

**Muscatine Power and Water**

**Electric Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**August 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 - August 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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	130,176,043	(43.1)	74,112,770	(36.1)	116,029,614
Less: Plant Use	<u>11,395,848</u>	(12.0)	<u>10,028,607</u>	(14.7)	<u>11,760,998</u>
Net Generation/Wholesale Sales	<u><u>118,780,195</u></u>	(46.0)	<u><u>64,084,163</u></u>	(38.5)	<u><u>104,268,616</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	70.00	(48.2)	36.23	(46.8)	68.16
Unit 8/8A	75.90	(21.1)	59.86	7.0	55.93
Unit 7	50.00	(88.8)	5.60	(72.5)	20.36
Total Plant	69.16	(45.8)	37.48	(38.3)	60.76
<b><u>KWH Distribution</u></b>					
Residential	12,500,000	(20.6)	9,930,827	(7.4)	10,721,157
Commercial I	4,129,850	(16.0)	3,469,907	(8.3)	3,784,066
Commercial II	10,153,000	(8.3)	9,312,700	2.5	9,087,844
Industrial I	11,794,125	(0.7)	11,706,980	(4.1)	12,211,380
Industrial II	35,887,950	7.6	38,612,612	10.0	35,103,918
City Enterprise Funds	415,000	(4.2)	397,770	13.7	349,881
Water & Communications Utilities	<u>1,423,865</u>	0.7	<u>1,433,978</u>	1.1	<u>1,418,488</u>
Native System Sales	76,303,790	(1.9)	74,864,774	3.0	72,676,734
City Lighting	165,902	(10.2)	149,031	(8.2)	162,410
City Buildings	618,683	(2.6)	602,514	(13.8)	698,844
Offline Power Plant Usage	6,974	19.8X	144,739	2.4X	42,362
Losses & Cycle Billing	<u>425,655</u>	6.9X	<u>3,381,105</u>	(7.7)	<u>3,662,266</u>
Total Native System KWH Distributed/Purchased Power	<u><u>77,521,004</u></u>	2.1	<u><u>79,142,163</u></u>	2.5	<u><u>77,242,616</u></u>
 <b><u>STEAM SALES - 1000 lbs</u></b>	 <u><u>256,121</u></u>	 (25.6)	 <u><u>190,485</u></u>	 (9.9)	 <u><u>211,417</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	726,846,438	6.0	770,169,549	(7.0)	828,238,341
Less: Plant Use	<u>71,315,076</u>	15.6	<u>82,432,830</u>	(2.4)	<u>84,448,174</u>
Net Generation/Wholesale Sales	<u>655,531,362</u>	4.9	<u>687,736,719</u>	(7.5)	<u>743,790,167</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	52.37	1.1	52.96	(17.0)	63.79
Unit 8/8A	49.78	17.0	58.22	27.1	45.80
Unit 7	19.93	40.6	28.02	76.7	15.86
Total Plant	48.69	5.4	51.31	(7.2)	55.28
<b><u>KWH Distribution</u></b>					
Residential	76,849,450	(6.4)	71,909,350	1.1	71,119,952
Commercial I	27,059,050	(5.4)	25,597,398	(3.0)	26,398,049
Commercial II	73,031,425	(5.9)	68,746,444	3.2	66,637,902
Industrial I	81,599,570	(5.3)	77,274,380	(6.8)	82,890,600
Industrial II	301,218,355	(0.5)	299,594,877	2.9	291,264,723
City Enterprise Funds	4,015,000	(15.2)	3,404,451	3.4	3,293,987
Water & Communications Utilities	<u>10,846,896</u>	2.4	<u>11,112,224</u>	5.2	<u>10,559,682</u>
Native System Sales	574,619,746	(3.0)	557,639,124	1.0	552,164,895
City Lighting	1,371,352	(5.4)	1,296,718	(3.7)	1,346,313
City Buildings	4,363,780	11.0	4,843,892	1.5	4,772,335
Offline Power Plant Usage	529,922	3.1X	2,182,800	36.7	1,596,486
Losses & Cycle Billing	<u>19,650,335</u>	(8.3)	<u>18,014,728</u>	(6.2)	<u>19,201,868</u>
Total Native System KWH Distributed/Purchased Power	<u>600,535,135</u>	(2.8)	<u>583,977,262</u>	0.8	<u>579,081,897</u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u>2,056,207</u>	(11.2)	<u>1,825,915</u>	5.4	<u>1,732,557</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - August 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>
<b><u>Sales of Electricity</u></b>						
Residential	\$1,203,940	0.09632	\$995,943	0.10029	\$1,008,700	0.09408
Commercial I	384,445	0.09309	326,476	0.09409	329,929	0.08719
Commercial II	710,868	0.07002	666,246	0.07154	595,345	0.06551
Industrial I	659,024	0.05588	670,256	0.05725	657,043	0.05381
Industrial II	1,697,095	0.04729	1,828,657	0.04736	1,687,912	0.04808
City Enterprise Funds	28,581	0.06887	29,797	0.07491	23,481	0.06711
Water & Communication Utilities	<u>74,652</u>	0.05243	<u>86,549</u>	0.06036	<u>78,256</u>	0.05517
Native System Sales	4,758,605	0.06236	4,603,924	0.06150	4,380,666	0.06028
Wholesale Sales	<u>4,276,087</u>	0.03600	<u>2,473,360</u>	0.03860	<u>3,270,129</u>	0.03136
Energy Sales	<u>9,034,692</u>		<u>7,077,284</u>		<u>7,650,795</u>	
<b><u>Steam Sales</u></b>	<u>976,894</u>	3.81	<u>747,634</u>	3.92	<u>767,048</u>	3.63
<b><u>Other Revenue</u></b>						
Rail Car Lease	---		---		---	
By-Product Revenue	31,292		157,207		30,259	
Miscellaneous Revenue	<u>43,738</u>		<u>49,591</u>		<u>45,433</u>	
Total Other Revenue	<u>75,030</u>		<u>206,798</u>		<u>75,692</u>	
Operating Revenue	<u>10,086,616</u>		<u>8,031,716</u>		<u>8,493,535</u>	
<b><u>Operating Expense</u></b>						
Purchased Power	2,538,813	0.03275	2,636,040	0.03331	2,205,769	0.02856
Production Fuel	3,273,759		1,908,781		2,618,030	
Emissions Allowance	7,547		9,871		7,984	
Operation	1,940,296		1,686,250		1,726,945	
Maintenance	785,072		754,234		671,066	
Depreciation	<u>950,517</u>		<u>945,494</u>		<u>937,001</u>	
Total Operating Expense	<u>9,496,004</u>		<u>7,940,670</u>		<u>8,166,795</u>	
Operating Income	<u>590,612</u>		<u>91,046</u>		<u>326,740</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	114,498		108,627		109,038	
Interest Expense	<u>(133)</u>		<u>(79)</u>		<u>(107)</u>	
Total Nonoperating Revenue (Expense)	<u>114,365</u>		<u>108,548</u>		<u>108,931</u>	
Net Income Before Revenue Adjustment	704,977		199,594		435,671	
Capital Contributions	6,278		41,584		938	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	711,255		241,178		436,609	
Beginning Net Position	<u>152,897,073</u>		<u>158,377,474</u>		<u>163,479,221</u>	
Ending Net Position	<u>\$153,608,328</u>		<u>\$158,618,652</u>		<u>\$163,915,830</u>	
Net Loss Before Rev Adj to Op Revenue	7.0		2.5		5.1	
Change in Net Position to Operating Revenue	7.1		3.0		5.1	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - August 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>
<b><u>Sales of Electricity</u></b>						
Residential	\$7,286,475	0.09481	\$6,949,994	0.09665	\$6,516,639	0.09163
Commercial I	2,393,054	0.08844	2,266,155	0.08853	2,174,268	0.08236
Commercial II	4,859,510	0.06654	4,589,839	0.06676	4,067,583	0.06104
Industrial I	4,515,664	0.05534	4,415,919	0.05715	4,393,601	0.05300
Industrial II	14,233,302	0.04725	14,183,953	0.04734	13,786,098	0.04733
City Enterprise Funds	242,442	0.06038	225,192	0.06615	199,625	0.06060
Water & Communications Utilities	550,559	0.05076	624,818	0.05623	544,092	0.05153
Native System Sales	34,081,006	0.05931	33,255,870	0.05964	31,681,906	0.05738
Wholesale Sales	21,050,576	0.03211	30,141,245	0.04383	23,219,632	0.03122
Energy Sales	55,131,582		63,397,115		54,901,538	
<b><u>Steam Sales</u></b>	7,885,480	3.83	7,079,102	3.88	6,351,502	3.67
<b><u>Other Revenue</u></b>						
Rail Car Lease	110,400		68,627		172,575	
By-Product Revenue	296,116		295,414		135,322	
Miscellaneous Revenue	390,712		422,986		411,254	
Total Other Revenue	797,228		787,027		719,151	
Operating Revenue	63,814,290		71,263,244		61,972,191	
<b><u>Operating Expense</u></b>						
Purchased Power	17,122,846	0.02851	20,830,647	0.03567	15,966,289	0.02757
Production Fuel	18,693,836		19,108,266		18,874,863	
Emissions Allowance	55,290		68,900		58,762	
Operation	15,710,982		14,589,842		14,148,008	
Maintenance	6,749,256		6,108,435		6,287,203	
Depreciation	7,604,129		7,563,952		7,496,008	
Total Operating Expense	65,936,339		68,270,042		62,831,133	
Operating Income (Loss)	(2,122,049)		2,993,202		(858,942)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	915,165		859,527		860,329	
Interest Expense	(1,067)		(1,718)		(1,142)	
Total Nonoperating Revenue (Expense)	914,098		857,809		859,187	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,207,951)		3,851,011		245	
Capital Contributions	90,222		41,584		61,635	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(1,117,729)		3,892,595		61,880	
Beginning Net Position	154,726,057		154,726,057		163,853,950	
Ending Net Position	<u>\$153,608,328</u>		<u>\$158,618,652</u>		<u>\$163,915,830</u>	
Net Loss Before Rev Adj to Op Revenue	(1.9)		5.4		0.0	
Change in Net Position to Operating Revenue	(1.8)		5.5		0.1	

