

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2015

**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 - May 2015

	<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	82,797,677	(7.8)	76,363,326	(32.4)	113,035,371
Less: Plant Use	<u>7,562,462</u>	7.3	<u>8,115,489</u>	(27.2)	<u>11,150,895</u>
Net Generation/Wholesale Sales	<u><u>75,235,215</u></u>	(9.3)	<u><u>68,247,837</u></u>	(33.0)	<u><u>101,884,476</u></u>
<u>Net Capacity Factors</u>					
Unit 9	58.00	(3.2)	56.15	(18.7)	69.07
Unit 8/8A	5.92	(86.5)	0.80	(98.5)	51.83
Unit 7	20.00	-1.0X	---	-1.0X	11.03
Total Plant	44.01	(9.6)	39.77	(33.3)	59.59
<u>KWH Distribution</u>					
Residential	7,017,500	(10.8)	6,262,930	(9.1)	6,886,933
Commercial I	2,587,000	0.6	2,602,540	(4.2)	2,716,377
Commercial II	6,657,000	42.3	9,475,200	13.3	8,366,480
Industrial I	9,901,472	(4.2)	9,481,500	1.3	9,358,700
Industrial II	38,400,000	1.3	38,917,572	(1.4)	39,462,284
City Enterprise Funds	482,792	(4.7)	460,261	19.6	384,679
Water & Communications Utilities	<u>1,374,962</u>	9.5	<u>1,506,090</u>	7.5	<u>1,400,928</u>
Native System Sales	66,420,726	3.4	68,706,093	0.2	68,576,381
City Lighting	179,000	(9.4)	162,259	(7.3)	174,943
City Buildings	565,000	(18.7)	459,192	(4.2)	479,115
Offline Power Plant Usage	370,595	(1.2)	366,004	61.6	226,440
Losses & Cycle Billing	<u>2,080,446</u>	(3.9)	<u>1,998,351</u>	(35.1)	<u>3,079,597</u>
Total Native System KWH Distributed/Purchased Power	<u><u>69,615,767</u></u>	3.0	<u><u>71,691,899</u></u>	(1.2)	<u><u>72,536,476</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>45,694</u></u>	 (84.4)	 <u><u>7,124</u></u>	 (97.0)	 <u><u>234,885</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - May 2015

	<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	468,515,366	(3.3)	453,075,189	(11.8)	513,744,384
Less: Plant Use	<u>46,303,754</u>	8.2	<u>50,112,758</u>	(3.3)	<u>51,840,355</u>
Net Generation/Wholesale Sales	<u>422,211,612</u>	(4.6)	<u>402,962,431</u>	(12.8)	<u>461,904,029</u>
<u>Net Capacity Factors</u>					
Unit 9	57.50	4.9	60.32	1.3	59.52
Unit 8/8A	41.17	(34.8)	26.85	(49.3)	52.96
Unit 7	22.91	(76.8)	5.32	(83.9)	33.07
Total Plant	50.70	(4.9)	48.23	(13.0)	55.45
<u>KWH Distribution</u>					
Residential	40,063,500	(1.8)	39,347,421	(7.8)	42,668,511
Commercial I	14,771,500	(1.5)	14,547,140	(6.7)	15,589,626
Commercial II	38,007,500	17.8	44,774,700	8.4	41,290,264
Industrial I	45,547,701	0.9	45,967,500	7.5	42,769,560
Industrial II	193,000,000	(0.9)	191,313,365	1.3	188,848,880
City Enterprise Funds	2,321,076	(0.5)	2,310,108	6.4	2,171,981
Water & Communications Utilities	<u>6,741,830</u>	5.7	<u>7,123,604</u>	3.5	<u>6,883,203</u>
Native System Sales	340,453,107	1.4	345,383,838	1.5	340,222,025
City Lighting	852,000	(9.6)	770,522	(5.5)	815,729
City Buildings	2,699,500	3.5	2,792,734	(7.5)	3,019,483
Offline Power Plant Usage	926,345	(2.3)	904,979	(42.2)	1,566,594
Losses & Cycle Billing	<u>10,413,131</u>	(24.7)	<u>7,843,688</u>	(16.7)	<u>9,410,741</u>
Total Native System KWH Distributed/Purchased Power	<u>355,344,083</u>	0.7	<u>357,695,761</u>	0.7	<u>355,034,572</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,063,558</u>	(6.4)	<u>995,722</u>	(17.5)	<u>1,207,460</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 2015

