

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

**December 2014
(Unaudited)**

**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 - December 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	97,186,637	30.9	127,252,633	12.8	112,836,339
Less: Plant Use	<u>9,686,806</u>	24.5	<u>12,059,698</u>	13.7	<u>10,604,392</u>
Net Generation/Wholesale Sales	<u><u>87,499,831</u></u>	31.6	<u><u>115,192,935</u></u>	12.7	<u><u>102,231,947</u></u>
<u>Net Capacity Factors</u>					
Unit 9	57.00	31.7	75.08	26.3	59.44
Unit 8/8A	41.68	35.6	56.51	(14.8)	66.36
Unit 7	25.00	30.8	32.70	(34.9)	50.21
Total Plant	50.95	31.8	67.13	12.3	59.78
<u>KWH Distribution</u>					
Residential	8,000,000	0.4	8,028,745	(6.6)	8,594,664
Commercial I	3,078,569	(8.9)	2,805,431	(8.8)	3,077,698
Commercial II	8,638,921	(5.4)	8,170,380	1.1	8,080,900
Industrial I	7,970,856	14.0	9,089,660	8.2	8,402,600
Industrial II	39,236,465	3.0	40,399,862	1.5	39,784,906
City Enterprise Funds	464,849	2.8	477,769	7.5	444,495
Water & Communications Utilities	<u>1,307,767</u>	4.1	<u>1,361,279</u>	(3.6)	<u>1,411,767</u>
Native System Sales	68,697,427	2.4	70,333,126	0.8	69,797,030
City Lighting	166,245	(10.4)	148,964	(8.1)	162,086
City Buildings	538,125	2.3	550,345	(7.5)	594,673
Offline Power Plant Usage	20,887	4.8X	121,902	(78.8)	575,786
Losses & Cycle Billing	<u>3,567,395</u>	(3.7)	<u>3,436,598</u>	(24.8)	<u>4,569,035</u>
Total Native System KWH Distributed/Purchased Power	<u><u>72,990,079</u></u>	2.2	<u><u>74,590,935</u></u>	(1.5)	<u><u>75,698,610</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>260,341</u></u>	 0.7	 <u><u>262,192</u></u>	 (2.5)	 <u><u>268,844</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - December 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>
<u>KWH Generated and Sold</u>					
Gross Generation	984,929,627	9.7	1,080,447,612	(9.4)	1,192,287,575
Less: Plant Use	<u>97,547,410</u>	21.0	<u>118,054,243</u>	(2.4)	<u>120,910,399</u>
Net Generation/Wholesale Sales	<u><u>887,382,217</u></u>	8.5	<u><u>962,393,369</u></u>	(10.2)	<u><u>1,071,377,176</u></u>
<u>Net Capacity Factors</u>					
Unit 9	47.92	5.3	50.47	(14.3)	58.86
Unit 8/8A	42.72	11.1	47.48	(2.0)	48.44
Unit 7	16.82	70.5	28.67	16.5	24.62
Total Plant	43.88	8.5	47.63	(10.5)	53.22
<u>KWH Distribution</u>					
Residential	107,599,450	(4.2)	103,081,267	(2.1)	105,274,930
Commercial I	39,362,694	(5.4)	37,243,552	(4.8)	39,138,393
Commercial II	107,370,946	(3.9)	103,167,844	2.4	100,779,582
Industrial I	118,103,480	(2.3)	115,385,800	(5.1)	121,526,880
Industrial II	457,900,000	(0.3)	456,416,834	2.0	447,595,165
City Enterprise Funds	5,739,849	(9.0)	5,223,869	7.9	4,839,797
Water & Communications Utilities	<u>16,144,212</u>	2.1	<u>16,489,856</u>	2.7	<u>16,063,736</u>