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

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$2,042,488	\$231,242
Investments	<u>11,000,000</u>	<u>5,800,793</u>
Total Restricted Current Assets	<u>13,042,488</u>	<u>6,032,035</u>
<u>Unrestricted</u>		
Cash - interest bearing	21,329,449	4,930,808
Investments	5,500,000	17,701,984
Receivables:		
Consumer Accounts	5,731,520	5,376,623
Refined Coal	2,991,435	---
Wholesale	61,890	826,493
Steam Sales	843,036	806,299
Interest	225,934	223,741
Inventories	6,085,187	6,394,048
Fuel	3,287,727	5,650,057
Prepaid Expenses	<u>938,058</u>	<u>885,102</u>
Total Unrestricted Current Assets	<u>46,994,236</u>	<u>42,795,155</u>
Total Current Assets	<u>60,036,724</u>	<u>48,827,190</u>
<b>Property and Equipment:</b>		
At Cost	414,400,330	412,145,826
Less Accumulated Depreciation	<u>328,484,643</u>	<u>318,741,793</u>
Net Property and Equipment	<u>85,915,687</u>	<u>93,404,033</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	1,650,000	400,000
Joint Venture Rights	<u>105,031</u>	<u>105,668</u>
Total Other Assets	<u>37,082,031</u>	<u>35,832,668</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$183,034,442</u></u>	 <u><u>\$178,063,891</u></u>

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

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>2014</u>	<u>2013</u>
<b>Current Liabilities:</b>		
<b><u>Unrestricted</u></b>		
Accounts Payable	\$5,053,622	\$2,378,154
Pension Provision	939,282	238,272
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	598,277	618,395
Accrued Vacation	1,100,693	1,127,516
Accrued Emission Allowance Expense	68,900	58,762
Consumers' Deposits	650,745	583,526
Retained Percentage on Contracts	---	44,017
Accrued Property Taxes	117,132	120,739
Miscellaneous Accrued Expenses	591,869	706,875
Mooring Lease	---	4,548
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,349,620	6,054,630
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,465,368	1,652,487
Post-Employment Health Benefit Provision	387,566	227,708
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	2,033,304	2,060,565
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Extraordinary O &amp; M</b>	13,032,866	6,032,866
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	85,915,687	93,404,033
Restricted	13,042,488	6,032,035
Unrestricted	59,660,477	64,479,762
	<hr/>	<hr/>
Total Net Position	158,618,652	163,915,830
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$183,034,442</u>	<u>\$178,063,891</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Retail electric sales	\$4,225,907	\$32,683,658
MISO sales	2,017,674	30,764,590
Steam sales	876,895	7,297,837
Coal sales	3,179,690	25,137,351
Railcar/facilities leasing	5,000	177,832
By-product sales	49,505	255,672
Miscellaneous sources	47,210	330,969
Cash paid to/for:		
Suppliers	(394,638)	(6,065,289)
MISO purchases/administration fees	(2,244,421)	(21,056,583)
Coal purchases	(5,099,772)	(42,329,586)
Employees payroll, taxes and benefits	(1,990,823)	(13,936,369)
Net cash flows from operating activities	<u>672,227</u>	<u>13,260,082</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	(258,942)	(2,445,002)
Loan to Water Utility	(250,000)	(1,250,000)
Net cash flows from capital and related financing activities	<u>(508,942)</u>	<u>(3,695,002)</u>
<b>Cash flows from investing activities:</b>		
Purchase of joint venture rights	---	(69,540)
Interest received on investments and note receivable	649	1,282,136
Amortization/accretion of investments	---	(568)
Mark to Market	---	(72)
Net cash flows from investing activities	<u>649</u>	<u>1,211,956</u>
Net increase in cash and investments	<u>163,934</u>	<u>10,777,036</u>
Cash and investments at beginning of period	<u>39,708,003</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$39,871,937</u></u>	<u><u>\$39,871,937</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$91,046	\$2,993,202
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	7,563,952
Amortization of joint venture rights	7,800	66,129
Changes in assets and liabilities:		
Consumer accounts receivable	(454,434)	1,029,107
Refined coal	188,255	(2,991,435)
Wholesale receivable	(59,687)	979,586
Steam sales receivable	89,068	235,554
Intercompany receivable	553	---
Inventories	14,741	233,421
Fuel	(381,497)	1,781,441
Prepaid expenses	316,855	(297,825)
Accounts payable	129,958	673,634
Pension provision	(310,540)	939,282
Health & dental insurance provision	33,578	(29,150)
Other post-employment benefit provision	8,230	65,834
Accrued payroll	71,238	135,444
Accrued vacation	(24,347)	7,213
Accrued emission allowance expense	(923)	(1,795)
Consumers' deposits	4,626	56,804
Accrued property taxes	9,179	19,572
Miscellaneous accrued expenses	(6,966)	(196,921)
Unearned mooring lease	---	(2,967)
	<u>          </u>	<u>          </u>
Net cash flows from operating activities	<u>\$672,227</u>	<u>\$13,260,082</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,042,488</u>	<u>\$6,032,035</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,042,488</u></u>	<u><u>\$6,032,035</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,538,813</u>	25.2	<u>\$2,636,040</u>	32.8	<u>\$2,205,769</u>	26.0
Average price per kWh	\$0.0328		\$0.0333		\$0.0286	
<b><u>Generation</u></b>						
Operation Supervision	79,529		82,067		80,609	
Fuel:						
Coal	3,164,864		1,808,893		2,536,721	
Fuel Oil	15,749		258		294	
Gas	10,450		45,283		7,249	
Coal Handling Expense	73,316		53,259		68,071	
Landfill Operation Expense	9,380		1,088		5,695	
Emissions Allowance Expense	7,547		9,871		7,984	
Steam Expense:						
Boiler	107,154		92,712		92,492	
Pollution Control	41,674		38,503		82,399	
Electric Expense	109,344		92,542		98,620	
Miscellaneous Steam Power Expense	226,442		149,993		192,135	
Maintenance:						
Supervision	79,859		77,660		77,515	
Structures	111,567		125,779		43,670	
Boiler Plant:						
Boiler	135,634		108,521		116,287	
Pollution Control	37,518		38,540		76,648	
Electric Plant	55,707		36,537		30,662	
System Control	19,821		19,078		17,256	
Miscellaneous Steam Plant	69,309		70,958		85,698	
Coal Handling Equipment	61,851		114,316		59,385	
System Control and Load Dispatch	29,020		23,611		25,357	
Vacation, Holiday, Sick Leave	69,299		65,993		70,407	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
<b>Total Generation Expense</b>	<u>\$5,140,443</u>	51.0	<u>\$3,680,169</u>	45.8	<u>\$4,397,527</u>	51.8