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year		Last Year	Avg. Price
	Estimate	Avg. Price		This Year	Avg. Price		
Sales of Electricity							
Residential	\$733,153	\$ 0.10447	(6.1)	\$688,249	\$ 0.10989	(0.4)	\$690,787 \$ 0.10030
Commercial I	247,591	0.09571	1.9	252,287	0.09694	4.7	240,865 0.08867
Commercial II	518,185	0.07784	31.3	680,218	0.07179	21.7	559,009 0.06682
Industrial I	583,276	0.05891	0.0	583,371	0.06153	7.4	543,185 0.05804
Industrial II	1,819,481	0.04738	4.0	1,892,128	0.04862	2.6	1,844,566 0.04674
City Enterprise Funds	32,152	0.06660	(0.6)	31,965	0.06945	26.8	25,200 0.06551
Water & Communication Utilities	79,283	0.05766	16.6	92,452	0.06139	20.4	76,779 0.05481
Native System Sales	4,013,121	0.06042	5.2	4,220,670	0.06143	6.0	3,980,391 0.05804
Wholesale Sales	2,791,226	0.03710	(32.7)	1,878,628	0.02753	(51.5)	3,869,883 0.03798
Energy Sales	6,804,347		(10.4)	6,099,298		(22.3)	7,850,274
Steam Sales	200,660	4.39	(86.0)	28,137	3.95	(97.0)	922,775 3.93
Other Revenue							
By-Product Revenue	27,677		12.6	31,157		35.6	22,982
Miscellaneous Revenue	52,892		0.8	53,335		(34.1)	80,947
Total Other Revenue	80,569		4.9	84,492		(18.7)	103,929
Operating Revenue	7,085,576		(12.3)	6,211,927		(30.0)	8,876,978
Operating Expense							
Purchased Power	2,192,897	0.03150	(28.0)	1,577,867	0.02201	(33.9)	2,386,604 0.03290
Production Fuel	1,883,741		(18.7)	1,530,620		(44.5)	2,756,048
Emissions Allowance	10,128		(91.3)	877		(91.9)	10,775
Operation	2,116,374		(6.6)	1,977,736		5.6	1,872,151
Maintenance	1,828,720		(26.0)	1,353,520		61.7	837,059
Depreciation	956,361		0.8	963,852		1.9	945,494
Total Operating Expense	8,988,221		(17.6)	7,404,472		(15.9)	8,808,131
Operating Income (Loss)	(1,902,645)		(37.3)	(1,192,545)		-18.3X	68,847
Nonoperating Revenue (Expense)							
Interest Income	26,497		(73.7)	6,973		(93.6)	108,269
Interest Expense	(167)		(34.7)	(109)		(75.2)	(440)
Total Nonoperating Revenue (Expense)	26,330		(73.9)	6,864		(93.6)	107,829
Net Income (Loss) Before Revenue Adjustment	(1,876,315)		(36.8)	(1,185,681)		-7.7X	176,676
Capital Contributions	---			---			---
Change in Net Position	(1,876,315)		(36.8)	(1,185,681)		-7.7X	176,676
Beginning Net Position	130,020,494			131,076,003			157,384,763
Ending Net Position	\$128,144,179			\$129,890,322			\$157,561,439
Net Loss Before Rev Adj to Op Revenue	(26.5)			(19.1)			2.0
Change in Net Position to Operating Revenue	(26.5)			(19.1)			2.0