Native System Sales	852,220,631	(1.8)	837,009,022	0.2	835,218,483
City Lighting	2,047,090	(6.7)	1,910,565	(4.5)	2,000,000
City Buildings	6,384,934	8.7	6,938,063	(0.8)	6,994,915
Offline Power Plant Usage	887,000	3.1X	3,645,391	(2.3)	3,730,068
Losses & Cycle Billing	<u>27,165,779</u>	(8.4)	<u>24,891,870</u>	(5.1)	<u>26,241,448</u>
Total Native System KWH Distributed/Purchased Power	<u><u>888,705,434</u></u>	(1.6)	<u><u>874,394,911</u></u>	---	<u><u>874,184,914</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>2,647,595</u></u>	 (16.5)	 <u><u>2,209,737</u></u>	 (18.3)	 <u><u>2,704,209</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - December 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	\$809,780	0.10122	\$879,702	0.10957	\$865,842	0.10074
Commercial I	290,122	0.09424	276,597	0.09859	276,696	0.08990
Commercial II	620,485	0.07182	601,502	0.07362	537,555	0.06652
Industrial I	495,900	0.06221	550,007	0.06051	486,890	0.05795
Industrial II	1,854,820	0.04727	1,924,675	0.04764	1,873,150	0.04708
City Enterprise Funds	31,139	0.06699	32,164	0.06732	28,194	0.06343
Water & Communication Utilities	68,913	0.05270	85,892	0.06310	77,761	0.05508
Native System Sales	4,171,159	0.06072	4,350,539	0.06186	4,146,088	0.05940
Wholesale Sales	2,449,995	0.02800	3,476,611	0.03018	3,593,844	0.03515
Energy Sales	6,621,154		7,827,150		7,739,932	
<u>Steam Sales</u>	1,060,483	4.07	1,024,594	3.91	1,024,562	3.81
<u>Other Revenue</u>						
Rail Car Lease	---		---		33,616	
By-Product Revenue	24,586		6,044		9,475	
Miscellaneous Revenue	43,766		52,050		67,356	
Total Other Revenue	68,352		58,094		110,447	
Operating Revenue	7,749,989		8,909,838		8,874,941	
<u>Operating Expense</u>						
Purchased Power	1,824,752	0.02500	2,134,488	0.02862	2,789,036	0.03684
Production Fuel	2,597,707		3,018,665		2,852,851	
Emissions Allowance	7,818		7,370		8,685	
Operation	1,955,841		2,016,252		2,131,007	
Maintenance	723,227		980,984		807,925	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	8,059,862		9,103,253		9,526,505	
Operating Loss	(309,873)		(193,415)		(651,564)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,350		109,686		107,857	
Interest Expense	(133)		(85)		(139)	
Total Nonoperating Revenue (Expense)	114,217		109,601		107,718	
Net Loss Before Revenue Adjustment	(195,656)		(83,814)		(543,846)	
Capital Contributions	6,278		183,739		---	
Revenue Adjustment-Extraordinary O&M	---		---		(7,000,000)	
Change in Net Position	(189,378)		99,925		(7,543,846)	
Beginning Net Position	150,786,238		156,171,913		162,269,903	
Ending Net Position	\$150,596,860		\$156,271,838		\$154,726,057	
Net Loss Before Rev Adj to Op Revenue	(2.5)		(0.9)		(6.1)	
Change in Net Position to Operating Revenue	(2.4)		1.1		(85.0)	

