

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

September 2014

**Muscatine Power and Water
Electric Utility**

Table of Contents

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

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - September 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	72,951,768	(9.0)	66,401,254	(1.2)	67,229,983
Less: Plant Use	<u>7,526,448</u>	17.2	<u>8,820,083</u>	24.2	<u>7,103,391</u>
Net Generation/Wholesale Sales	<u>65,425,320</u>	(12.0)	<u>57,581,171</u>	(4.2)	<u>60,126,592</u>
<u>Net Capacity Factors</u>					
Unit 9	42.00	(10.8)	37.48	19.5	31.37
Unit 8/8A	46.71	(5.0)	44.37	(18.8)	54.61
Unit 7	6.00	-1.0X	---	-1.0X	35.26
Total Plant	39.36	(11.6)	34.80	(3.9)	36.20
<u>KWH Distribution</u>					
Residential	9,250,000	1.1	9,355,127	(15.3)	11,046,531
Commercial I	3,474,275	(5.3)	3,291,436	(14.4)	3,844,147
Commercial II	9,314,200	(0.3)	9,283,360	1.0	9,192,209
Industrial I	9,805,805	5.3	10,328,560	(2.0)	10,537,680
Industrial II	37,454,300	0.1	37,479,437	1.7	36,841,725
City Enterprise Funds	420,000	(1.0)	415,919	22.4	339,920
Water & Communications Utilities	<u>1,349,084</u>	1.2	<u>1,365,545</u>	2.7	<u>1,330,129</u>
Native System Sales	71,067,664	0.6	71,519,384	(2.2)	73,132,341
City Lighting	170,213	(6.1)	159,912	(6.9)	171,727
City Buildings	545,264	0.9	549,940	(8.7)	602,353
Offline Power Plant Usage	105,736	2.3X	344,658	(49.8)	686,435
Losses & Cycle Billing	<u>(1,586,294)</u>	(40.6)	<u>(941,723)</u>	(30.6)	<u>(1,356,264)</u>
Total Native System KWH					
Distributed/Purchased Power	<u>70,302,583</u>	1.9	<u>71,632,171</u>	(2.2)	<u>73,236,592</u>
 <u>STEAM SALES - 1000 lbs</u>	 <u>255,559</u>	 (53.7)	 <u>118,280</u>	 (48.7)	 <u>230,621</u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - September 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	778,314,313	7.5	836,570,803	(6.6)	895,468,323
Less: Plant Use	<u>75,462,276</u>	20.9	<u>91,252,912</u>	(0.3)	<u>91,551,564</u>
Net Generation/Wholesale Sales	<u><u>702,852,037</u></u>	6.0	<u><u>745,317,891</u></u>	(7.3)	<u><u>803,916,759</u></u>
<u>Net Capacity Factors</u>					
Unit 9	51.23	0.1	51.26	(14.9)	60.23
Unit 8/8A	49.44	14.7	56.70	21.2	46.77
Unit 7	18.40	35.5	24.94	38.6	18.00
Total Plant	47.67	3.8	49.49	(7.0)	53.19
<u>KWH Distribution</u>					
Residential	86,099,450	(5.6)	81,264,477	(1.1)	82,166,483
Commercial I	30,533,325	(5.4)	28,888,834	(4.5)	30,242,196
Commercial II	82,345,625	(5.2)	78,029,804	2.9	75,830,111
Industrial I	91,405,375	(4.2)	87,602,940	(6.2)	93,428,280
Industrial II	338,672,655	(0.5)	337,074,314	2.7	328,106,448
City Enterprise Funds	4,435,000	(13.9)	3,820,370	5.1	3,633,907
Water & Communications Utilities	<u>12,195,980</u>	2.3	<u>12,477,769</u>	4.9	<u>11,889,811</u>
Native System Sales	645,687,410	(2.6)	629,158,508	0.6	625,297,236
City Lighting	1,541,565	(5.5)	1,456,630	(4.0)	1,518,040
City Buildings	4,909,044	9.9	5,393,832	0.4	5,374,688
Offline Power Plant Usage	635,658	3.0X	2,527,458	10.7	2,282,921
Losses & Cycle Billing	<u>18,064,041</u>	(5.5)	<u>17,073,005</u>	(4.3)	<u>17,845,604</u>
Total Native System KWH Distributed/Purchased Power	<u><u>670,837,718</u></u>	(2.3)	<u><u>655,609,433</u></u>	0.5	<u><u>652,318,489</u></u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u><u>2,049,013</u></u>	(5.1)	<u><u>1,944,195</u></u>	(1.0)	<u><u>1,963,178</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - September 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	\$922,880	0.09977	\$946,388	0.10116	\$1,034,867	0.09368
Commercial I	326,997	0.09412	310,828	0.09444	334,866	0.08711
Commercial II	665,082	0.07141	660,180	0.07111	601,647	0.06545
Industrial I	586,182	0.05978	606,407	0.05871	595,810	0.05654
Industrial II	1,784,544	0.04765	1,781,681	0.04754	1,751,127	0.04753
City Enterprise Funds	27,915	0.06646	30,551	0.07345	23,406	0.06886