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 2015

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year		Last Year	Avg. Price	
	Estimate	Avg. Price		This Year	Avg. Price			
Sales of Electricity								
Residential	\$4,073,131	\$ 0.10167	2.5	\$4,173,864	\$ 0.10608	1.5	\$4,113,338	\$ 0.09640
Commercial I	1,394,904	0.09443	1.1	1,410,520	0.09696	3.4	1,364,076	0.08750
Commercial II	2,803,712	0.07377	18.3	3,316,431	0.07407	20.9	2,742,052	0.06641
Industrial I	2,689,062	0.05904	6.1	2,851,818	0.06204	14.4	2,493,722	0.05831
Industrial II	9,063,834	0.04696	5.9	9,600,482	0.05018	7.2	8,955,301	0.04742
City Enterprise Funds	157,416	0.06782	4.6	164,646	0.07127	18.7	138,673	0.06385
Water & Communications Utilities	385,669	0.05721	16.5	449,195	0.06306	17.1	383,631	0.05573
Native System Sales	20,567,728	0.06041	6.8	21,966,956	0.06360	8.8	20,190,793	0.05935
Wholesale Sales	14,624,616	0.03464	(20.9)	11,567,290	0.02871	(45.7)	21,315,623	0.04615
Energy Sales	35,192,344		(4.7)	33,534,246		(19.2)	41,506,416	
Steam Sales	4,390,166	4.13	(6.8)	4,093,106	4.11	(12.0)	4,652,318	3.85
Other Revenue								
Rail Car Lease	---			---		-1.0X	68,627	
By-Product Revenue	135,048		(45.0)	74,301		47.4	50,403	
Miscellaneous Revenue	267,537		(12.1)	235,186		(11.5)	265,893	
Total Other Revenue	402,585		(23.1)	309,487		(19.6)	384,923	
Operating Revenue	39,985,095		(5.1)	37,936,839		(18.5)	46,543,657	
Operating Expense								
Purchased Power	10,419,917	0.02932	(15.7)	8,782,107	0.02455	(33.1)	13,123,839	0.03696
Production Fuel	12,141,997		(10.1)	10,915,107		(15.4)	12,908,061	
Emissions Allowance	72,756		82.6	132,865		2.4X	38,513	
Operation	10,456,884		(5.1)	9,920,764		6.4	9,322,380	
Maintenance	5,021,197		(11.2)	4,459,642		8.2	4,120,461	
Depreciation	4,781,807		0.8	4,819,256		1.9	4,727,470	
Total Operating Expense	42,894,558		(9.0)	39,029,741		(11.8)	44,240,724	
Operating Income (Loss)	(2,909,463)		(62.4)	(1,092,902)		-1.5X	2,302,933	
Nonoperating Revenue (Expense)								
Interest Income	109,637		(64.4)	39,015		(92.7)	533,920	
Interest Expense	(833)		(24.5)	(629)		(57.2)	(1,471)	
Total Nonoperating Revenue (Expense)	108,804		(64.7)	38,386		(92.8)	532,449	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,800,659)		(62.3)	(1,054,516)		-1.4X	2,835,382	
Capital Contributions	---			---			---	
Revenue Adjustment-Extraordinary O&M	(25,327,000)			(25,327,000)			---	
Change in Net Position	(28,127,659)		(6.2)	(26,381,516)		-10.3X	2,835,382	
Beginning Net Position	156,271,838			156,271,838			154,726,057	
Ending Net Position	\$128,144,179			\$129,890,322			\$157,561,439	
Net Income (Loss) Before Rev Adj to Op Revenue	(7.0)			(2.8)			6.1	
Change in Net Position to Operating Revenue	(70.4)			(69.5)			6.1	