^{fa1} Includes an adjustment to unbilled revenues of \$44,329 and \$8,151 for residential and commercial I customers, respectively.

^{fa2} Includes an adjustment to unbilled revenues of \$38,200 and \$7,091 for residential and commercial I customers, respectively.

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - December 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	\$10,432,494	0.09696	\$10,241,738	0.09936	\$9,858,062	0.09364
Commercial I	3,556,009	0.09034	3,381,118	0.09078	3,298,785	0.08429
Commercial II	7,341,147	0.06837	7,071,034	0.06854	6,310,697	0.06262
Industrial I	6,694,961	0.05669	6,675,192	0.05785	6,563,089	0.05401
Industrial II	21,616,195	0.04721	21,613,538	0.04735	21,134,338	0.04722
City Enterprise Funds	360,301	0.06277	351,799	0.06734	300,390	0.06207
Water & Communications Utilities	830,492	0.05144	963,399	0.05842	851,471	0.05301
	<u>50,831,599</u>	<u>0.05965</u>	<u>50,297,818</u>	<u>0.06009</u>	<u>48,316,832</u>	<u>0.05785</u>
Native System Sales	27,531,164	0.03103	40,116,365	0.04168	34,592,828	0.03229
Wholesale Sales	<u>78,362,763</u>		<u>90,414,183</u>		<u>82,909,660</u>	
Energy Sales	<u>10,229,958</u>	3.86	<u>8,686,191</u>	3.93	<u>9,948,274</u>	3.68
<u>Steam Sales</u>						
Other Revenue						
Rail Car Lease	110,400		68,627		248,738	
By-Product Revenue	345,576		393,297		322,929	
Miscellaneous Revenue	572,858		637,221		616,114	
Total Other Revenue	<u>1,028,834</u>		<u>1,099,145</u>		<u>1,187,781</u>	
Operating Revenue	<u>89,621,555</u>		<u>100,199,519</u>		<u>94,045,715</u>	
<u>Operating Expense</u>						
Purchased Power	23,807,719	0.02679	29,888,237	0.03418	25,404,598	0.02906
Production Fuel	25,815,322		26,309,470		28,188,826	
Emissions Allowance	81,390		87,856		85,429	
Operation	23,403,508		22,090,624		21,791,226	
Maintenance	10,873,135		10,449,668		10,814,473	
Depreciation	11,406,195		11,345,928		11,244,012	
Total Operating Expense	<u>95,387,269</u>		<u>100,171,783</u>		<u>97,528,564</u>	
Operating Income (Loss)	<u>(5,765,714)</u>		<u>27,736</u>		<u>(3,482,849)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,372,784		1,294,967		1,294,590	
Interest Expense	(1,600)		(2,245)		(1,769)	
Total Nonoperating Revenue (Expense)	<u>1,371,184</u>		<u>1,292,722</u>		<u>1,292,821</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(4,394,530)</u>		<u>1,320,458</u>		<u>(2,190,028)</u>	
Capital Contributions	265,333		225,323		62,135	
Revenue Adjustment-Extraordinary O&M	---		---		(7,000,000)	
Change in Net Position	<u>(4,129,197)</u>		<u>1,545,781</u>		<u>(9,127,893)</u>	
Beginning Net Position	<u>154,726,057</u>		<u>154,726,057</u>		<u>163,853,950</u>	
Ending Net Position	<u>\$150,596,860</u>		<u>\$156,271,838</u>		<u>\$154,726,057</u>	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.9)		1.3		(2.3)	
Change in Net Position to Operating Revenue	(4.6)		1.5		(9.7)	

^{fn1} Includes an adjustment to unbilled revenues of \$44,329 and \$8,151 for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment to unbilled revenues of \$38,200 and \$7,091 for residential and commercial I customers, respectively.

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	8,785,751	6,563,019
Investments	13,004,815	9,500,000
Receivables:		
Consumer Accounts	5,523,382 ^{fn1}	5,600,427 ^{fn2}
Refined Coal	4,701,050	1,160,200
Wholesale	1,027,783	1,041,476
Steam Sales	1,079,842	1,078,590
Interest	649,935	647,903
Inventories	5,907,697	6,318,608
Fuel	6,725,684	5,069,168
Prepaid Expenses	507,914	492,326
	<hr/>	<hr/>
Total Unrestricted Current Assets	47,913,853	37,471,717
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	\$2,042,488	\$8,031,242
Investments	11,001,412	5,000,640
	<hr/>	<hr/>
Total Restricted Current Assets	13,043,900	13,031,882
	<hr/>	<hr/>
Total Current Assets	60,957,753	50,503,599
	<hr/>	<hr/>
Property and Equipment:		
At Cost	414,957,285	412,024,737
Less Accumulated Depreciation	330,989,011	321,247,200
	<hr/>	<hr/>
Net Property and Equipment	83,968,274	90,777,537
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	1,900,000	400,000
Joint Venture Rights	99,495	101,621
	<hr/>	<hr/>
Total Other Assets	37,326,495	35,828,621
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$182,252,522</u></u>	<u><u>\$177,109,757</u></u>

^{fn1} Includes \$492,418 for unbilled revenues.