Water & Communication Utilities	71,398	0.05292	85,123	0.06234	74,819	0.05625
Native System Sales	4,384,998	0.06170	4,421,158	0.06182	4,416,542	0.06039
Wholesale Sales	1,701,058	0.02600	2,195,907	0.03814	2,020,689	0.03361
Energy Sales	6,086,056		6,617,065		6,437,231	
<u>Steam Sales</u>	974,938	3.81	466,962	3.95	837,797	3.63
<u>Other Revenue</u>						
Rail Car Lease	---		---		19,790	
By-Product Revenue	9,517		37,746		31,134	
Miscellaneous Revenue	43,557		56,383		51,546	
Total Other Revenue	53,074		94,129		102,470	
Operating Revenue	7,114,068		7,178,156		7,377,498	
<u>Operating Expense</u>						
Purchased Power	1,511,505	0.02150	2,226,462	0.03108	2,058,025	0.02810
Production Fuel	2,075,196		1,664,480		1,798,749	
Emissions Allowance	7,340		11,347		44,072	
Operation	1,908,382		1,858,467		1,735,081	
Maintenance	874,177		745,098		1,303,369	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	7,327,117		7,451,348		7,876,297	
Operating Loss	(213,049)		(273,192)		(498,799)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,461		108,311		109,762	
Interest Expense	(133)		(100)		(196)	
Total Nonoperating Revenue (Expense)	114,328		108,211		109,566	
Net Loss Before Revenue Adjustment	(98,721)		(164,981)		(389,233)	
Capital Contributions	156,278		---		---	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	57,557		(164,981)		(389,233)	
Beginning Net Position	153,608,328		158,618,652		163,915,830	
Ending Net Position	\$153,665,885		\$158,453,671		\$163,526,597	
Net Loss Before Rev Adj to Op Revenue	(1.4)		(2.3)		(5.3)	
Change in Net Position to Operating Revenue	0.8		(2.3)		(5.3)	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - September 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	\$8,209,355	0.09535	\$7,896,381	0.09717	\$7,551,507	0.09190
Commercial I	2,720,051	0.08908	2,576,983	0.08920	2,509,134	0.08297
Commercial II	5,524,591	0.06709	5,250,020	0.06728	4,669,230	0.06157
Industrial I	5,101,846	0.05582	5,022,326	0.05733	4,989,411	0.05340
Industrial II	16,017,846	0.04730	15,965,633	0.04737	15,537,225	0.04735
City Enterprise Funds	270,356	0.06096	255,743	0.06694	223,031	0.06137
Water & Communications Utilities	621,957	0.05100	709,941	0.05690	618,911	0.05205
Native System Sales	38,466,002	0.05957	37,677,027	0.05988	36,098,449	0.05773
Wholesale Sales	22,751,634	0.03237	32,337,152	0.04339	25,240,321	0.03140
Energy Sales	61,217,636		70,014,179		61,338,770	
<u>Steam Sales</u>	8,860,419	4.32	7,546,064	3.88	7,189,299	3.66
<u>Other Revenue</u>						
Rail Car Lease	110,400		68,627		192,365	
By-Product Revenue	305,633		333,160		166,456	
Miscellaneous Revenue	434,270		479,369		462,799	
Total Other Revenue	850,303		881,156		821,620	
Operating Revenue	70,928,358		78,441,399		69,349,689	
<u>Operating Expense</u>						
Purchased Power	18,634,351	0.02778	23,057,108	0.03517	18,024,314	0.02763
Production Fuel	20,769,033		20,772,748		20,673,612	
Emissions Allowance	62,630		80,247		102,833	
Operation	17,619,367		16,448,309		15,883,089	
Maintenance	7,623,428		6,853,531		7,590,574	
Depreciation	8,554,647		8,509,446		8,433,009	
Total Operating Expense	73,263,456		75,721,389		70,707,431	
Operating Income (Loss)	(2,335,098)		2,720,010		(1,357,742)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,029,626		967,838		970,092	
Interest Expense	(1,200)		(1,818)		(1,338)	
Total Nonoperating Revenue (Expense)	1,028,426		966,020		968,754	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,306,672)		3,686,030		(388,988)	
Capital Contributions	246,500		41,584		61,635	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(1,060,172)		3,727,614		(327,353)	
Beginning Net Position	154,726,057		154,726,057		163,853,950	
Ending Net Position	<u>\$153,665,885</u>		<u>\$158,453,671</u>		<u>\$163,526,597</u>	
Net Loss Before Rev Adj to Op Revenue	(1.8)		4.7		(0.6)	
Change in Net Position to Operating Revenue	(1.5)		4.8		(0.5)	

