

MUSCATINE POWER AND WATER

2015 OPERATING BUDGET
(SUMMARY)

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
KWH GENERATION, DISTRIBUTION, AND CAPACITY
FOR THE CALENDAR YEAR 2015

	2015 Budget Estimate	% Incr. (Decr.) From 2014	2014 Actual/ Estimate	% Incr. (Decr.) From 2013	2013 Actual
ELECTRIC ENERGY					
Gross Generation	1,163,091,779	11.3	1,045,155,768	(12.3)	1,192,287,575
Less: Plant Use	112,925,008	(0.4)	113,338,047	(6.3)	120,910,399
Net Generation/Wholesale Sales	<u>1,050,166,771</u>	12.7	<u>931,817,721</u>	(13.0)	<u>1,071,377,176</u>
Wholesale Sales - Wind	<u>18,632,730</u>	---	---	---	---
Total Wholesale Sales	<u>1,068,799,501</u>	14.7	<u>931,817,721</u>	(13.0)	<u>1,071,377,176</u>
DISTRIBUTION - KWH					
Residential	107,297,000	4.4	102,764,477	(2.4)	105,274,930
Commercial I	39,560,000	4.9	37,718,203	(3.6)	39,138,393
Commercial II	101,790,000	(1.2)	103,055,125	2.3	100,779,582
Industrial I	119,306,003	4.4	114,301,045	(5.9)	121,526,880
Industrial II	465,050,000	1.9	456,301,659	1.9	447,595,165
City Enterprise Funds	5,134,541	0.2	5,125,219	5.9	4,839,797
Water & Communication Utilities	<u>16,961,432</u>	3.3	<u>16,426,001</u>	2.3	<u>16,063,736</u>
Native System Sales	855,098,976	2.3	835,691,729	0.1	835,218,483
City Lighting	2,057,000	4.8	1,962,155	(1.9)	2,000,000
City Buildings	6,515,000	(5.2)	6,869,722	(1.8)	6,994,915
Offline Power Plant Usage	3,500,000	26.0	2,778,800	(25.5)	3,730,068
Losses & Cycle Billing	<u>25,885,856</u>	(1.1)	<u>26,174,743</u>	(0.3)	<u>26,241,448</u>
Total Native System KWH Distributed	893,056,832	2.2	873,477,149	(0.1)	874,184,914
Wind KWH Purchases	<u>18,632,730</u>	---	---	---	---
Total Purchased Power KWH	<u>911,689,562</u>	4.4	<u>873,477,149</u>	(0.1)	<u>874,184,914</u>
Steam Sales (1,000 lbs.)	<u>2,720,786</u>	12.1	<u>2,428,090</u>	(10.2)	<u>2,704,209</u>
NATIVE SYSTEM ELECTRICAL REQUIREMENTS -KW					
Available Gen. Capacity	251,890	---	251,890	(0.3)	252,720
Capacity - Steam Sales (net)	<u>22,100</u>	---	<u>22,100</u>	0.0	<u>22,100</u>
Net Available Capacity	<u>229,790</u>	---	<u>229,790</u>	(0.4)	<u>230,620</u>
Summer Peak	139,600	4.8	133,250	(3.6)	138,200
Reserve Req. (14.8%)*	<u>20,661</u>	9.2	<u>18,922</u>	(3.6)	<u>19,624</u>
Required Capacity	<u>160,261</u>	5.3	<u>152,172</u>	(3.6)	<u>157,824</u>
EXCESS CAPACITY	<u>69,529</u>	(10.4)	<u>77,619</u>	6.6	<u>72,796</u>
NATIVE SYSTEM LOAD FACTOR	<u>73.0%</u>		<u>74.8%</u>		<u>72.2%</u>
CAPACITY FACTOR - ELECTRIC	<u>52.2%</u>		<u>46.3%</u>		<u>53.0%</u>

* Reserve requirement is 14.8% for June 2014 - May 2015. Reserve requirement is 14.2% for June 2013 - May 2014.