^{fn2} Includes \$439,938 for unbilled revenues.

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$7,510,986	\$4,016,565
Health & Dental Insurance Provision	289,930	229,100
Accrued Payroll	507,870	462,833
Accrued Vacation	1,130,823	1,093,480
Accrued Emission Allowance Expense	68,598	70,695
Consumers' Deposits	680,434	593,941
Retained Percentage on Contracts	73,894	---
Accrued Property Taxes	100,554	97,560
Miscellaneous Accrued Expenses	517,779	787,073
Mooring Lease	---	2,967
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	10,880,868	7,354,214
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,411,953	1,494,518
Post-Employment Health Benefit Provision	420,482	321,732
Consumer Advances for Construction	234,515	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	2,066,950	1,996,620
	<hr/>	<hr/>
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	13,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	83,968,274	90,777,537
Restricted	13,043,900	13,031,882
Unrestricted	59,259,664	50,916,638
	<hr/>	<hr/>
Total Net Position	156,271,838	154,726,057
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$182,252,522</u>	<u>\$177,109,757</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,369,915	\$50,155,394
MISO sales	3,645,996	40,734,741
Steam sales	---	8,655,121
Coal sales	2,134,240	34,701,835
Railcar/facilities leasing	5,200	198,632
By-product sales	143	334,897
Miscellaneous sources	117,023	519,128
Cash paid to/for:		
Suppliers	(1,782,424)	(10,058,053)
MISO purchases/administration fees	(2,907,528)	(30,933,049)
Coal purchases	(5,171,460)	(61,457,112)
Employees payroll, taxes and benefits	<u>(2,231,662)</u>	<u>(22,642,773)</u>
Net cash flows from operating activities	<u>(1,820,557)</u>	<u>10,208,761</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(224,103)	(4,167,521)
Loan to Water Utility	<u>(250,000)</u>	<u>(1,500,000)</u>
Net cash flows from capital and related financing activities	<u>(474,103)</u>	<u>(5,667,521)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(94,610)
Interest received on investments and note receivable	6,543	1,293,575
Amortization/accretion of investments	---	(568)
Mark to Market	<u>---</u>	<u>(72)</u>
Net cash flows from investing activities	<u>6,543</u>	<u>1,198,325</u>
Net increase (decrease) in cash and investments	<u>(2,288,117)</u>	<u>5,739,565</u>
Cash and investments at beginning of period	<u>37,122,583</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$34,834,466</u></u>	<u><u>\$34,834,466</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
December 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)	(\$193,415)	\$27,736
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	11,345,928
Amortization of joint venture rights	6,431	96,735
Changes in assets and liabilities:		
Consumer accounts receivable	(138,331)	1,237,245
Refined coal	(2,561,610)	(4,701,050)
Wholesale receivable	(882,840)	13,693
Steam sales receivable	(1,011,394)	(1,252)
Inventories	69,358	410,911
Fuel	(284,321)	(1,656,516)
Prepaid expenses	61,473	132,319
Accounts payable	2,314,488	3,202,693
Pension provision	(450,250)	---
Health & dental insurance provision	113,702	(21,735)
Other post-employment benefit provision	8,229	98,750
Accrued payroll	166,111	45,037
Accrued vacation	(5,102)	37,343
Accrued emission allowance expense	(11,888)	(2,097)
Consumers' deposits	7,510	86,493
Retained percentage	---	73,894
Accrued property taxes	8,686	2,994
Miscellaneous accrued expenses	17,112	(217,393)
Unearned mooring lease	---	(2,967)
	<hr/>	<hr/>
Net cash flows from operating activities	<u><u>(\$1,820,557)</u></u>	<u><u>\$10,208,761</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,043,900</u>	<u>\$13,031,882</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,043,900</u>	<u>\$13,031,882</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,824,752</u>	23.5	<u>\$2,134,488</u>	24.0	<u>\$2,789,036</u>	31.4
Average price per kWh	\$0.0250		\$0.0286		\$0.0368	
<u>Generation</u>						
Operation Supervision	78,544		83,918		78,942	
Fuel:						
Coal	2,501,862		2,937,627		2,693,878	
Fuel Oil	15,749		222		63,595	
Gas	12,000		15,965		16,366	
Coal Handling Expense	64,264		62,278		65,367	
Landfill Operation Expense	3,832		2,573		13,645	
Emissions Allowance Expense	7,818		7,370		8,685	
Steam Expense:						
Boiler	98,989		94,179		95,631	
Pollution Control	36,692		29,481		33,277	
Electric Expense	92,361		104,039		99,314	
Miscellaneous Steam Power Expense	168,401		154,497		254,514	
Maintenance:						
Supervision	79,309		82,258		78,695	
Structures	48,318		107,042		71,563	
Boiler Plant:						
Boiler	118,621		239,710		209,279	
Pollution Control	37,518		68,233		21,365	
Electric Plant	36,138		34,909		16,786	
System Control	18,516		17,565		17,377	
Miscellaneous Steam Plant	68,090		70,394		67,501	
Coal Handling Equipment	127,472		113,010		143,616	
System Control and Load Dispatch	30,854		26,265		12,752	
Vacation, Holiday, Sick Leave	135,723		159,379		153,949	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
Total Generation Expense	<u>\$4,406,480</u>	56.9	<u>\$5,035,621</u>	56.5	<u>\$4,838,470</u>	54.5

