreciation	134,595		131,862		128,501	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,175,938	10.8	1,047,620	13.6	997,024	11.9
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$10,334,818</u>		<u>\$7,632,664</u>		<u>\$8,248,565</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		94.5		99.4		98.1

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$94,814		\$42,524		\$47,569	
Energy Efficiency Rebates	145,806		115,066		90,461	
Electric Ranges/Dryers Maintenance	3,190		2,525		3,842	
Electric Water Heaters Maintenance	<u>1,183</u>		<u>475</u>		<u>619</u>	
Total Customer Service Expense	<u>\$244,993</u>	0.5	<u>\$160,590</u>	0.3	<u>\$142,491</u>	0.3
 <u>Consumer Accounts</u>						
Supervision	19,370		20,924		21,179	
Meter Reading Expense	62,475		66,767		62,998	
Consumer Records and Collection	226,314		227,579		232,956	
Uncollectible Accounts Expense	30,216		30,216		23,079	
Vacation, Holiday, Sick Leave	<u>30,104</u>		<u>34,574</u>		<u>31,356</u>	
Total Consumer Accounts Expense	<u>368,479</u>	0.7	<u>380,060</u>	0.6	<u>371,568</u>	0.7
 <u>Administrative and General</u>						
Administrative and General Salaries	1,166,230		1,158,505		1,224,177	
Office Supplies and Expenses	150,142		101,563		106,471	
Outside Services Employed	554,963		310,404		306,153	
Property Insurance	401,263		403,386		360,537	
Casualty Ins, Injuries & Damages	296,039		316,305		213,542	
Employee Pensions and Benefits	3,605,179		3,557,112		3,467,112	
Fringe Benefits Charged to Constr.	(193,679)		(177,162)		(113,616)	
Regulatory Commission	60,258		50,462		58,460	
Miscellaneous General Expense	296,570		269,181		228,217	
Maintenance of General Plant	223,659		207,843		175,563	
Maintenance of A/O Center	330,350		243,227		227,557	
Vacation, Holiday, Sick Leave	188,324		193,944		195,784	
Depreciation	<u>942,163</u>		<u>923,034</u>		<u>899,507</u>	
Total Administrative and General	<u>8,021,461</u>	14.9	<u>7,557,804</u>	12.0	<u>7,349,464</u>	13.7
Total Operating Expense	<u>\$56,440,335</u>		<u>\$60,329,372</u>		<u>\$54,664,339</u>	
Percent to Operating Revenue		105.0		95.4		102.2

**Muscatine Power and Water - Electric Utility
Statistical Data
July 2014**

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

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.818	\$1.849
Per Net MW Generated	\$23.18	\$21.17
Net Peak Monthly Demand-KW	130,340	134,800
Date of Peak	7/22	7/18
Hour of Peak	1400	1300

	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.871	\$1.821
Per Net MW Generated	\$21.90	\$20.25
Net Peak Monthly Demand-KW	130,340	134,800
Date of Peak	7/22	7/18
Hour of Peak	1400	1300
Average Temperature	68.3°	72.1°

<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,740	9,718
Commercial I	1,365	1,373
Commercial II	118	115
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	33
Total	<u>11,292</u>	<u>11,273</u>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>119,433,278</u>		<u>64,007,100</u>		<u>89,862,181</u>	
Wholesale Sales	<u>\$4,956,481</u>	<u>\$0.04150</u>	<u>\$2,326,758</u>	<u>\$0.03635</u>	<u>\$3,216,866</u>	<u>\$0.03580</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	2,564,688	0.02147	1,399,717	0.02187	1,813,611	0.02018
Emissions:						
SO ² Allowances ^{fn1}	356	0.00000	80	0.00000	60	0.00000
NO _x Allowances ^{fn2}	5,925	0.00005	15,068	0.00024	6,647	0.00007
Other ^{fn3}	186,673	0.00156	184,962	0.00289	187,258	0.00208
Total Variable Costs	<u>2,757,642</u>	<u>0.02309</u>	<u>1,599,827</u>	<u>0.02499</u>	<u>2,007,576</u>	<u>0.02234</u>
Gross Margin	<u>\$2,198,839</u>	<u>\$0.01841</u>	<u>\$726,931</u>	<u>\$0.01136</u>	<u>\$1,209,290</u>	<u>\$0.01346</u>
Percent Gross Margin	44.4%		31.2%		37.6%	

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>
Wholesale kWh Sales	<u>536,751,167</u>		<u>623,652,557</u>		<u>639,521,551</u>	
Wholesale Sales	<u>\$16,774,489</u>	<u>\$0.03125</u>	<u>\$27,667,885</u>	<u>\$0.04436</u>	<u>\$19,949,503</u>	<u>\$0.03119</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	10,583,346	0.01972	13,023,408	0.02088	12,340,964	0.01930
Emissions:						
SO ² Allowances ^{fn1}	2,582	0.00000	403	0.00000	280	0.00000
NO _x Allowances ^{fn2}	39,169	0.00007	127,445	0.00020	41,038	0.00006
Other ^{fn3}	1,306,711	0.00243	1,303,289	0.00209	1,329,811	0.00208
Total Variable Costs	<u>11,931,808</u>	<u>0.02223</u>	<u>14,454,545</u>	<u>0.02318</u>	<u>13,712,093</u>	<u>0.02144</u>
Gross Margin	<u>\$4,842,681</u>	<u>\$0.00902</u>	<u>\$13,213,340</u>	<u>\$0.02119</u>	<u>\$6,237,410</u>	<u>\$0.00975</u>
Percent Gross Margin	28.9%		47.8%		31.3%	