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<b><u>Purchased Power</u></b>	<u>\$17,122,846</u>	26.8	<u>\$20,830,647</u>	29.2	<u>\$15,966,289</u>	25.8
Average price per kWh	\$0.0285		\$0.0357		\$0.0276	
<b><u>Generation</u></b>						
Operation Supervision	626,104		641,755		626,916	
Fuel:						
Coal	17,855,151		18,084,978		18,135,245	
Fuel Oil	127,016		130,729		81,481	
Gas	113,800		346,749		89,848	
Coal Handling Expense	546,714		524,085		529,483	
Landfill Operation Expense	51,155		21,725		38,806	
Emissions Allowance Expense	55,290		68,900		58,762	
Steam Expense:						
Boiler	880,743		791,769		787,829	
Pollution Control	373,304		279,872		318,673	
Electric Expense	764,266		753,063		740,057	
Miscellaneous Steam Power Expense	1,703,678		1,218,649		1,273,441	
Maintenance:						
Supervision	646,831		662,792		641,742	
Structures	687,297		488,061		461,180	
Boiler Plant:						
Boiler	1,579,889		1,427,115		1,419,005	
Pollution Control	468,863		497,363		432,986	
Electric Plant	392,373		348,978		538,302	
System Control	154,164		148,765		140,356	
Miscellaneous Steam Plant	619,077		519,569		546,859	
Coal Handling Equipment	549,525		647,457		576,377	
System Control and Load Dispatch	243,537		202,514		212,236	
Vacation, Holiday, Sick Leave	681,666		793,885		738,449	
Depreciation	<u>5,003,269</u>		<u>4,997,656</u>		<u>4,978,984</u>	
<b>Total Generation Expense</b>	<u>\$34,123,712</u>	53.5	<u>\$33,596,429</u>	47.1	<u>\$33,367,017</u>	53.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$4,124		\$4,457		\$3,792	
Load Dispatching	50,832		48,006		44,490	
Station Expense	8,829		10,479		8,676	
Overhead Line Expense	133		(712)		---	
Transmission of Electricity by Others	28,433		33,931		14,079	
Miscellaneous Transmission Expense	32,808		11,363		5,125	
Maintenance:						
Supervision	2,040		2,118		1,897	
Structures	884		---		---	
Station Equipment	7,080		8,424		2,197	
Overhead Lines	10,519		13,112		5,067	
Vacation, Holiday, Sick Leave	5,207		4,364		6,153	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,642		5,774	
<b>Total Transmission Expense</b>	<u>187,646</u>	1.9	<u>171,872</u>	2.1	<u>127,875</u>	1.5
<b><u>Distribution</u></b>						
Operation Supervision	11,560		12,422		11,401	
Load Dispatching	30,134		31,164		31,401	
Station Expense	7,162		7,049		7,181	
Overhead Line Expense	3,358		2,540		3,133	
Vehicle Expense	17,769		12,709		10,636	
Underground Line Expense	3,445		5,553		3,641	
Street Lighting	1,728		2,603		3,714	
Signal Expense	691		507		431	
Meter Expense	8,052		8,101		7,924	
Consumer Installation Expense	643		418		602	
Miscellaneous Distribution Expense	47,581		48,363		44,987	
Maintenance:						
Supervision	10,867		11,212		10,405	
Structures	884		---		---	
Station Equipment	11,001		7,520		19,933	
Overhead Lines	53,580		26,326		44,848	
Underground Lines	10,546		4,326		4,382	
Line Transformers	12,105		10,094		773	
Street Lighting	5,130		9,423		3,105	
Signal System	2,140		10,801		4,620	
Meters	2,018		(1,365)		(358)	
Miscellaneous Distribution Plant	2,318		3,753		4,122	
Vacation, Holiday, Sick Leave	22,161		20,559		20,922	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,685		1,725	
<b>Total Distribution Expense</b>	<u>\$426,053</u>	4.2	<u>\$394,000</u>	4.9	<u>\$395,030</u>	4.7

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

<u>Transmission</u>	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Operation Supervision	\$31,493		\$34,346		\$31,835	
Load Dispatching	454,283		461,937		424,404	
Station Expense	70,338		107,598		55,051	
Overhead Line Expense	660		3,156		2,639	
Transmission of Electricity by Others	227,467		242,719		105,597	
Miscellaneous Transmission Expense	135,553		52,221		47,742	
Maintenance:						
Supervision	15,680		16,138		15,076	
Structures	9,509		---		---	
Station Equipment	60,649		44,864		46,712	
Overhead Lines	85,657		101,902		97,506	
Vacation, Holiday, Sick Leave	50,726		49,433		52,257	
Depreciation	248,329		245,504		245,000	
Tax on Rural Property	45,728		45,241		45,828	
<b>Total Transmission Expense</b>	<u>1,436,072</u>	2.3	<u>1,405,059</u>	2.0	<u>1,169,647</u>	1.9
<b><u>Distribution</u></b>						
Operation Supervision	87,495		95,608		89,796	
Load Dispatching	233,830		244,282		223,986	
Station Expense	58,921		80,549		47,353	
Overhead Line Expense	51,692		15,212		15,748	
Vehicle Expense	142,149		121,363		137,911	
Underground Line Expense	25,727		25,762		23,339	
Street Lighting	13,462		17,428		17,775	
Signal Expense	5,191		2,396		1,458	
Meter Expense	66,064		71,650		70,507	
Consumer Installation Expense	5,105		5,152		4,826	
Miscellaneous Distribution Expense	375,710		410,657		405,485	
Maintenance:						
Supervision	79,551		86,001		81,220	
Structures	13,594		1,498		---	
Station Equipment	125,502		61,325		94,073	
Overhead Lines	407,435		321,862		513,554	
Underground Lines	71,015		56,264		51,740	
Line Transformers	43,918		37,067		49,220	
Street Lighting	42,102		47,743		57,009	
Signal System	20,699		46,723		20,969	
Meters	20,683		12,824		18,142	
Miscellaneous Distribution Plant	18,541		25,952		19,101	
Vacation, Holiday, Sick Leave	217,904		214,142		223,147	
Depreciation	1,275,773		1,265,896		1,244,016	
Tax on Rural Property	13,664		13,508		13,686	
<b>Total Distribution Expense</b>	<u>\$3,415,727</u>	5.4	<u>\$3,280,864</u>	4.6	<u>\$3,424,061</u>	5.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$7,971		\$4,550		\$10,227	
Energy Efficiency Rebates	20,116		18,668		6,305	
Electric Ranges/Dryers Maintenance	443		650		540	
Electric Water Heaters Maintenance	169		83		29	
<b>Total Customer Service Expense</b>	<b>28,699</b>	<b>0.3</b>	<b>23,951</b>	<b>0.3</b>	<b>17,101</b>	<b>0.2</b>
<b><u>Consumer Accounts</u></b>						
Supervision	2,849		3,078		3,311	
Meter Reading Expense	8,798		10,484		7,420	
Consumer Records and Collection	32,939		32,509		35,682	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	3,396		3,768		3,695	
<b>Total Consumer Accounts Expense</b>	<b>52,299</b>	<b>0.5</b>	<b>54,156</b>	<b>0.7</b>	<b>53,405</b>	<b>0.6</b>
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	171,124		166,751		195,929	
Office Supplies and Expenses	19,301		14,239		13,514	
Outside Services Employed	69,592		19,635		48,737	
Property Insurance	59,026		59,470		55,169	
Casualty Ins, Injuries & Damages	41,720		27,423		19,505	
Employee Pensions and Benefits	508,342		482,877		453,820	
Fringe Benefits Charged to Constr.	(27,772)		(28,062)		(36,662)	
Regulatory Commission	8,608		8,057		(19,729)	
Miscellaneous General Expense	33,263		22,797		25,740	
Maintenance of General Plant	31,734		24,424		25,568	
Maintenance of A/O Center	50,960		32,677		37,386	
Vacation, Holiday, Sick Leave	21,558		18,332		22,610	
Depreciation	134,595		131,862		128,501	
<b>Total Administrative and General</b>	<b>1,122,051</b>	<b>11.1</b>	<b>980,482</b>	<b>12.2</b>	<b>970,088</b>	<b>11.4</b>
<b>Total Operating Expense</b>	<b>\$9,496,004</b>		<b>\$7,940,670</b>		<b>\$8,166,795</b>	
<b>Percent to Operating Revenue</b>		<b>94.1</b>		<b>98.9</b>		<b>96.2</b>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$102,785		\$47,074		\$57,796	
Energy Efficiency Rebates	165,923		133,734		96,766	
Electric Ranges/Dryers Maintenance	3,633		3,176		4,382	
Electric Water Heaters Maintenance	<u>1,352</u>		<u>558</u>		<u>648</u>	
Total Customer Service Expense	<u>\$273,693</u>	0.4	<u>\$184,542</u>	0.3	<u>\$159,592</u>	0.3
 <b><u>Consumer Accounts</u></b>						
Supervision	22,219		24,002		24,490	
Meter Reading Expense	71,272		77,251		70,418	
Consumer Records and Collection	259,254		260,088		268,639	
Uncollectible Accounts Expense	34,532		34,532		26,376	
Vacation, Holiday, Sick Leave	<u>33,500</u>		<u>38,342</u>		<u>35,052</u>	
Total Consumer Accounts Expense	<u>420,777</u>	0.7	<u>434,215</u>	0.6	<u>424,975</u>	0.7
 <b><u>Administrative and General</u></b>						
Administrative and General Salaries	1,337,354		1,325,256		1,420,106	
Office Supplies and Expenses	169,442		115,802		119,984	
Outside Services Employed	624,555		330,038		354,891	
Property Insurance	460,289		462,856		415,706	
Casualty Ins, Injuries & Damages	337,759		343,727		233,047	
Employee Pensions and Benefits	4,113,522		4,039,989		3,920,932	
Fringe Benefits Charged to Constr.	(221,451)		(205,224)		(150,279)	
Regulatory Commission	68,867		58,520		38,731	
Miscellaneous General Expense	329,833		291,978		253,958	
Maintenance of General Plant	255,393		232,268		201,131	
Maintenance of A/O Center	381,309		275,904		264,943	
Vacation, Holiday, Sick Leave	209,882		212,276		218,394	
Depreciation	<u>1,076,758</u>		<u>1,054,896</u>		<u>1,028,008</u>	
Total Administrative and General	<u>9,143,512</u>	14.3	<u>8,538,286</u>	12.0	<u>8,319,552</u>	13.4
Total Operating Expense	<u><u>\$65,936,339</u></u>		<u><u>\$68,270,042</u></u>		<u><u>\$62,831,133</u></u>	
Percent to Operating Revenue		103.3		95.8		101.4