Muscatine Power and Water - Electric Utility
Statements of Net Position
May 2015

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$13,922,345	\$19,158,601
Investments	9,000,000	5,500,000
Receivables:		
Consumer Accounts	5,277,960	4,967,811
Refined Coal	2,441,210	4,208,885
Wholesale	189,824	1,097,451
Steam Sales	28,146	949,912
Interest	27,260	525,774
Inventories	6,080,348	6,354,816
Fuel	9,916,664	2,795,573
Prepaid Expenses	1,185,721	1,076,694
	<hr/>	<hr/>
Total Unrestricted Current Assets	48,069,478	46,635,517
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	13,066,139	2,042,488
Investments	---	11,000,000
	<hr/>	<hr/>
Total Restricted Current Assets	13,066,139	13,042,488
	<hr/>	<hr/>
Total Current Assets	61,135,617	59,678,005
	<hr/>	<hr/>
Property and Equipment:		
At Cost	416,441,509	413,219,879
Less Accumulated Depreciation	335,653,745	325,769,883
	<hr/>	<hr/>
Net Property and Equipment	80,787,764	87,449,996
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	10,000,000	35,327,000
Note Receivable - Water Utility	2,650,000	900,000
Joint Venture Rights	103,266	105,649
	<hr/>	<hr/>
Total Other Assets	12,753,266	36,332,649
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$154,676,647</u>	<u>\$183,460,650</u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
May 2015

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$5,655,589	\$6,748,715
Pension Provision	880,967	892,730
Health & Dental Insurance Provision	289,930	229,100
Accrued Payroll	332,362	287,037
Accrued Vacation	1,258,966	1,177,740
Accrued Emission Allowance Expense	132,074	49,308
Consumers' Deposits	710,726	631,947
Accrued Property Taxes	93,589	90,530
Miscellaneous Accrued Expenses	683,939	765,305
Unearned Revenue - Farm Rent	30,047	---
Mooring Lease	---	832
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	10,068,189	10,873,244
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,039,903	1,449,853
Post-Employment Health Benefit Provision	461,628	362,878
Consumer Advances for Construction	183,739	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,685,270	1,993,101
	<hr/>	<hr/>
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	13,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	80,787,764	87,449,996
Restricted	13,066,139	13,042,488
Unrestricted	36,036,419	57,068,955
	<hr/>	<hr/>
Total Net Position	129,890,322	157,561,439
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$154,676,647</u>	<u>\$183,460,650</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,149,496	\$21,966,438
MISO sales	1,880,774	12,019,581
Steam sales	947,222	4,958,362
Coal sales	3,415,755	18,765,430
Railcar/facilities leasing	5,200	26,000
By-product sales	5,666	103,411
Miscellaneous sources	15,175	280,209
Cash paid to/for:		
Suppliers	(606,182)	(4,629,957)
MISO purchases/administration fees	(1,476,567)	(8,893,859)
Coal purchases	(7,296,652)	(32,630,145)
Employees payroll, taxes and benefits	(1,767,542)	(9,101,161)
Net cash flows from operating activities	<u>(727,655)</u>	<u>2,864,309</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	---	625,577
Loan to Water Utility	---	<u>(750,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>(124,423)</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(350,838)</u>	<u>(1,577,162)</u>
Net cash flows from capital and related financing activities	<u>(350,838)</u>	<u>(1,577,162)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(22,410)	(44,820)
Interest received on investments	12,835	36,114
Net cash flows from investing activities	<u>(9,575)</u>	<u>(8,706)</u>
Net increase (decrease) in cash and investments	<u>(1,088,068)</u>	<u>1,154,018</u>
Cash and investments at beginning of period	<u>37,076,552</u>	<u>34,834,466</u>
Cash and investments at end of period	<u><u>\$35,988,484</u></u>	<u><u>\$35,988,484</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$1,192,545)	(\$1,092,902)
Noncash items in operating income:		
Depreciation of electric utility plant	963,852	4,819,256
Amortization of joint venture rights	8,836	41,050
Changes in assets and liabilities:		
Consumer accounts receivable	(67,439)	245,422
Refined coal	974,545	2,259,840
Wholesale receivable	101,645	837,959
Steam sales receivable	919,076	1,051,696
Inventories	37,136	(172,651)
Fuel	(2,073,477)	(3,190,980)
Prepaid expenses	107,768	(677,807)
Accounts payable	(762,317)	(1,916,985)
Pension provision	176,194	880,967
Health & dental insurance provision	(70,713)	(372,050)
Other post-employment benefit provision	8,229	41,146
Accrued payroll	94,507	(175,508)
Accrued vacation	16,559	128,143
Accrued emission allowance expense	877	63,476
Consumers' deposits	3,912	30,292
Retained Percentage	(73,894)	(73,894)
Accrued property taxes	8,341	(6,965)
Unearned revenue	(3,339)	30,047
Miscellaneous accrued expenses	94,592	114,757
	<u>(\$727,655)</u>	<u>\$2,864,309</u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
May 2015