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	\$0.90	\$0.75
YTD SO ²	2.00	0.81	0.75
fn2 NO _x annual	42.50	59.50	45.00
NO _x seasonal	10.00	31.50	21.50
fn3 YTD NO _x annual	42.50	57.41	41.61
YTD NO _x seasonal	10.00	25.86	11.50

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
July 2014

Delivered to Wholesale Customers

	Current Month <u>2014 Budget</u>	Current Month <u>2014 Actual</u>	Current Month <u>2013 Actual</u>	Year-To-Date <u>2014 Budget</u>	Year-To-Date <u>2014 Actual</u>	Year-To-Date <u>2013 Actual</u>
Wholesale Sales KWHs	119,433,278	64,007,100	89,862,181	536,751,167	623,652,557	639,521,551
Wholesale Sales	\$4,956,481	\$2,326,758	\$3,216,866	\$16,774,489	\$27,667,885	\$19,949,503
Less:						
Production Fuel	2,647,643	1,473,250	1,897,385	11,136,552	13,599,255	12,871,044
Generation-Other	1,931,656	1,640,214	1,629,427	13,335,720	12,498,081	12,070,685
Transmission	166,017	159,815	139,772	1,248,426	1,233,187	1,041,771
Subtotal	<u>4,745,316</u>	<u>3,273,279</u>	<u>3,666,584</u>	<u>25,720,698</u>	<u>27,330,523</u>	<u>25,983,500</u>
Wholesale Margin	<u>\$211,165</u>	<u>(\$946,521)</u>	<u>(\$449,718)</u>	<u>(\$8,946,209)</u>	<u>\$337,362</u>	<u>(\$6,033,997)</u>

Delivered to Steam Customer

	Current Month <u>2014 Budget</u>	Current Month <u>2014 Actual</u>	Current Month <u>2013 Actual</u>	Year-To-Date <u>2014 Budget</u>	Year-To-Date <u>2014 Actual</u>	Year-To-Date <u>2013 Actual</u>
Steam Sales - 1,000 lbs.	263,719	225,846	257,863	1,800,086	1,635,400	1,521,140
Steam Sales	\$1,000,006	\$886,747	\$932,398	\$6,908,586	\$6,331,468	\$5,584,454
Less:						
Production Fuel	644,380	480,281	567,334	4,283,524	3,600,232	3,385,789
Generation-Other	30,151	30,880	112,180	227,471	218,690	641,972
Steam sales Margin	<u>\$325,475</u>	<u>\$375,586</u>	<u>\$252,884</u>	<u>\$2,397,591</u>	<u>\$2,512,546</u>	<u>\$1,556,693</u>

Delivered to Paying Native System Customers

	Current Month <u>2014 Budget</u>	Current Month <u>2014 Actual</u>	Current Month <u>2013 Actual</u>	Year-To-Date <u>2014 Budget</u>	Year-To-Date <u>2014 Actual</u>	Year-To-Date <u>2013 Actual</u>
Native System Sales KWHs	82,040,982	73,893,887	72,684,406	498,315,956	482,774,350	479,488,161
Native System Sales	\$4,906,089	\$4,373,615	\$4,182,986	\$29,322,400	\$28,651,947	\$27,301,241
Less:						
Purchased Power	3,233,787	2,381,741	2,412,605	14,584,033	18,194,607	13,760,520
Distribution	417,529	350,782	424,260	2,989,676	2,886,866	3,029,035
Customer Service	33,720	11,278	17,810	244,993	160,590	142,491
Consumers Accounts	53,997	56,803	50,768	368,479	380,060	371,568
Administrative & General	1,175,938	1,047,620	997,024	8,021,461	7,557,804	7,349,464
Subtotal	<u>4,914,971</u>	<u>3,848,224</u>	<u>3,902,467</u>	<u>26,208,642</u>	<u>29,179,927</u>	<u>24,653,078</u>
Native System Margin	(8,882)	525,392	280,519	3,113,758	(527,980)	2,648,163
Steam Sales Margin	325,475	375,586	252,884	2,397,591	2,512,546	1,556,693
Wholesale Margin	<u>211,165</u>	<u>(946,521)</u>	<u>(449,718)</u>	<u>(8,946,209)</u>	<u>337,362</u>	<u>(6,033,997)</u>
Net Electric Margin	527,758	(45,544)	83,685	(3,434,860)	2,321,928	(1,829,141)
Other Revenue	75,073	92,274	77,108	722,198	580,228	643,459
Nonoperating Revenue (Expense)	<u>114,403</u>	<u>108,578</u>	<u>108,326</u>	<u>799,734</u>	<u>749,261</u>	<u>750,256</u>
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>\$717,234</u>	<u>\$155,309</u>	<u>\$269,119</u>	<u>(\$1,912,928)</u>	<u>\$3,651,417</u>	<u>(\$435,426)</u>