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,042,488	\$1,031,242
Investments	<u>11,000,000</u>	<u>5,001,640</u>
Total Restricted Current Assets	<u>13,042,488</u>	<u>6,032,882</u>
<u>Unrestricted</u>		
Cash - interest bearing	21,055,182	8,700,302
Investments	5,500,000	16,000,000
Receivables:		
Consumer Accounts	5,980,979	5,617,221
Refined Coal	2,629,520	---
Wholesale	12,137	435,979
Steam Sales	529,727	883,235
Interest	333,787	332,227
Inventories	5,988,228	6,283,788
Fuel	3,494,660	4,821,022
Prepaid Expenses	<u>812,753</u>	<u>813,438</u>
Total Unrestricted Current Assets	<u>46,336,973</u>	<u>43,887,212</u>
Total Current Assets	<u>59,379,461</u>	<u>49,920,094</u>
Property and Equipment:		
At Cost	414,669,652	412,444,427
Less Accumulated Depreciation	<u>329,353,275</u>	<u>319,637,040</u>
Net Property and Equipment	<u>85,316,377</u>	<u>92,807,387</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	1,650,000	400,000
Joint Venture Rights	<u>96,871</u>	<u>97,991</u>
Total Other Assets	<u>37,073,871</u>	<u>35,824,991</u>
 TOTAL ASSETS	 <u><u>\$181,769,709</u></u>	 <u><u>\$178,552,472</u></u>