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<u>Purchased Power</u>	<u>\$23,807,719</u>	26.6	<u>\$29,888,237</u>	29.8	<u>\$25,404,598</u>	27.0
Average price per kWh	\$0.0268		\$0.0342		\$0.0291	
<u>Generation</u>						
Operation Supervision	944,871		991,203		952,252	
Fuel:						
Coal	24,577,676		24,971,939		26,977,184	
Fuel Oil	197,535		132,743		222,075	
Gas	160,200		402,516		147,438	
Coal Handling Expense	793,370		749,596		773,873	
Landfill Operation Expense	86,541		52,676		68,256	
Emissions Allowance Expense	81,390		87,856		85,429	
Steam Expense:						
Boiler	1,297,721		1,229,459		1,206,356	
Pollution Control	546,562		452,445		439,000	
Electric Expense	1,141,539		1,127,649		1,116,301	
Miscellaneous Steam Power Expense	2,441,288		1,861,501		2,130,218	
Maintenance:						
Supervision	984,308		1,006,354		969,369	
Structures	905,861		767,723		732,009	
Boiler Plant:						
Boiler	2,802,770		3,034,918		3,079,421	
Pollution Control	788,339		737,921		767,728	
Electric Plant	732,674		565,257		976,365	
System Control	230,262		219,742		208,042	
Miscellaneous Steam Plant	904,064		818,771		831,479	
Coal Handling Equipment	1,069,280		1,077,446		1,087,381	
System Control and Load Dispatch	363,177		283,046		311,178	
Vacation, Holiday, Sick Leave	1,125,268		1,250,776		1,216,771	
Depreciation	<u>7,504,904</u>		<u>7,496,484</u>		<u>7,468,476</u>	
Total Generation Expense	<u>\$49,679,600</u>	55.4	<u>\$49,318,021</u>	49.2	<u>\$51,766,601</u>	55.0