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,066,139</u>	<u>\$13,042,488</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,066,139</u>	<u>\$13,042,488</u>

**Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2015**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,192,897</u>	30.9	<u>\$1,577,867</u>	25.4	<u>\$2,386,604</u>	26.9
Average price per kWh	\$0.0315		\$0.0220		\$0.0329	
<u>Generation</u>						
Operation Supervision	97,918		83,948		77,718	
Fuel:						
Coal	1,780,585		1,459,952		2,623,224	
Fuel Oil	17,500		119		19,652	
Gas	10,500		18,776		51,508	
Coal Handling Expense	66,299		45,539		60,144	
Landfill Operation Expense	8,857		6,234		1,520	
Emissions Allowance Expense	10,128		877		10,775	
Steam Expense:						
Boiler	100,285		87,925		95,140	
Pollution Control	69,676		31,768		39,372	
Electric Expense	91,545		80,270		89,976	
Miscellaneous Steam Power Expense	244,778		223,122		152,744	
Maintenance:						
Supervision	94,264		94,154		78,173	
Structures	61,641		103,444		85,113	
Boiler Plant:						
Boiler	608,110		580,585		184,942	
Pollution Control	109,392		102,583		77,223	
Electric Plant	299,951		132,316		38,988	
System Control	20,071		18,848		17,830	
Miscellaneous Steam Plant	82,457		61,504		53,400	
Coal Handling Equipment	278,588		105,781		148,923	
System Control and Load Dispatch	29,079		25,513		28,647	
Vacation, Holiday, Sick Leave	110,143		107,693		114,616	
Depreciation	<u>626,277</u>		<u>636,060</u>		<u>624,707</u>	
Total Generation Expense	<u>\$4,818,044</u>	68.0	<u>\$4,007,011</u>	64.5	<u>\$4,674,335</u>	52.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2015