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

Page 6

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,538,829	\$2,821,145
Pension Provision	582,190	374,973
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	222,645	833,384
Accrued Vacation	1,112,255	1,129,620
Accrued Emission Allowance Expense	80,247	102,833
Consumers' Deposits	661,559	580,459
Retained Percentage on Contracts	---	35,917
Accrued Property Taxes	33,713	81,170
Miscellaneous Accrued Expenses	756,736	741,857
Mooring Lease	---	4,548
Total Unrestricted Current Liabilities	8,217,274	6,879,732
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,489,733	1,681,693
Post-Employment Health Benefit Provision	395,795	251,214
Consumer Advances for Construction	180,370	180,370
Total Non-Current Liabilities	2,065,898	2,113,277
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	6,032,866
Net Position:		
Net Investment in Capital Assets	85,316,377	92,807,387
Restricted	13,042,488	6,032,882
Unrestricted	60,094,806	64,686,328
Total Net Position	158,453,671	163,526,597
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$181,769,709</u></u>	<u><u>\$178,552,472</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,201,852	\$36,885,511
MISO sales	2,869,353	33,633,943
Steam sales	780,432	8,078,269
Coal sales	2,991,435	28,128,786
Railcar/facilities leasing	5,200	183,032
By-product sales	---	255,672
Miscellaneous sources	23,328	354,297
Cash paid to/for:		
Suppliers	(379,859)	(6,445,150)
MISO purchases/administration fees	(2,936,951)	(23,993,533)
Coal purchases	(4,859,068)	(47,188,654)
Employees payroll, taxes and benefits	(2,407,356)	(16,343,726)
Net cash flows from operating activities	<u>288,366</u>	<u>13,548,447</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(563,091)	(3,008,092)
Loan to Water Utility	---	(1,250,000)
Net cash flows from capital and related financing activities	<u>(563,091)</u>	<u>(4,258,092)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(69,540)
Interest received on investments and note receivable	458	1,282,594
Amortization/accretion of investments	---	(568)
Mark to Market	---	(72)
Net cash flows from investing activities	<u>458</u>	<u>1,212,414</u>
Net increase (decrease) in cash and investments	<u>(274,267)</u>	<u>10,502,769</u>
Cash and investments at beginning of period	<u>39,871,937</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$39,597,670</u></u>	<u><u>\$39,597,670</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	(\$273,192)	\$2,720,010
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	8,509,446
Amortization of joint venture rights	8,160	74,289
Changes in assets and liabilities:		
Consumer accounts receivable	(249,459)	779,648
Refined coal	361,915	(2,629,520)
Wholesale receivable	49,753	1,029,339
Steam sales receivable	313,309	548,863
Inventories	96,959	330,380
Fuel	(206,933)	1,574,508
Prepaid expenses	125,305	(172,520)
Accounts payable	(297,886)	375,748
Pension provision	(357,092)	582,190
Health & dental insurance provision	24,365	(4,785)
Other post-employment benefit provision	8,229	74,063
Accrued payroll	(375,632)	(240,188)
Accrued vacation	11,562	18,775
Accrued emission allowance expense	11,347	9,552
Consumers' deposits	10,814	67,618
Accrued property taxes	(83,419)	(63,847)
Miscellaneous accrued expenses	164,767	(32,154)
Unearned mooring lease	---	(2,968)
Net cash flows from operating activities	<u>\$288,366</u>	<u>\$13,548,447</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,042,488</u>	<u>\$6,032,882</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,042,488</u></u>	<u><u>\$6,032,882</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,511,505</u>	21.2	<u>\$2,226,462</u>	31.0	<u>\$2,058,025</u>	27.9
Average price per kWh	\$0.0215		\$0.0311		\$0.0281	
<u>Generation</u>						
Operation Supervision	85,659		83,728		82,347	
Fuel:						
Coal	1,970,685		1,581,070		1,722,872	
Fuel Oil	22,249		228		3,073	
Gas	10,000		21,067		19,022	
Coal Handling Expense	55,956		54,099		49,479	
Landfill Operation Expense	16,306		8,016		4,303	
Emissions Allowance Expense	7,340		11,347		44,072	
Steam Expense:						
Boiler	100,509		160,143		86,471	
Pollution Control	48,251		82,959		30,217	
Electric Expense	97,784		92,646		88,912	
Miscellaneous Steam Power Expense	180,729		189,077		246,374	
Maintenance:						
Supervision	78,494		83,323		84,920	
Structures	69,273		46,362		57,359	
Boiler Plant:						
Boiler	137,099		182,256		547,455	
Pollution Control	167,747		56,865		142,031	
Electric Plant	38,416		19,086		154,165	
System Control	19,179		18,175		17,456	
Miscellaneous Steam Plant	76,071		84,758		92,448	
Coal Handling Equipment	67,971		47,556		73,094	
System Control and Load Dispatch	29,869		20,534		30,411	
Vacation, Holiday, Sick Leave	102,584		96,936		100,344	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
Total Generation Expense	<u>\$4,007,580</u>	56.3	<u>\$3,564,938</u>	49.7	<u>\$4,299,198</u>	58.3

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

Page 11

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>						
Average price per kWh	<u>\$18,634,351</u> \$0.0278	26.3	<u>\$23,057,108</u> \$0.0352	29.4	<u>\$18,024,314</u> \$0.0276	26.0
<u>Generation</u>						
Operation Supervision	711,763		725,483		709,264	
Fuel:						
Coal	19,825,837		19,666,048		19,858,117	
Fuel Oil	149,264		130,958		84,554	
Gas	123,800		367,817		108,870	
Coal Handling Expense	602,670		578,184		578,962	
Landfill Operation Expense	67,462		29,741		43,109	
Emissions Allowance Expense	62,630		80,247		102,833	
Steam Expense:						
Boiler	981,252		951,912		874,300	
Pollution Control	421,555		362,831		348,891	
Electric Expense	862,050		845,709		828,969	
Miscellaneous Steam Power Expense	1,884,407		1,407,726		1,519,816	
Maintenance:						
Supervision	725,324		746,115		726,662	
Structures	756,569		534,423		518,539	
Boiler Plant:						
Boiler	1,716,988		1,609,371		1,966,461	
Pollution Control	636,610		554,228		575,017	
Electric Plant	430,789		368,063		692,467	
System Control	173,343		166,940		157,812	
Miscellaneous Steam Plant	695,148		604,327		639,307	
Coal Handling Equipment	617,495		695,012		649,471	
System Control and Load Dispatch	273,406		223,048		242,647	
Vacation, Holiday, Sick Leave	784,250		890,821		838,793	
Depreciation	<u>5,628,678</u>		<u>5,622,363</u>		<u>5,601,357</u>	
Total Generation Expense	<u>\$38,131,290</u>	53.8	<u>\$37,161,367</u>	47.4	<u>\$37,666,218</u>	54.3