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

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

	<b><u>Current Month</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Per Million Btu.	\$1.850	\$1.810
Per Net MW Generated	\$23.60	\$20.70
Net Peak Monthly Demand-KW	133,250	137,860
Date of Peak	8/25	8/27
Hour of Peak	1600	1400
	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Per Million Btu.	\$1.869	\$1.820
Per Net MW Generated	\$22.06	\$20.31
Net Peak Monthly Demand-KW	133,250	137,860
Date of Peak	8/25	8/27
Hour of Peak	1600	1400
Average Temperature	71.5°	72.3°
<b><u>Services</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Residential	9,750	9,711
Commercial I	1,369	1,371
Commercial II	118	115
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	33
<b>Total</b>	<b><u><u>11,306</u></u></b>	<b><u><u>11,264</u></u></b>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales</u></b>	<b><u>118,780,195</u></b>		<b><u>64,084,163</u></b>		<b><u>104,268,616</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$4,276,087</u></b>	<b><u>\$0.03600</u></b>	<b><u>\$2,473,360</u></b>	<b><u>\$0.03860</u></b>	<b><u>\$3,270,129</u></b>	<b><u>\$0.03136</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	2,552,625	0.02149	1,437,140	0.02243	2,070,817	0.01986
Emissions:						
SO <sup>2</sup> Allowances <sup>fn1</sup>	354	0.00000	70	0.00000	57	0.00000
NO <sub>x</sub> Allowances <sup>fn2</sup>	5,888	0.00005	14,303	0.00022	7,295	0.00007
Other <sup>fn3</sup>	<u>186,673</u>	<u>0.00157</u>	<u>184,962</u>	<u>0.00289</u>	<u>187,258</u>	<u>0.00180</u>
Total Variable Costs	<u>2,745,540</u>	<u>0.02311</u>	<u>1,636,475</u>	<u>0.02554</u>	<u>2,265,427</u>	<u>0.02173</u>
<b>Gross Margin</b>	<b><u>\$1,530,547</u></b>	<b><u>\$0.01289</u></b>	<b><u>\$836,885</u></b>	<b><u>\$0.01306</u></b>	<b><u>\$1,004,702</u></b>	<b><u>\$0.00964</u></b>
Percent Gross Margin	35.8%		33.8%		30.7%	

**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>
<b><u>Wholesale kWh Sales</u></b>	<b><u>655,531,362</u></b>		<b><u>687,736,719</u></b>		<b><u>743,790,167</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$21,050,576</u></b>	<b><u>\$0.03211</u></b>	<b><u>\$30,141,245</u></b>	<b><u>\$0.04383</u></b>	<b><u>\$23,219,632</u></b>	<b><u>\$0.03122</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	13,135,971	0.02004	14,460,548	0.02103	14,411,781	0.01938
Emissions:						
SO <sup>2</sup> Allowances <sup>fn1</sup>	2,936	0.00000	473	0.00000	337	0.00000
NO <sub>x</sub> Allowances <sup>fn2</sup>	45,057	0.00007	141,748	0.00021	51,819	0.00007
Other <sup>fn3</sup>	<u>1,493,384</u>	<u>0.00228</u>	<u>1,488,251</u>	<u>0.00216</u>	<u>1,517,069</u>	<u>0.00204</u>
Total Variable Costs	<u>14,677,348</u>	<u>0.02239</u>	<u>16,091,020</u>	<u>0.02340</u>	<u>15,981,006</u>	<u>0.02149</u>
<b>Gross Margin</b>	<b><u>\$6,373,228</u></b>	<b><u>\$0.00972</u></b>	<b><u>\$14,050,225</u></b>	<b><u>\$0.02043</u></b>	<b><u>\$7,238,626</u></b>	<b><u>\$0.00973</u></b>
Percent Gross Margin	30.3%		46.6%		31.2%	

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

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO <sup>2</sup> (Acid Rain Program)	\$2.00	\$0.90	\$0.75
YTD SO <sup>2</sup>	2.00	0.81	0.75
fn2 NO <sub>x</sub> annual	42.50	59.50	45.00
NO <sub>x</sub> seasonal	10.00	31.50	21.50
fn3 YTD NO <sub>x</sub> annual	42.50	57.41	42.14
YTD NO <sub>x</sub> seasonal	10.00	25.86	14.56

fn3 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

**Electric Utility**  
**Review of Operating Results**  
**August 2014**

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - AUGUST 31, 2014

	(Unfavorable)/ Favorable Compared to Budget	
<b>Sales of Electricity</b>		
Native System Sales	\$	(336,481) 6.4% fewer kWh's sold to residential customers (339,561) 5.3% fewer kWh's sold to commercial customers (149,094) 1.6% fewer kWh's sold to industrial customers
Wholesale Sales	9,090,669	36.5% higher average sale price (\$.04383/kWh versus \$.03211/kWh), resulting from lower than normal winter temperatures and high natural gas prices, plus 4.9% higher kWhs sold
	<u>8,265,533</u>	
Steam Sales	<u>(806,378)</u>	11.2% lower pounds of steam sold
<b>Other Revenue</b>		
Rail Car Lease	(41,773)	Fewer lease days
By-Product Revenue	96,861	Higher fly ash sales
	1,709	Higher gypsum sales
	(99,272)	Lower slag sales
Miscellaneous Revenue	(18,222)	Lower job sales, net of expenses
	40,200	Facilities rental, not budgeted
	7,330	Higher recycling revenue
	2,966	Other miscellaneous variances - net
	<u>(10,201)</u>	
<b>Operating Expense</b>		
Purchased Power	(3,707,801)	Average purchase price is 25.1% higher (\$.03567/kwh vs \$.02851/kwh) driven by lower than normal winter temperatures and high natural gas prices, offset by 2.8% lower kWhs purchased
Production Fuel	(229,826)	6.9% or 39,138 higher number of coal tons burned due to increased wholesale sales, offset by a 4.6% lower price/ton
	(233,128)	Unit 8's natural gas usage was 115.9% higher than budget due to low load conditions, plus the cost per mmbtu was 42.7% higher
	49,632	Lower Unit 9 fly ash handling expenses and other coal handling materials
	16,395	Lower cost for landfill grounds maintenance
	(28,775)	Higher labor cost
	11,272	Other miscellaneous variances - net
	<u>(414,430)</u>	
Emissions Allowance	<u>(13,610)</u>	
Operation	28,646	Lower reverse osmosis expenses; membrane not replaced
	(30,696)	Higher auxiliary boiler natural gas usage
	37,717	Lower cost of bottom ash system operations
	10,365	Lower cost for other miscellaneous boiler operating expenses
	61,507	Lower cost of wastewater chemicals and gases
	(7,980)	Higher cost for FGD operation expenses
	(18,122)	Higher Unit 7 & 8 water usage
	92,256	Lower cost for the 316(b) impingement/entrainment study
	96,000	PM 2.5 compliance tests not completed
	122,000	MATS and other stack testing not performed
	30,000	Relative accuracy test audits not performed
	42,575	Safety-related material expense not expended
	(26,374)	Higher cost for the NPDES thermal 316(a) variance study
	28,782	Lower rail administration costs
	65,484	Lower MISO operating costs
	6,000	Painting 161kv breakers, not completed
	3,200	Relay testing system software support not expended
	5,000	Substation washed rock not expended
	40,000	Transmission coordination study, not begun
	35,206	Electric line workers' tools and tool repairs, not expended
	19,939	Lower cost of vehicle operations expenses
	(6,336)	Higher material meter expenses
	7,737	Lower cost of MAGIC's operations

MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - AUGUST 31, 2014

(Unfavorable)/ Favorable Compared to Budget	
8,000	Fewer promotional materials
9,265	Lower cost of media advertising
12,900	Customer survey, not performed
8,224	Educational energy programs not expended
5,000	Customized energy efficiencies not expended
81,729	Less cost of travel & training
28,856	Fewer customer energy efficiency rebates
17,562	Office furniture not purchased
62,405	Lower cost of environmental/regulatory legal services
39,520	Environmental compliance consultant, not expended
33,000	CIP compliance consulting, not expended
43,200	Web design services, not expended
15,000	Financial advisor not utilized
42,870	Lower cost for the business system study, due to timing difference
21,600	Salary study, not performed
16,200	Employee search services, not needed
(8,164)	Higher cost for workers comp claims
45,679	Lower healthcare costs
(7,012)	Higher cost for the deferred comp match
15,316	Lower cost for educational refunds
6,993	Lower unemployment benefits incurred
(16,226)	Lower fringe benefits charged to construction; less time on capital projects
10,381	Lower assessment fee charged by the IUB
24,202	Lower employment expenses
(23,004)	Economic development pledge, budgeted over 12 months at a lower cost
(20,250)	Project management training, not budgeted
10,017	Lower cost for employee team expenses
5,428	Lower gasoline/diesel fuel cost
7,547	Lower postage cost
11,908	Lower cost for lawn care services
21,518	Lower vacation expense
5,173	Lower cost for temporary labor services
(228,625)	Higher labor cost
172,022	Other miscellaneous variances - net
<u>1,121,140</u>	

Maintenance

47,000	Unit 9 stack lighting system, not upgraded
10,000	Power plant lighting upgrades, not completed
50,000	FGD siding repair, not expended
29,000	Rebuild of 9B building sump, not expended
5,500	Cathodic protection anodes, not expended
11,772	Lower elevator maintenance cost
3,600	Unit 9 office variable air volume computer & software, not expended
10,315	Central stores warehouse roof repairs, partly completed in 2013
31,443	Lower cost for power plant roof repairs
128,724	Lower cost for bottom ash system materials
12,693	Lower cost for fly ash system materials
10,448	Lower cost for Unit 7 pressure wash economizer
50,000	Grit blast furnace and scaffold Unit 7 boiler, not expended
50,000	Paint Unit 7 stack, not expended
7,799	Lower cost for Unit 7 front wall refractory repair
16,529	Lower cost to deslag and waterblast Unit 8 furnace
17,500	Unit 8 boiler vacuum services, not needed
37,500	Unit 8 cyclone repairs, not needed
(16,659)	Unit 8 drip tank heat exchanger, not budgeted
(22,529)	Unit 8 auxiliary BFP seal water pump heat exchanger tube repair, not budgeted
(17,125)	Higher cost of Unit 8 sootblower repair
15,000	Upgrade Unit 8 stock feeder micro-processor controls, not begun
(59,944)	Higher cost for Unit 9 deaerator south head replacement
(10,804)	Higher cost of Unit 9 pulverizer journal rebuild
(44,945)	Higher cost of Unit 9 pulverizer maintenance
(10,783)	Unit 9 fuel piping replacements, not budgeted
15,000	Unit 9 boiler vent, drain and blowdown valve repairs, not expended
(26,674)	FGD inlet flue expansion joint replacement, not budgeted

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY  
 VARIANCES FROM BUDGETED NET POSITION - AUGUST 31, 2014**

	(Unfavorable)/ Favorable Compared to Budget	
	(17,191)	Higher cost for continuous emission monitoring expenses
	(33,712)	Repair reagent feed tank mixer gear reducer, not budgeted
	15,000	Limestone feeders upgrade to VFD did not take place
	5,275	Lower cost to upgrade of 9B wastewater sedimentation basin conveyer
	10,000	CPRO pump rebuild, not expended
	5,400	Absorber spray impeller replacement, not completed
	9,000	FGD hydroclone replacements, not expended
	(8,931)	901 WFC pump repair, not budgeted
	26,483	Lower cost for 8A generator maintenance
	(9,832)	Higher cost for Unit 9 condenser heat exchangers cleaning
	(10,148)	Actuator replacements, not budgeted
	8,248	Lower Unit 7 generator maintenance, including traveling screen repairs
	(24,695)	Higher cost for Unit 9 generator maintenance
	14,000	Dead weight tester, which was capitalized but expensed in budget
	14,000	Tool crib tracking software, not expended
	15,000	Hoist/chainfall inspection/repair, to be completed later this year
	12,000	Combustion air condensate return pump, not expended
	(167,711)	Higher cost of rail car maintenance
	(6,528)	Higher cost of rail unloader repairs
	16,923	Lower cost for rail facilities maintenance
	29,939	Lower cost for dozer maintenance
	(14,394)	Higher cost for coal conveyor maintenance
	17,402	Substation repairs, not expended
	10,000	Unit 7 sub transformer not needed
	(28,334)	Higher cost for transmission line 104 maintenance performed by MEC
	40,000	Hot oil processing Oregon St sub transformer and repairs, not expended
	10,000	Re-gasket low side bushings on Pine St sub transformer, not expended
	49,625	Distribution overhead line materials, not expended
	(11,733)	Underground lines maintenance, higher than expected
	10,051	Lower cost for line transformer maintenance
	(12,351)	Higher cost of traffic signal repairs
	39,628	Lower vehicle maintenance costs
	17,906	Fewer hardware and software repairs and modifications
	6,667	Warehouse lighting upgrade, not expended
	8,000	A/O Center fencing, not expended
	27,000	A/O Center lobby redesign and furniture, not expended
	20,000	Rebuild of A/O Center main air conditioning units, not completed
	30,000	Asphalt repairs and sealant, not expended
	14,580	Subscriptions and memberships, not expended
	68,161	Lower labor cost
	85,733	Other miscellaneous variances - net
	<u>640,821</u>	
<b>Depreciation</b>	<u>40,177</u>	Fewer capital purchases in 2013 than budgeted
<b>Nonoperating Revenue (Expense)</b>		
Interest Income	(55,638)	Lower rate of return
Interest Expense	(651)	
	<u>(56,289)</u>	
<b>Change in Net Position before Capital Contributions</b>	<u>5,058,962</u>	Total Variance from Budgeted Net Position
<b>Capital Contributions</b>	<u>(48,638)</u>	MHS traffic signals grant, not realized
<b>Change in Net Position</b>	<u>\$ 5,010,324</u>	Total Variance from Budgeted Net Position

## Statements of Revenues, Expenses and Changes in Net Position

### Sales of Electricity

#### Native System Sales

3.0% lower kWh's sold, offset by 0.6% higher average sale price per kWh (\$.05964/kWh versus \$.05931/kWh budgeted), resulted in \$825,136 lower revenue, primarily due to 2.5% fewer kWh sales to commercial and industrial customers. Revenues from residential customers were \$336,481 lower than budgeted due to 6.4% lower kWh sales. Current month residential kWh sales were 20.6% lower primarily due to the cooler than normal temperatures; current month Industrial II customers usage was 7.6% higher than budget, resulting in \$131,562 higher revenue.

#### Wholesale Sales

4.9% higher kWhs sold, plus a 36.5% higher average sales-price (\$.04383/kWh versus \$.03211/kWh budgeted) resulted in \$9,090,669 higher revenue than projected. Price and volume were higher than budget at the beginning of the year due to lower than normal temperatures and higher natural gas prices; this has been offset the last couple months by cooler-than normal temperatures and an election to sell less into the MISO market to conserve coal.

### Steam Sales

11.2% lower pounds of steam sold resulted in \$806,378 lower revenue than projected.

### Other Revenue

#### Rail Car Lease

Fewer lease days resulted in \$41,773 lower revenue.

#### By-Product Revenue

Fly ash sales are higher than budget by \$96,861; \$99,272 in slag sales were budgeted that did not take place; and gypsum sales are \$1,709 higher than budgeted.

#### Miscellaneous Revenue

Job sales revenue is \$18,222 lower than budgeted. Rental of facilities related to the refined coal project of \$40,200 was not budgeted. Recycling revenue is \$7,330 higher than budgeted.