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,962		\$3,773		\$3,523	
Load Dispatching	51,455		50,058		40,198	
Station Expense	7,351		9,102		11,118	
Overhead Line Expense	133		139		---	
Transmission of Electricity by Others	28,433		25,593		12,599	
Miscellaneous Transmission Expense	31,365		5,504		2,795	
Maintenance:						
Supervision	1,986		1,852		1,654	
Structures	24		---		---	
Station Equipment	5,719		3,244		4,470	
Overhead Lines	10,517		93,439		33,586	
Vacation, Holiday, Sick Leave	10,131		11,610		9,738	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,828		12,755	
Total Transmission Expense	187,833	2.4	240,830	2.7	163,061	1.8
<u>Distribution</u>						
Operation Supervision	10,964		11,301		10,080	
Load Dispatching	30,896		31,097		26,584	
Station Expense	6,973		4,262		7,114	
Overhead Line Expense	2,959		3,435		2,449	
Vehicle Expense	17,769		18,117		16,282	
Underground Line Expense	3,045		1,990		2,778	
Street Lighting	1,628		1,002		1,467	
Signal Expense	596		---		---	
Meter Expense	7,939		8,514		8,653	
Consumer Installation Expense	615		115		212	
Miscellaneous Distribution Expense	45,336		43,446		37,047	
Maintenance:						
Supervision	9,581		10,295		9,128	
Structures	464		---		---	
Station Equipment	10,812		7,970		9,240	
Overhead Lines	65,006		44,405		49,195	
Underground Lines	11,197		4,725		8,010	
Line Transformers	3,213		8,667		867	
Street Lighting	5,114		7,146		6,508	
Signal System	3,640		1,088		493	
Meters	2,418		1,624		1,522	
Miscellaneous Distribution Plant	2,318		2,765		1,913	
Vacation, Holiday, Sick Leave	44,126		46,877		44,185	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,741		3,810	
Total Distribution Expense	447,789	5.8	418,819	4.7	403,039	4.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$47,448		\$51,005		\$48,165	
Load Dispatching	661,230		696,084		624,308	
Station Expense	98,521		149,971		88,496	
Overhead Line Expense	991		3,604		2,912	
Transmission of Electricity by Others	341,200		359,570		156,514	
Miscellaneous Transmission Expense	220,783		89,055		61,947	
Maintenance:						
Supervision	23,623		24,163		22,697	
Structures	10,854		---		---	
Station Equipment	86,127		75,295		67,089	
Overhead Lines	128,577		221,772		152,129	
Vacation, Holiday, Sick Leave	83,889		88,229		86,122	
Depreciation	372,494		368,256		367,500	
Tax on Rural Property	68,592		68,386		68,035	
Total Transmission Expense	2,144,329	2.4	2,195,390	2.2	1,745,914	1.9
<u>Distribution</u>						
Operation Supervision	131,283		143,276		135,012	
Load Dispatching	356,151		370,366		347,812	
Station Expense	86,622		106,139		78,481	
Overhead Line Expense	63,524		24,844		22,917	
Vehicle Expense	213,264		183,817		196,528	
Underground Line Expense	38,429		35,961		41,636	
Street Lighting	20,075		27,028		24,333	
Signal Expense	7,589		2,172		4,683	
Meter Expense	97,528		107,431		96,218	
Consumer Installation Expense	7,563		6,610		6,425	
Miscellaneous Distribution Expense	560,584		610,906		588,039	
Maintenance:						
Supervision	118,866		129,175		121,977	
Structures	15,781		1,498		---	
Station Equipment	167,646		94,788		130,733	
Overhead Lines	693,549		521,473		655,881	
Underground Lines	109,502		101,268		100,842	
Line Transformers	56,463		63,562		54,188	
Street Lighting	62,582		88,942		87,572	
Signal System	33,330		52,286		25,482	
Meters	30,000		26,733		25,772	
Miscellaneous Distribution Plant	27,811		35,221		29,580	
Vacation, Holiday, Sick Leave	361,451		359,796		364,840	
Depreciation	1,913,660		1,898,844		1,866,024	
Tax on Rural Property	20,496		20,420		20,311	
Total Distribution Expense	\$5,193,749	5.8	\$5,012,556	5.0	\$5,025,286	5.3