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

	Budget		This Year		Last Year	
<u>Transmission</u>	<u>Estimate</u>					
Operation Supervision	\$4,016		\$4,029		\$4,188	
Load Dispatching	51,019		48,755		48,471	
Station Expense	7,255		13,241		9,782	
Overhead Line Expense	---		236		---	
Transmission of Electricity by Others	28,433		30,857		12,555	
Miscellaneous Transmission Expense	11,160		12,395		1,872	
Maintenance:						
Supervision	1,986		2,008		1,918	
Structures	974		---		---	
Station Equipment	6,942		13,723		6,575	
Overhead Lines	10,517		9,083		4,296	
Vacation, Holiday, Sick Leave	7,694		7,528		9,990	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		6,033		5,802	
Total Transmission Expense	166,753	2.3	178,576	2.5	136,074	1.8
<u>Distribution</u>						
Operation Supervision	11,114		11,882		11,286	
Load Dispatching	30,395		34,829		32,135	
Station Expense	8,078		9,714		8,475	
Overhead Line Expense	2,958		2,535		270	
Vehicle Expense	17,789		14,781		17,140	
Underground Line Expense	3,106		3,365		2,682	
Street Lighting	1,728		2,235		1,661	
Signal Expense	691		(328)		86	
Meter Expense	7,951		10,720		5,171	
Consumer Installation Expense	614		108		923	
Miscellaneous Distribution Expense	49,465		58,545		45,962	
Maintenance:						
Supervision	10,118		10,813		10,129	
Structures	824		---		---	
Station Equipment	9,269		10,648		7,796	
Overhead Lines	78,020		48,681		28,890	
Underground Lines	8,264		9,705		14,718	
Line Transformers	2,906		5,024		1,746	
Street Lighting	5,130		10,097		(1,097)	
Signal System	4,871		1,957		(849)	
Meters	2,418		5,233		2,864	
Miscellaneous Distribution Plant	2,318		3,607		2,724	
Vacation, Holiday, Sick Leave	33,153		35,386		35,364	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,802		1,725	
Total Distribution Expense	\$452,360	6.4	\$449,576	6.3	\$385,303	5.2

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

Page 13

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
<u>Transmission</u>	<u>Estimate</u>				
Operation Supervision	\$35,509		\$38,375		\$36,022
Load Dispatching	505,303		510,692		472,875
Station Expense	77,593		120,839		64,833
Overhead Line Expense	660		3,392		2,639
Transmission of Electricity by Others	255,900		273,576		118,152
Miscellaneous Transmission Expense	146,713		64,616		49,614
Maintenance:					
Supervision	17,666		18,146		16,994
Structures	10,483		---		---
Station Equipment	67,591		58,587		53,287
Overhead Lines	96,174		110,984		101,802
Vacation, Holiday, Sick Leave	58,420		56,961		62,247
Depreciation	279,371		276,192		275,625
Tax on Rural Property	51,444		51,274		51,630
Total Transmission Expense	<u>1,602,827</u>	2.3	<u>1,583,634</u>	2.0	<u>1,305,720</u> 1.9
<u>Distribution</u>					
Operation Supervision	98,609		107,490		101,082
Load Dispatching	264,225		279,111		256,121
Station Expense	66,999		90,263		55,828
Overhead Line Expense	54,650		17,747		16,019
Vehicle Expense	159,938		136,145		155,051
Underground Line Expense	28,833		29,126		26,021
Street Lighting	15,190		19,662		19,436
Signal Expense	5,882		2,069		1,544
Meter Expense	74,014		82,370		75,678
Consumer Installation Expense	5,719		5,260		5,749
Miscellaneous Distribution Expense	425,175		469,202		451,447
Maintenance:					
Supervision	89,669		96,814		91,349
Structures	14,418		1,498		---
Station Equipment	134,771		71,972		101,870
Overhead Lines	485,455		370,544		542,444
Underground Lines	79,279		65,969		66,458
Line Transformers	46,823		42,091		50,966
Street Lighting	47,232		57,840		55,912
Signal System	25,569		48,680		20,120
Meters	23,101		18,057		21,006
Miscellaneous Distribution Plant	20,858		29,559		21,825
Vacation, Holiday, Sick Leave	251,057		249,529		258,511
Depreciation	1,435,245		1,424,133		1,399,518
Tax on Rural Property	15,372		15,309		15,411
Total Distribution Expense	<u>\$3,868,083</u>	5.5	<u>\$3,730,440</u>	4.8	<u>\$3,809,366</u> 5.5