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE CALENDAR YEAR 2015

	2015 Budget <u>Estimate</u>	% Incr. (Decr.) From <u>2014</u>	2014 Actual/ <u>Estimate</u>	% Incr. (Decr.) From <u>2013</u>	2013 <u>Actual</u>
<u>SALES OF ELECTRICITY</u>					
Residential	\$11,008,419	9.0	\$10,096,014	2.4	\$9,858,062
Commercial I	3,832,698	11.8	3,429,110	4.0	3,298,785
Commercial II	7,619,512	7.7	7,071,477	12.1	6,310,698
Industrial I	7,056,499	7.0	6,595,216	0.5	6,563,089
Industrial II	22,002,494	2.0	21,566,846	2.0	21,134,338
City Enterprise Funds	357,915	4.3	343,052	14.2	300,390
Water & Communication Utilities	<u>987,065</u>	9.1	<u>904,751</u>	6.3	<u>851,471</u>
Native System Sales	52,864,602	5.7	50,006,466	3.5	48,316,833
Wholesale Sales	<u>37,621,654</u>	(5.0)	<u>39,610,644</u>	14.5	<u>34,592,828</u>
ENERGY SALES	<u>90,486,256</u>	1.0	<u>89,617,110</u>	8.1	<u>82,909,661</u>
<u>STEAM SALES REVENUE</u>	<u>11,325,694</u>	19.2	<u>9,499,405</u>	(4.5)	<u>9,948,274</u>
<u>OTHER REVENUE</u>					
Rail Car Lease	0	-1.0X	68,627	(72.4)	248,738
By-Product Revenue	321,819	47.0	218,959	(32.2)	322,929
Miscellaneous Revenue	<u>639,109</u>	6.6	<u>599,278</u>	(2.7)	<u>616,114</u>
TOTAL OTHER REVENUE	<u>960,928</u>	8.4	<u>886,864</u>	(25.3)	<u>1,187,781</u>
OPERATING REVENUE	<u>102,772,878</u>	2.8	<u>100,003,379</u>	6.3	<u>94,045,716</u>
<u>OPERATING EXPENSE</u>					
Purchased Power	27,746,714	(6.2)	29,593,139	16.5	25,404,598
Production Fuel	30,623,836	20.0	25,510,310	(9.5)	28,188,826
Emissions Allowance	197,840	1.1X	92,675	8.5	85,429
Operation	25,137,470	11.3	22,583,680	3.6	21,791,226
Maintenance	12,345,592	16.8	10,565,748	(2.3)	10,814,473
Depreciation	<u>11,476,337</u>	1.1	<u>11,345,928</u>	0.9	<u>11,244,012</u>
TOTAL OPERATING EXPENSE	<u>107,527,789</u>	7.9	<u>99,691,480</u>	2.2	<u>97,528,564</u>
OPERATING INCOME (LOSS)	<u>(4,754,911)</u>	-16.2X	<u>311,899</u>	-1.1X	<u>(3,482,848)</u>
<u>NONOPERATING REVENUE (EXPENSE)</u>					
Interest Income	222,340	(82.7)	1,285,608	(0.7)	1,294,590
Interest Expense	<u>(2,000)</u>	(35.6)	<u>(3,104)</u>	75.5	<u>(1,769)</u>
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>220,340</u>	(82.8)	<u>1,282,504</u>	(0.8)	<u>1,292,821</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS & REVENUE ADJUSTMENT	(4,534,571)	-3.8X	1,594,403	-1.7X	(2,190,027)

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE CALENDAR YEAR 2015

	2015 Budget Estimate	% Incr. (Decr.) From 2014	2014 Actual/ Estimate	% Incr. (Decr.) From 2013	2013 Actual
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS & REVENUE ADJUSTMENT	(4,534,571)	-3.8X	1,594,403	-1.7X	(2,190,027)
CAPITAL CONTRIBUTIONS	---	---	---	-1.0X	62,135
CHANGE IN NET ASSETS BEFORE REVENUE ADJUSTMENT	(4,534,571)	-3.8X	1,594,403	-1.7X	(2,127,892)
REVENUE ADJUSTMENT - EXTRA-ORDINARY O&M	---	---	---	-1.0X	(7,000,000)
CHANGE IN NET ASSETS	(4,534,571)	-3.8X	1,594,403	-1.2X	(9,127,892)
BEGINNING NET ASSETS	156,320,460		154,726,057		163,853,949
ENDING NET ASSETS	\$151,785,889		\$156,320,460		\$154,726,057
Net Income (Loss) before Rev Adj to Total Income	<u>-4.40%</u>		<u>1.57%</u>		<u>-2.30%</u>
Net Income (Loss) after Rev Adj to Total Income	<u>-4.40%</u>		<u>1.57%</u>		<u>-9.57%</u>
Debt Service Coverage before Transfers	<u>N/A</u>		<u>N/A</u>		<u>N/A</u>
Debt Service Coverage after Transfers	<u>N/A</u>		<u>N/A</u>		<u>N/A</u>