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

	Budget Estimate		This Year		Last Year	
<u>Customer Service Expense</u>						
Customer Information Expense	\$7,973		\$14,068		\$15,194	
Energy Efficiency Rebates	20,129		67,097		43,227	
Electric Ranges/Dryers Maintenance	443		590		192	
Electric Water Heaters Maintenance	169		88		---	
Total Customer Service Expense	28,714	0.4	81,843	0.9	58,613	0.7
<u>Consumer Accounts</u>						
Supervision	2,849		2,592		2,247	
Meter Reading Expense	8,559		9,573		9,238	
Consumer Records and Collection	31,910		38,207		35,792	
Uncollectible Accounts Expense	4,317		19,386		10,893	
Vacation, Holiday, Sick Leave	6,853		7,051		7,294	
Total Consumer Accounts Expense	54,488	0.7	76,809	0.9	65,464	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	170,963		156,863		160,664	
Office Supplies and Expenses	17,217		14,957		12,095	
Outside Services Employed	54,629		72,998		40,010	
Property Insurance	59,026		59,470		55,169	
Casualty Ins, Injuries & Damages	41,719		26,593		106,596	
Employee Pensions and Benefits	507,250		541,880		600,877	
Fringe Benefits Charged to Constr.	(20,950)		(31,583)		(23,728)	
Regulatory Commission	8,608		7,285		2,114	
Miscellaneous General Expense	36,870		25,510		29,020	
Maintenance of General Plant	29,103		28,447		25,527	
Maintenance of A/O Center	28,133		32,196		29,630	
Vacation, Holiday, Sick Leave	42,643		48,365		42,347	
Depreciation	134,595		131,862		128,501	
Total Administrative and General	1,109,806	14.3	1,114,843	12.5	1,208,822	13.6
Total Operating Expense	\$8,059,862		\$9,103,253		\$9,526,505	
Percent to Operating Revenue		104.0		102.2		107.3

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$134,307		\$70,701		\$94,748	
Energy Efficiency Rebates	246,400		243,313		155,580	
Electric Ranges/Dryers Maintenance	5,435		4,640		6,163	
Electric Water Heaters Maintenance	<u>2,027</u>		<u>923</u>		<u>809</u>	
Total Customer Service Expense	<u>\$388,169</u>	0.4	<u>\$319,577</u>	0.3	<u>\$257,300</u>	0.3
<u>Consumer Accounts</u>						
Supervision	33,615		35,443		34,461	
Meter Reading Expense	106,475		114,413		101,266	
Consumer Records and Collection	387,903		395,408		399,017	
Uncollectible Accounts Expense	51,799		66,868		47,160	
Vacation, Holiday, Sick Leave	<u>55,726</u>		<u>63,532</u>		<u>57,547</u>	
Total Consumer Accounts Expense	<u>635,518</u>	0.7	<u>675,664</u>	0.7	<u>639,451</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	2,021,610		1,977,405		2,084,771	
Office Supplies and Expenses	241,565		179,451		177,849	
Outside Services Employed	814,004		481,202		426,883	
Property Insurance	696,393		700,736		636,381	
Casualty Ins, Injuries & Damages	506,237		486,170		434,106	
Employee Pensions and Benefits	6,139,142		6,026,399		6,151,649	
Fringe Benefits Charged to Constr.	(318,232)		(320,466)		(252,520)	
Regulatory Commission	103,300		84,015		63,052	
Miscellaneous General Expense	479,338		422,551		383,591	
Maintenance of General Plant	378,071		363,206		301,348	
Maintenance of A/O Center	512,795		422,154		387,389	
Vacation, Holiday, Sick Leave	348,825		357,171		352,903	
Depreciation	<u>1,615,137</u>		<u>1,582,344</u>		<u>1,542,012</u>	
Total Administrative and General	<u>13,538,185</u>	15.1	<u>12,762,338</u>	12.7	<u>12,689,414</u>	13.5
Total Operating Expense	<u>\$95,387,269</u>		<u>\$100,171,783</u>		<u>\$97,528,564</u>	
Percent to Operating Revenue		106.4		100.0		103.7