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$7,934		\$3,077		\$9,620	
Energy Efficiency Rebates	20,115		9,043		8,888	
Electric Ranges/Dryers Maintenance	443		209		381	
Electric Water Heaters Maintenance	169		---		82	
Total Customer Service Expense	<u>28,661</u>	0.4	<u>12,329</u>	0.2	<u>18,971</u>	0.3
<u>Consumer Accounts</u>						
Supervision	2,849		3,341		3,153	
Meter Reading Expense	8,798		9,421		6,478	
Consumer Records and Collection	32,940		32,976		33,539	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	5,124		5,494		4,649	
Total Consumer Accounts Expense	<u>54,028</u>	0.8	<u>55,549</u>	0.8	<u>51,116</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	171,090		172,379		147,646	
Office Supplies and Expenses	19,193		20,812		18,557	
Outside Services Employed	43,792		20,111		(2,830)	
Property Insurance	59,026		59,470		55,169	
Casualty Ins, Injuries & Damages	41,720		(16,484)		30,829	
Employee Pensions and Benefits	505,545		460,334		462,938	
Fringe Benefits Charged to Constr.	(27,230)		(34,905)		(27,879)	
Regulatory Commission	8,608		7,897		7,846	
Miscellaneous General Expense	42,421		37,461		24,751	
Maintenance of General Plant	31,271		35,199		24,088	
Maintenance of A/O Center	44,099		40,939		30,643	
Vacation, Holiday, Sick Leave	32,100		28,843		27,351	
Depreciation	134,595		131,862		128,501	
Total Administrative and General	<u>1,106,230</u>	15.5	<u>963,918</u>	13.4	<u>927,610</u>	12.6
Total Operating Expense	<u>\$7,327,117</u>		<u>\$7,451,348</u>		<u>\$7,876,297</u>	
Percent to Operating Revenue		103.0		103.8		106.8

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$110,719		\$50,151		\$67,416	
Energy Efficiency Rebates	186,038		142,777		105,654	
Electric Ranges/Dryers Maintenance	4,077		3,384		4,763	
Electric Water Heaters Maintenance	<u>1,521</u>		<u>558</u>		<u>730</u>	
Total Customer Service Expense	<u>\$302,355</u>	0.4	<u>\$196,870</u>	0.3	<u>\$178,563</u>	0.3
<u>Consumer Accounts</u>						
Supervision	25,068		27,343		27,643	
Meter Reading Expense	80,070		86,672		76,896	
Consumer Records and Collection	292,194		293,064		302,177	
Uncollectible Accounts Expense	38,849		38,849		29,673	
Vacation, Holiday, Sick Leave	<u>38,624</u>		<u>43,836</u>		<u>39,700</u>	
Total Consumer Accounts Expense	<u>474,805</u>	0.7	<u>489,764</u>	0.6	<u>476,089</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	1,508,444		1,497,636		1,567,752	
Office Supplies and Expenses	188,636		136,614		138,542	
Outside Services Employed	668,347		350,150		352,060	
Property Insurance	519,315		522,326		470,875	
Casualty Ins, Injuries & Damages	379,479		327,244		263,876	
Employee Pensions and Benefits	4,619,067		4,500,322		4,383,869	
Fringe Benefits Charged to Constr.	(248,681)		(240,129)		(178,158)	
Regulatory Commission	77,475		66,417		46,577	
Miscellaneous General Expense	372,255		329,439		278,709	
Maintenance of General Plant	286,664		267,467		225,219	
Maintenance of A/O Center	425,409		316,844		295,586	
Vacation, Holiday, Sick Leave	241,982		241,118		245,745	
Depreciation	<u>1,211,353</u>		<u>1,186,758</u>		<u>1,156,509</u>	
Total Administrative and General	<u>10,249,745</u>	14.5	<u>9,502,206</u>	12.1	<u>9,247,161</u>	13.3
Total Operating Expense	<u>\$73,263,456</u>		<u>\$75,721,389</u>		<u>\$70,707,431</u>	
Percent to Operating Revenue		103.3		96.5		102.0