MUSCATINE POWER AND WATER - WATER UTILITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE CALENDAR YEAR 2015

	2015 Budget Estimate	% Incr. (Decr.) From 2014	2014 Actual/ Estimate	% Incr. (Decr.) From 2013	2013 Actual
<u>SALES OF WATER</u>					
Contract Customers	\$2,728,936	12.0	\$2,436,328	4.9	\$2,322,468
Power Plants	378,410	0.2	377,644	4.6	361,189
Residential	1,816,635	6.6	1,704,852	6.1	1,607,591
Commercial	<u>614,304</u>	9.6	<u>560,649</u>	3.5	<u>541,799</u>
WATER SALES	<u>5,538,285</u>	9.0	<u>5,079,473</u>	5.1	<u>4,833,047</u>
<u>OTHER REVENUE</u>					
Penalty Revenue	9,200	9.4	8,406	(6.3)	8,967
Merchandise & Job Sales-Net	8,500	(9.9)	9,432	16.7	8,080
Miscellaneous Revenue-Net	<u>12,438</u>	(8.2)	<u>13,547</u>	(23.5)	<u>17,714</u>
TOTAL OTHER REVENUE	<u>30,138</u>	(4.0)	<u>31,385</u>	(9.7)	<u>34,761</u>
OPERATING REVENUE	<u>5,568,423</u>	9.0	<u>5,110,858</u>	5.0	<u>4,867,808</u>
<u>OPERATING EXPENSE</u>					
Operation	3,760,404	7.9	3,485,769	4.2	3,345,617
Maintenance	809,921	(2.1)	827,517	14.0	725,657
Depreciation	<u>718,112</u>	(0.5)	<u>721,908</u>	14.9	<u>628,080</u>
TOTAL OPERATING EXPENSE	<u>5,288,437</u>	5.0	<u>5,035,194</u>	7.1	<u>4,699,354</u>
OPERATING INCOME	279,986	2.7X	75,664	(55.1)	168,454
<u>INTEREST AND MISCELLANEOUS</u>					
Interest Income	1,552	3.8X	324	1.6	319
Interest Expense	<u>(345,225)</u>	37.3X	<u>(9,004)</u>	16.9	<u>(7,705)</u>
TOTAL INTEREST AND MISC.	<u>(343,673)</u>	38.6X	<u>(8,680)</u>	17.5	<u>(7,386)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(63,687)</u>	-2.0X	<u>66,984</u>	(58.4)	<u>161,068</u>
CAPITAL CONTRIBUTIONS	--		<u>222,889</u>	(83.4)	<u>1,345,879</u>
CHANGE IN NET ASSETS	<u>(\$63,687)</u>	-1.2X	<u>\$289,873</u>	(80.8)	<u>\$1,506,947</u>
BEGINNING NET ASSETS	<u>15,904,307</u>		<u>15,614,434</u>		<u>14,107,487</u>
ENDING NET ASSETS	<u>\$15,840,620</u>		<u>\$15,904,307</u>		<u>\$15,614,434</u>
Percent to Total Income	<u>-1.1%</u>		<u>1.3%</u>		<u>3.3%</u>
Debt Service Coverage	<u>4.97</u> *		<u>21.00</u> *		<u>21.96</u>
Minimum Target	<u>1.25</u>				

*Excludes the principal portion of the Electric Utility loan

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE CALENDAR YEAR 2015

	2015 Budget Estimate	% Incr. (Decr.) From	2014 Actual/ Estimate	% Incr. (Decr.) From	2013 Actual
<u>Operating Revenue</u>					
CATV :					
VOD & PPV	\$229,646	0.5	\$228,616	(11.9)	\$259,381
Ad Sales	320,000	(15.9)	380,424	26.9	299,712
All Other	6,144,557	(6.7)	6,582,687	(8.4)	7,183,273
Data/Internet	4,832,054	2.3	4,723,803	14.4	4,129,326
MAN/MME	648,040	21.1	535,271	11.3	480,735
Miscellaneous	<u>132,794</u>	0.4	<u>132,290</u>	(9.0)	<u>145,448</u>
Total Operating Revenue	<u>12,307,090</u>	(2.2)	<u>12,583,091</u>	0.7	<u>12,497,875</u>
<u>Operating Expense</u>					
Operation	8,188,382	3.4	7,922,043	(2.2)	8,102,822
Maintenance	961,343	(0.9)	969,703	9.5	885,340
Depreciation	<u>1,821,412</u>	(7.8)	<u>1,976,437</u>	(15.6)	<u>2,340,384</u>
Total Operating Expense	<u>10,971,137</u>	0.9	<u>10,868,183</u>	(4.1)	<u>11,328,546</u>
Operating Income	<u>1,335,953</u>	(22.1)	<u>1,714,908</u>	46.7	<u>1,169,329</u>
<u>Interest and Miscellaneous</u>					
Interest Income	15,060	(68.0)	47,002	(45.8)	86,674
Interest Expense	<u>(98,652)</u>	(92.7)	<u>(1,342,922)</u>	(3.3)	<u>(1,388,043)</u>
Total Interest and Miscellaneous	<u>(83,592)</u>	(93.5)	<u>(1,295,920)</u>	(0.4)	<u>(1,301,369)</u>
Net Income (Loss) before Capital Contribution	1,252,361	2.0X	418,988	-4.2X	(132,040)
Capital Contribution	<u>12,000</u>	N/A	<u>31,846</u>	N/A	<u>12,683</u>
Change in Net Position	1,264,361		450,834		(119,357)
Beginning Net Position	<u>(23,152,720)</u>		<u>(23,603,554)</u>		<u>(23,484,197)</u>
Ending Net Position	<u>(\$21,888,359)</u>		<u>(\$23,152,720)</u>		<u>(\$23,603,554)</u>
Percent to Total Income	<u>10.2%</u>		<u>3.3%</u>		<u>-1.0%</u>
Debt Service Coverage on Bank Debt	2.93		3.40		3.27
Debt Service Coverage on Electric Utility Debt	<u>3.97</u>		2.11		2.00
Minimum Target	<u>1.25</u>				