### Nonoperating Revenue (Expense)

#### Interest Income

Interest income is \$55,638 lower than budgeted due to earning a lower rate of return.

### Capital Contributions

The budget includes \$50,222 for the MHS traffic signal grant that have not been realized. The Unit 8 PAC project reimbursement in August is \$1,584 higher than budgeted.

## Statement of Net Position

### Liabilities

#### Health and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted in December each year.

## Summary of Expenses

### Purchased Power

A 25.1% higher average purchase price (\$.03567/kWh versus \$.02851/kWh budgeted), resulting from lower than normal temperatures in the early months of the year and higher natural gas prices, offset by 2.8% lower kWh's purchased, resulted in \$3,707,801 higher cost.

### Generation

#### Fuel – Coal

Tons of coal burn was 6.9% or 39,138 tons higher than budget offset by a 4.6% lower price/ton, resulted in \$229,826 higher coal expense.

#### Fuel - Gas

Unit 8's natural gas usage was 115.9% higher than budget due to low load conditions, plus the cost per mmbtu was 42.7% higher, resulting in \$233,128 higher expense.

#### Coal Handling Expense

Total labor expense is \$27,003 higher than budgeted. The plant operations department is \$18,315 higher than budgeted, and the less than full employment adjustment is \$12,328. Unit 9 fly ash handling expense is \$27,429 lower than budgeted; other coal handling materials are \$22,203 lower than budgeted.

#### Landfill Operation Expense

Labor expense is \$13,035 lower than budget; materials, including grounds maintenance and irrigation repairs, are \$16,395 lower than budget.

Generation (cont'd)Emissions Allowance Expense

Annual NOx allowance information follows:

1/01/14 Beg. Balance = 0.5

Annual EPA <u>Allocation</u>	+	<u>Purchases</u>	+	GPC to <u>Provide</u>	=	Allowances <u>Available</u>		MPW <u>Electricity</u>	+	GPC <u>Steam</u>	=	Allowances <u>Consumed</u>
1447.0		0.0		958.0		2405.5		1314.2		958.0		2272.2
											Ending Balance 8/31/14	<u>133.3</u>

Seasonal NOx allowance information follows:

1/01/14 Beg. Balance = 67.3

Annual EPA <u>Allocation</u>	+	<u>Purchases</u>	+	GPC to <u>Provide</u>	=	Allowances <u>Available</u>		MPW <u>Electricity</u>	+	GPC <u>Steam</u>	=	Allowances <u>Consumed</u>
642.0		0.0		412.0		1054.0		733.3		412.0		1145.3
											Ending Balance 8/31/14	<u>-24.0</u> *

\*Allowances will be purchased by the end of November.

Steam Expense – Boiler

Labor expense is \$63,672 lower than budgeted. The reverse osmosis system expenses are \$28,646 lower than budget due to not replacing a membrane yet. Bottom ash system operations expense is \$37,717 lower than budgeted. The auxiliary boiler gas usage is higher than anticipated, resulting in \$30,696 higher expense. Other boiler operating expenses are \$10,365 lower than budgeted.

Steam Expense – Pollution Control

Power plant operation labor expense is \$45,785 lower than budgeted. Wastewater chemicals and gases are \$61,507 lower than budgeted; while FGD operation expenses are \$7,980 higher than budgeted.

Electric Expense

The higher water usage at Units 7 & 8 resulted in \$18,122 greater expense than budgeted. Labor expense is \$31,159 lower than budget.

Generation (cont'd)Miscellaneous Steam Power Expense

The budget includes \$96,000 for PM 2.5 compliance tests, \$100,000 for MATS stack testing, \$30,000 for the relative accuracy test audits, and \$22,000 for other stack tests, which have not been performed yet. The 316(b) impingement/entrainment study, travel and training materials, safety-related material expenses, security, temporary labor services, gasoline and diesel fuel, and ground maintenance are \$92,256, \$63,210, \$42,575, \$5,761, \$5,351, \$4,002, and \$9,829 lower than budget, respectively. Predictive maintenance equipment, budgeted at \$5,000, has not been needed, plus \$5,600 for machine analyst and microlog maintenance agreements budgeted in this account is being expensed in Maintenance of Miscellaneous Steam Plant. Rail administration costs are \$28,782 lower than budget. The budget also includes \$9,000 for overhead door repairs, which are expensed elsewhere. Labor expense is \$50,478 higher than budgeted, primarily due to the less than full employment adjustment of \$30,430, plus more time spent on training. The NPDES thermal 316(a) variance study is \$26,374 higher than budgeted.

Maintenance - Supervision

Labor expense is \$15,961 higher than the budget due to the less than full employment adjustment.

Maintenance of Structures

Unit 9 stack lighting system, budgeted at \$47,000, power plant lighting upgrades, budgeted at \$10,000, FGD siding repair, budgeted at \$50,000, rebuild of 9B building sump, budgeted at \$29,000, cathodic protection anodes, budgeted at \$5,500, and the Unit 9 office variable air volume computer and software, budgeted at \$3,600, were not expended. The central stores warehouse roof, budgeted at \$18,000, was partially completed at the end of 2013 resulting in \$10,315 lower cost for this year. Elevator maintenance and roof repairs are \$11,772 and \$31,443 lower than budgeted.

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler</u>	2014 <u>Budget</u>	2014 <u>Actual</u>
Labor	\$428,471	\$431,567
Unit bottom ash system materials	182,748	54,024
Unit fly ash system materials	95,666	82,973
Unit 7 gate valve replacement	-	4,100
Unit 7 traveling grate repairs	-	3,018
Unit 7 hydroset boiler and FWH safety valves repair	7,000	12,251
Unit 7 drip pump motor	12,000	8,614
Unit 7 pressure wash economizer	17,000	6,552
Grit blast furnace and scaffold Unit 7 boiler	50,000	-
Paint Unit 7 stack	50,000	-
Unit 7 front wall refractory repair	30,000	22,201
Unit 8 deslag and waterblast furnace	40,000	23,471
Unit 8 boiler vacuum services	17,500	-
Unit 8 cyclone repairs	37,500	-
Unit 8 miscellaneous valve repairs	3,375	-
Unit 8 drip tank heat exchanger	-	16,659
Unit 8 auxiliary BFP seal water pump heat exchanger tube repair	-	22,529
Unit 8 sootblower water pressure investigation	5,400	9,300
Unit 8 sootblower control valve repair	-	13,225
Upgrade Unit 8 stock feeder micro-processor controls	15,000	-
Miscellaneous 8A reboilers repair	19,020	18,098
Unit 9 deaerator south head replacement	100,000	159,944
Unit 9 pulverizer kidney loop filtration system	13,500	-
Unit 9 pulverizer journal rebuild	72,000	82,804
Unit 9 pulverizer routine maintenance	60,000	78,602
Relace 9A pulverizer discharge valve	-	22,379
Unit 9 pulverizer inner cone & tile liner replacement	-	17,464
Unit 9 fuel piping replacements	-	10,783
Unit 9 miscellaneous valve repairs	21,000	14,899
Unit 9 boiler vent, drain and blowdown valve repairs	15,000	-
FGD inlet flue expansion joint replacement	-	26,674
Miscellaneous Unit 9 boiler tube repairs	6,664	-
Replace DCS CRT's	2,200	-
Software/plant controls maintenance agreements	34,524	33,249
Other expenses	<u>244,321</u>	<u>251,735</u>
	<u>\$1,579,889</u>	<u>\$1,427,115</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control</u>	2014 <u>Budget</u>	2014 <u>Actual</u>
Labor	\$189,115	\$221,977
Continuous emission monitoring expenses	43,400	60,591
Unit 7 precipitator hopper vacuuming & ductwork cleaning	7,500	5,247
Grit blast Unit 7 precipitator	12,500	8,901
Unit 8 transformer rectifier repair	-	3,753
Miscellaneous limestone handling equipment repairs	4,800	1,185
Replacement of Ph probes & analyzers	10,000	8,651
Repair reagent feed tank mixer gear reducer	-	33,712
Limestone feeders upgrade to VFD	15,000	-
Absorber Spray impeller replacement	5,400	-
Replace booster fan lube oil cooler	-	7,951
Wastewater equipment maintenance	5,700	7,630
Wastewater effluent pump piping magnets	9,000	6,678
Upgrade 9B wastewater sedimentation basin conveyer	30,000	24,725
CPRO pump rebuild	10,000	-
Scrubber waste equipment repairs	7,200	3,242
FGD hydroclone replacements	9,000	-
Miscellaneous FGD equipment repairs	24,000	20,222
Quencher pump impeller replacement	4,500	4,749
FGD process piping repairs	4,504	-
Replace absorber spray tower 901 demister packing	35,000	34,290
901 oxidation air compressor motor inspection	15,000	13,748
901 WFC pump repair	-	8,931
Other expenses	<u>27,244</u>	<u>21,180</u>
	<u>\$468,863</u>	<u>\$497,363</u>

Maintenance of Electric Plant

Labor expense is \$51,713 lower than budgeted. Maintenance of 8A generator is \$26,483 lower than budgeted, and Unit 7 generator maintenance, including traveling screen repairs, are \$8,248 lower than budgeted. Actual expense includes \$11,832 to clean Unit 9's condenser heat exchangers, budgeted at a cost of \$2,000. Actuator replacements, amounting to \$10,148, were not budgeted. Other Unit 9 generator maintenance is \$24,695 higher than budgeted.