Muscatine Power and Water - Electric Utility
Statistical Data
September 2014

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.921	\$1.864
Per Net MW Generated	\$24.33	\$21.59
Net Peak Monthly Demand-KW	133,330	138,170
Date of Peak	9/4	9/9
Hour of Peak	1600	1700

	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.873	\$1.823
Per Net MW Generated	\$22.24	\$20.41
Net Peak Monthly Demand-KW	133,330	138,170
Date of Peak	9/4	9/9
Hour of Peak	1600	1700

Average Temperature	62.4°	66.8°
---------------------	-------	-------

<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,755	9,707
Commercial I	1,368	1,370
Commercial II	117	114
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	33
Total	<u>11,309</u>	<u>11,258</u>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>65,425,320</u>		<u>57,581,171</u>		<u>60,126,592</u>	
<u>Wholesale Sales</u>	<u>\$1,701,058</u>	<u>\$0.02600</u>	<u>\$2,195,907</u>	<u>\$0.03814</u>	<u>\$2,020,689</u>	<u>\$0.03361</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,361,206	0.02081	1,328,628	0.02307	1,227,139	0.02041
Emissions:						
SO ² Allowances ^{fn1}	342	0.00001	54	0.00000	50	0.00000
NO _x Allowances ^{fn2}	5,692	0.00009	11,606	0.00020	5,024	0.00008
Other ^{fn3}	<u>186,673</u>	<u>0.00285</u>	<u>184,962</u>	<u>0.00321</u>	<u>187,258</u>	<u>0.00311</u>
Total Variable Costs	<u>1,553,913</u>	<u>0.02375</u>	<u>1,525,250</u>	<u>0.02649</u>	<u>1,419,471</u>	<u>0.02361</u>
Gross Margin	<u>\$147,145</u>	<u>\$0.00225</u>	<u>\$670,657</u>	<u>\$0.01165</u>	<u>\$601,218</u>	<u>\$0.01000</u>
Percent Gross Margin	8.7%		30.5%		29.8%	

Calendar Year To Date

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>702,852,037</u>		<u>745,317,891</u>		<u>803,916,759</u>	
<u>Wholesale Sales</u>	<u>\$22,751,634</u>	<u>\$0.03237</u>	<u>\$32,337,152</u>	<u>\$0.04339</u>	<u>\$25,240,321</u>	<u>\$0.03140</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	14,497,177	0.02063	15,789,176	0.02118	15,638,920	0.01945
Emissions:						
SO ² Allowances ^{fn1}	3,278	0.00000	527	0.00000	387	0.00000
NO _x Allowances ^{fn2}	50,749	0.00007	153,353	0.00021	59,244	0.00007
Other ^{fn3}	<u>1,680,057</u>	<u>0.00239</u>	<u>1,673,213</u>	<u>0.00224</u>	<u>1,704,327</u>	<u>0.00212</u>
Total Variable Costs	<u>16,231,261</u>	<u>0.02309</u>	<u>17,616,269</u>	<u>0.02364</u>	<u>17,402,878</u>	<u>0.02165</u>
Gross Margin	<u>\$6,520,373</u>	<u>\$0.00928</u>	<u>\$14,720,883</u>	<u>\$0.01975</u>	<u>\$7,837,443</u>	<u>\$0.00975</u>
Percent Gross Margin	28.7%		45.5%		31.1%	

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

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.90	\$0.75
YTD SO ²	2.00	0.83	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	57.71	42.41
YTD NO _x seasonal	10.00	26.99	15.77

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