Muscatine Power and Water - Electric Utility
Statistical Data
December 2014

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

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.899	\$1.913
Per Net MW Generated	\$20.98	\$21.74
Net Peak Monthly Demand-KW	118,150	123,060
Date of Peak	12/1	12/11
Hour of Peak	1800	1900
	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.880	\$1.848
Per Net MW Generated	\$22.37	\$20.77
Net Peak Monthly Demand-KW	133,330	138,170
Date of Peak	9/4	9/9
Hour of Peak	1600	1700
Average Temperature	30.1°	19°
<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,801	9,734
Commercial I	1,366	1,373
Commercial II	118	116
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	23
Water & Communications Utility	35	33
Total	<u>11,354</u>	<u>11,291</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - December 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>87,499,831</u>		<u>115,192,935</u>		<u>102,231,947</u>	
<u>Wholesale Sales</u>	<u>\$2,449,995</u>	<u>\$0.02800</u>	<u>\$3,476,611</u>	<u>\$0.03018</u>	<u>\$3,593,844</u>	<u>\$0.03515</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,869,120	0.02136	2,338,331	0.02030	2,132,500	0.02086
Emissions:						
SO ² Allowances ^{fn1}	470	0.00001	40	0.00000	62	0.00000
NO _x Allowances ^{fn2}	6,042	0.00007	4,423	0.00004	7,821	0.00008
Other ^{fn3}	<u>186,673</u>	<u>0.00213</u>	<u>184,962</u>	<u>0.00161</u>	<u>187,258</u>	<u>0.00183</u>
Total Variable Costs	<u>2,062,305</u>	<u>0.02357</u>	<u>2,527,756</u>	<u>0.02194</u>	<u>2,327,641</u>	<u>0.02277</u>
Gross Margin	<u>\$387,690</u>	<u>\$0.00443</u>	<u>\$948,855</u>	<u>\$0.00824</u>	<u>\$1,266,203</u>	<u>\$0.01239</u>
Percent Gross Margin	15.8%		27.3%		35.2%	

Calendar Year To Date

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>887,382,217</u>		<u>962,393,369</u>		<u>1,071,377,176</u>	
<u>Wholesale Sales</u>	<u>\$27,531,164</u>	<u>\$0.03103</u>	<u>\$40,116,365</u>	<u>\$0.04168</u>	<u>\$34,592,828</u>	<u>\$0.03229</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	18,258,628	0.02058	20,515,497	0.02132	21,218,830	0.01981
Emissions:						
SO ² Allowances ^{fn1}	4,350	0.00000	575	0.00000	531	0.00000
NO _x Allowances ^{fn2}	64,522	0.00007	158,245	0.00016	78,457	0.00007
Other ^{fn3}	<u>2,240,076</u>	<u>0.00252</u>	<u>2,228,099</u>	<u>0.00232</u>	<u>2,266,101</u>	<u>0.00212</u>
Total Variable Costs	<u>20,567,576</u>	<u>0.02318</u>	<u>22,902,416</u>	<u>0.02380</u>	<u>23,563,919</u>	<u>0.02199</u>
Gross Margin	<u>\$6,963,588</u>	<u>\$0.00785</u>	<u>\$17,213,949</u>	<u>\$0.01789</u>	<u>\$11,028,909</u>	<u>\$0.01029</u>
Percent Gross Margin	25.3%		42.9%		31.9%	

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	\$0.80	\$0.75
YTD SO ²	2.00	0.83	0.75
fn2 NO _x annual	42.50	15.00	45.00
NO _x seasonal	10.00	10.00	21.50
fn3 YTD NO _x annual	42.50	56.56	43.11
YTD NO _x seasonal	10.00	25.00	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.