Maintenance of Miscellaneous Steam Plant

The budget includes \$14,000 for a dead weight tester that was capitalized at a cost of \$11,268; plus \$14,000 for a tool crib tracking software, \$15,000 for hoist/chain fall inspection/repair, and \$12,000 to replace a combustion air condensate return pump that have not been expended. Labor and other miscellaneous material expenses are \$14,391 and \$30,117 lower than budgeted.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment</u>	2014 <u>Budget</u>	2014 <u>Actual</u>
Labor	\$170,974	\$175,127
Rail car maintenance	60,000	227,711
Rail unloader maintenance	19,324	25,852
Rail facilities maintenance	48,600	31,677
Dozer maintenance	104,067	74,128
Coal conveyor maintenance	45,129	59,523
Other expenses	<u>101,431</u>	<u>53,439</u>
	<u>\$549,525</u>	<u>\$647,457</u>

<u>System Control and Load Dispatch</u>	2014 <u>Budget</u>	2014 <u>Actual</u>
Labor	\$67,059	\$74,916
SCADA Dark Fiber service & BUCC MME services	12,492	12,624
MISO operating & administrative fees	144,336	95,225
North American Energy Markets membership	3,000	3,000
NERC exam	-	600
APDA membership	90	180
Travel and training	13,333	13,688
Other expenses	<u>3,227</u>	<u>2,281</u>
	<u>\$243,537</u>	<u>\$202,514</u>

Vacation, Holiday, Sick Leave

The \$112,219 higher expense is primarily the result of under estimating the bargaining group's vacation accrual and higher-than-projected sick leave usage; plus a \$39,688 less than full employment adjustment.

TransmissionLoad Dispatching

Labor expense is \$45,460 higher than budgeted. Travel and MISO Schedule 10 expenses are \$19,640 and \$16,373 lower than budget, respectively.

Station Expense

The substation technician's labor expense is \$47,623 higher than budgeted due to having an extra employee temporarily for training purposes, plus more overtime than anticipated. The budget includes \$5,000 for washed rock and \$6,000 to paint 161 kv breakers that have not been expended.

Overhead Line Expense

The substation technician's labor expense is \$2,039 higher than budgeted, plus the electric line workers charged \$391 labor expense to this account that was not budgeted.

## Transmission (cont'd)

### Miscellaneous Transmission Expense

Project engineering labor expense is \$37,682 lower than budget. The budget includes \$40,000 for a transmission coordination study not begun. The RTS (relay testing system) software maintenance, budgeted at \$1,600, was not expensed, plus \$1,585 is included in the budget for memberships that have not been expended.

### Maintenance of Structures

The budget includes \$909 for labor, \$4,600 for rock, fencing, paint, and door repairs, plus \$4,000 to repair or replace HVAC and portable air conditioning units that have not been expended.

### Maintenance of Station Equipment

The budget includes \$10,000 for Unit 7's transformer maintenance that has not been expended. Labor expense is \$10,056 lower than budgeted. An arrester for Pine Street substation, costing \$4,980, was not budgeted.

### Maintenance of Overhead Lines Expense

The maintenance cost for the joint section of transmission line 104 performed by MEC is \$28,334 higher than initially predicted. Total labor expense is \$14,204 lower than budgeted.

## Distribution

### Load Dispatching

Labor expense is \$11,864 higher than budgeted primarily due to the less than full employment adjustment of \$9,583.

### Station Expense

The substation technician's labor expense is \$20,250 higher than budgeted due to having an extra employee temporarily for training purposes, plus more overtime than anticipated. The less than full employment adjustment is \$2,581. The budget includes \$1,000 for spill containment and \$1,000 for an infrared thermometer, which have not been expended.

### Overhead Line Expense

The budget includes \$32,706 for electric line workers' tools and tool repairs, plus \$2,500 for Lean supplies that have not been expended.

### Vehicle Expense

Materials expenses, excluding gasoline and diesel fuel, are \$19,939 lower than budgeted.

### Street Lighting

Labor expense for the electric line workers and the CAD department is \$4,918 higher than budgeted.

### Meter Expense

Material expenses are \$6,336 higher than budgeted.

## Distribution (cont'd)

### Miscellaneous Distribution Expense

The CAD group charged \$59,520 labor to this account that was not budgeted; the less than full employment adjustment is \$14,255; and project engineering's labor is \$24,124 lower than budget. MAGIC's operating expenses were \$7,737 lower than budgeted. The RTS (relay testing system) software maintenance, budgeted at \$1,600, was not expensed yet. Safety-related material expenses are \$12,350 lower than budgeted. A pump, costing \$6,145, was not budgeted.

### Maintenance of Structures

The budget includes \$3,350 to repair or replace HVAC and portable air conditioning units, \$2,250 for rock, fence, painting, and door repairs, \$4,700 for Grandview Ave substation roof repair, which cost \$1,498, plus \$3,294 for labor that has not been needed.

### Maintenance of Station Equipment

Labor expense is \$13,136 lower than budget. The budget includes \$40,000 to make repairs and for hot oil processing on the Oregon St sub transformer, and \$10,000 to re-gasket low side bushings on the Pine St sub transformer that have not been completed.

### Maintenance of Overhead Lines

The electric line workers' labor expense is \$54,969 lower than budgeted, which is partially offset by the less than full employment adjustment of \$16,685. Material expense is \$49,625 lower than budget, which includes a credit of \$7,859 for stores inventory adjustments.

### Maintenance of Underground Lines

Material expense is \$11,733 greater than budgeted; while the electric line workers' labor expense is \$30,499 lower than budget.

### Maintenance of Line Transformers

Labor is \$3,201 higher, while material expenses for transformer repairs are \$10,051 lower than budgeted, respectively.

### Maintenance of Street Lighting

The electric line workers' labor expense is \$6,270 higher than budgeted.

### Maintenance of Signal Expense

Labor and material expenses are \$13,673 and \$12,351 higher than the budget, respectively.

### Maintenance of Meters

The budget includes \$4,000 to repair and calibrate Dranetz meters that has not taken place. A stores inventory return of a Gateway ethernet output that was issued in a prior year, amounted to \$3,199.

### Maintenance of Miscellaneous Distribution Plant

Vehicle maintenance costs are \$6,211 higher than budget.

Customer Service Expense

<u>Customer Information Expense</u>	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<b><u>Marketing</u></b>			
Local Toolbox	\$3,440	\$3,440	\$3,440
Postage	1,857	-	492
Payment options brochure	1,215	-	-
Promotional materials	8,904	904	685
Media advertising	22,732	13,467	13,638
Customer newsletter	2,580	3,076	3,181
Customer survey	12,900	-	-
Customer calendar	2,046	-	-
Photo library	<u>2,161</u>	<u>1,376</u>	-
<b>Subtotal - Marketing</b>	<u>57,835</u>	<u>22,263</u>	<u>21,436</u>
<b><u>Energy Services</u></b>			
Home Energy Suite	6,065	1,441	5,763
IAMU energy efficiency report	-	75	-
Compact fluorescent exchange program	4,664	4,170	9,302
Educational programs	8,668	444	6,107
Residential EE newsletter - email service	-	4,350	-
Customer awareness programs	1,666	936	1,261
Residential audits	668	-	-
Trees Forever	10,000	10,000	10,000
Presentation materials	3,119	-	-
EE scholarship	1,000	-	500
Poster contest/science fair	4,100	3,064	3,386
Customized energy efficiencies	<u>5,000</u>	=	=
<b>Subtotal - Energy Services</b>	<u>44,950</u>	<u>24,480</u>	<u>36,319</u>
Miscellaneous	=	<u>331</u>	<u>41</u>
	<u>\$102,785</u>	<u>\$47,074</u>	<u>\$57,796</u>

Energy Efficiency Rebates

City building improvement, motor, air conditioning, and geo-thermal rebates are lower than budgeted by \$3,333, \$30,734, \$5,679, and \$10,033, respectively. Commercial lighting rebates are \$22,764 higher than budgeted.

Consumer AccountsMeter Reading Expense

Labor expense is \$4,006 higher than budgeted. The budget includes a \$2,541 adjustment for less than full employment.

Administrative and General

<u>Office Supplies</u>	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	\$22,636	\$25,705	\$25,751
Memberships/subscriptions	21,071	9,121	8,552
Internet/MME	9,704	10,208	8,204
IS workflow development	-	-	1,217
Line of credit bank fee	12,500	6,511	21,300
Office furniture	17,985	423	-
Postage	13,349	8,773	10,468
Computer hardware/software	19,437	26,193	9,805
Vehicle allowance	8,324	8,228	7,968
Gasoline/diesel fuel	3,600	1,736	2,617
General office supplies	12,660	6,100	9,184
Other	<u>28,176</u>	<u>12,804</u>	<u>14,918</u>
	<u>\$169,442</u>	<u>\$115,802</u>	<u>\$119,984</u>

Administrative and General (cont'd)

<u>Outside Services Employed</u>	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Board legal counsel/legal services	\$10,800	\$15,520	\$10,453
Strategic Planning Consultant	-	-	6,016
Environmental/regulatory legal services	83,332	20,927	104,954
NPDES Thermal 316(A) Variance Study	-	-	20,350
Transmission/reliability standards attorney	13,330	4,537	-
Electric cost of service study	-	-	15,830
Environmental compliance consultant	40,000	480	8,964
CIP compliance consulting	33,000	-	-
Web design service	43,200	-	-
Insurance advisor	27,334	27,216	27,552
Financial advisor	15,000	-	-
GASB 45 actuarial update	-	-	6,150
Coal & transportation consulting	66,336	66,021	38,080
Fuel procurement committee consulting	4,500	-	-
Business systems study	162,000	119,130	-
Bond services	-	-	1,208
Labor attorney	3,266	-	13,413
509A actuary	810	790	779
Workforce development training	10,800	8,942	-
Organization consulting	10,800	10,252	-
Employee search services	16,200	-	42,023
Salary survey	21,600	-	-
Coal pile survey	27,000	28,440	26,689
MISO consultant	3,333	-	-
Financial audit services	<u>31,914</u>	<u>27,783</u>	<u>32,429</u>
	<u>\$624,555</u>	<u>\$330,038</u>	<u>\$354,890</u>

Injuries and Damages

Workers compensation claims are \$8,164 higher than anticipated.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits</u>	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$1,428,267	\$1,428,368	\$1,371,685
Deferred comp utility match	162,730	169,742	172,680
Dental	69,288	65,498	64,281
Educational reimbursements	36,450	21,134	27,015
FICA	797,585	791,762	799,297
Healthcare costs	1,427,601	1,381,922	1,320,994
Life insurance	32,000	30,819	30,977
LTD insurance	48,000	44,661	44,826
Post-employment health benefit	65,833	65,833	58,944
Unemployment expenses	9,113	2,120	(5,554) *
Recognition dinner	12,636	17,682	12,340
Other expenses	<u>24,019</u>	<u>20,448</u>	<u>23,447</u>
	<u>\$4,113,522</u>	<u>\$4,039,989</u>	<u>\$3,920,932</u>

\*Over accrued unemployment expense for 4th quarter 2012

Fringe Benefits Charged to Construction

Less time has been charged to capital projects than projected.

Regulatory Commission

The Iowa Utilities Board assessment is \$10,381 lower than budgeted.

Administrative and General (cont'd)

<u>Miscellaneous General Expense</u>	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$37,773	\$13,571	\$26,908
Legal publications	4,212	2,681	2,912
Economic development pledge	11,016	34,020	22,319
LEAN training	-	-	7,977
Project management training	-	20,250	-
Annual report	7,290	4,908	4,843
Subscriptions/memberships	85,329	89,010	83,023
Employee team expenses	30,274	20,257	9,036
Travel	49,373	32,692	25,897
Safety-related expenses	17,228	14,680	13,262
Labor	25,259	21,431	24,318
Temporary labor services	648	262	7,900
Board trustee fees	4,860	4,305	4,920
Other expenses	<u>56,571</u>	<u>33,911</u>	<u>20,643</u>
	<u>\$329,833</u>	<u>\$291,978</u>	<u>\$253,958</u>

Maintenance of General Plant

Software/hardware maintenance and vehicle maintenance are \$17,906 and \$10,327 lower than budgeted, respectively. The vehicle fuel tracking system maintenance is \$4,221 higher than budgeted.

Maintenance of A/O Center

The budget includes \$6,667 for the warehouse lighting upgrade, \$8,000 for fencing, \$15,000 for lobby redesign, \$12,000 for furniture, \$20,000 to rebuild air conditioning units, \$7,500 for carpet cleaning, and \$30,000 for asphalt repair and sealing north yard area that have not been expended. Lawn care is \$5,404 lower than budgeted.

**Electric Utility  
Statement of Net Position Review  
August 2014**

	<u>2014</u>	<u>2013</u>
<b><u>Current Assets</u></b>		
<b><u>Consumer Accounts</u></b>		
Customer Electric Accounts	\$5,077,540	\$4,769,173
Unbilled Revenue	439,938	394,647
Merchandise Accounts	293,919	274,812
Allowance for Doubtful Accounts	(79,877)	(62,009)
	<u>\$5,731,520</u>	<u>\$5,376,623</u>
<b><u>Inventories</u></b>		
Inventory	\$5,683,477	\$5,949,036
Emission Allowance - SO2	129,211	138,358
Emission Allowance - Nox	415	106
Stores Expense	(26,885)	(14,906)
Gas and Diesel Fuel	212,937	257,008
Limestone	86,032	64,446
	<u>\$6,085,187</u>	<u>\$6,394,048</u>
<b><u>Prepaid Expenses</u></b>		
Prepaid Insurance	\$532,266	\$495,144
Prepaid Maintenance Contracts	176,312	181,200
Other Prepaid Expenses	229,480	208,758
	<u>\$938,058</u>	<u>\$885,102</u>
<b><u>Current Liabilities</u></b>		
<b><u>Accounts Payable (amounts over \$10,000 itemized)</u></b>		
Water bills	\$29,914	\$34,577
Communications bills	13,777	13,200
Advance Builders Corp - replace #9 office roof	56,057	—
Alliant Energy - gas	45,605	—
Alstom Power - liners	—	16,252
Bank of America - supplies	18,983	24,969
Blick & Blick - biodiesel	—	123,226
Buckskin - coal	316,211	—
Burlington Northern - coal transport/railcar rpr	511,837	460,382
Canadian Pacific Railway - coal transport	114,690	176,467
City of Muscatine - wastewater/sanitation	24,777	40,845
Crescent Electric Supply - parts/supplies	14,875	20,372
Doble Engineering - maint agreement	—	37,407
Dowco Valve Co - #8 valve rpr	—	12,125
Enserco Energy - coal	—	300,475
EPM Power & Water Solutions - DCS upgrade	—	73,516
Fletcher-Reinhardt Co - tools/parts	—	13,403
GPC - comm light rebate	11,547	—
Graybar Electric - locking covers	—	10,651
Heartland Machinery - milling machine	44,819	—

Heuer Construction - North parking lot	---	155,325
Iris Power LP - equip rental	12,485	---
Jefferies Refined Coal - refined coal	2,938,126	---
Konecranes - yrly hoist inspections	---	14,105
Luminant - coal	---	299,335
MidAmerican Energy - joint trans line maint	61,667	33,333
MISO - purch power/trans svc/admin fee	288,210	32,304
Mostardi Platt - plant audit svc	---	25,941
Motion Industries - drive trains/electrical parts	10,708	24,126
Nalco - chemicals	---	51,124
Open Systems Intl - data explorer software	---	14,821
Overland Systems - ash hauling	12,975	---
PC Connection Sales Corp - fiber patch cable	21,587	---
Resco - transformers/poles/luminaries	180,741	122,914
Tenaska - monthly fee	16,000	16,000
Terry-Durin - conduit	---	15,532
Visa - travel	15,012	---
W-S Specialty Services - deslag #8 boiler	11,745	---
Other	281,274	215,427
	<u>\$5,053,622</u>	<u>\$2,378,154</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$105,802	\$119,270
Sales/Use Tax Collections Payable	60,245	66,008
Payroll Tax Collections Payable	162,527	165,813
Employee Payroll Deductions	(4,225)	(4,271)
Workers' Comp Self Insurance Reserves	184,168	287,235
Comp Time Payable	37,873	39,029
Other	45,479	33,791
	<u>\$591,869</u>	<u>\$706,875</u>