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$10,419,917</u>	26.1	<u>\$8,782,107</u>	23.1	<u>\$13,123,839</u>	28.2
Average price per kWh	\$0.0293		\$0.0246		\$0.0370	
<u>Generation</u>						
Operation Supervision	440,636		406,463		401,077	
Fuel:						
Coal	11,583,090		10,514,005		12,213,895	
Fuel Oil	88,527		27,874		93,991	
Gas	99,000		95,103		243,976	
Coal Handling Expense	349,437		263,969		346,966	
Landfill Operation Expense	21,943		14,156		9,233	
Emissions Allowance Expense	72,756		132,865		38,513	
Steam Expense:						
Boiler	519,773		532,522		506,711	
Pollution Control	300,821		146,410		175,707	
Electric Expense	496,566		464,237		467,111	
Miscellaneous Steam Power Expense	1,210,231		1,111,839		775,947	
Maintenance:						
Supervision	432,212		447,451		419,686	
Structures	305,364		294,127		304,689	
Boiler Plant:						
Boiler	1,297,174		1,126,663		980,321	
Pollution Control	357,229		287,051		394,225	
Electric Plant	483,772		277,069		261,894	
System Control	102,335		89,926		96,858	
Miscellaneous Steam Plant	384,334		327,372		337,642	
Coal Handling Equipment	532,306		597,702		399,692	
System Control and Load Dispatch	145,979		145,574		135,924	
Vacation, Holiday, Sick Leave	482,895		507,888		520,962	
Depreciation	<u>3,131,388</u>		<u>3,180,300</u>		<u>3,123,535</u>	
Total Generation Expense	<u>\$22,837,768</u>	57.1	<u>\$20,990,566</u>	55.3	<u>\$22,248,555</u>	47.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$4,662		\$4,606		\$4,168	
Load Dispatching	59,741		60,424		59,706	
Station Expense	8,348		8,533		11,338	
Overhead Line Expense	---		117		606	
Transmission of Electricity by Others	44,469		50,048		30,917	
Miscellaneous Transmission Expense	27,080		4,299		2,566	
Maintenance:						
Supervision	2,555		2,393		1,949	
Structures	2,688		---		---	
Station Equipment	43,409		4,503		4,088	
Overhead Lines	11,773		20,125		14,779	
Vacation, Holiday, Sick Leave	8,840		8,489		5,560	
Depreciation	30,810		30,688		30,688	
Tax on Rural Property	5,642		5,642		5,642	
Total Transmission Expense	<u>250,017</u>	3.5	<u>199,867</u>	3.2	<u>172,007</u>	1.9
<u>Distribution</u>						
Operation Supervision	11,757		11,426		11,331	
Load Dispatching	31,811		28,064		27,097	
Station Expense	8,324		6,772		12,900	
Overhead Line Expense	4,303		1,462		935	
Vehicle Expense	18,266		11,142		13,741	
Underground Line Expense	4,169		3,908		3,670	
Street Lighting	3,056		3,665		1,768	
Signal Expense	770		249		(5,014)	
Meter Expense	9,416		6,707		7,908	
Consumer Installation Expense	562		251		502	
Miscellaneous Distribution Expense	55,984		58,969		48,141	
Maintenance:						
Supervision	10,383		9,778		10,188	
Structures	2,262		---		---	
Station Equipment	9,799		7,786		2,160	
Overhead Lines	58,600		38,807		35,027	
Underground Lines	14,779		7,076		27,678	
Line Transformers	12,307		354		2,803	
Street Lighting	6,376		8,247		2,269	
Signal System	2,057		2,116		4,205	
Meters	1,958		1,861		1,866	
Miscellaneous Distribution Plant	2,500		4,344		4,937	
Vacation, Holiday, Sick Leave	34,469		33,262		28,616	
Depreciation	164,368		163,755		158,237	
Tax on Rural Property	1,685		1,685		1,685	
Total Distribution Expense	<u>\$469,961</u>	6.6	<u>\$411,686</u>	6.6	<u>\$402,650</u>	4.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$23,311		\$23,347		\$21,479	
Load Dispatching	293,833		297,650		318,696	
Station Expense	36,666		51,008		71,317	
Overhead Line Expense	358		2,989		2,072	
Transmission of Electricity by Others	222,347		251,118		145,392	
Miscellaneous Transmission Expense	144,425		35,189		19,605	
Maintenance:						
Supervision	12,777		12,013		10,137	
Structures	4,125		---		---	
Station Equipment	102,233		18,638		31,543	
Overhead Lines	61,358		166,975		67,501	
Vacation, Holiday, Sick Leave	39,030		37,338		33,309	
Depreciation	154,050		153,439		153,440	
Tax on Rural Property	28,212		28,304		28,315	
	<u>1,122,725</u>	2.8	<u>1,078,008</u>	2.8	<u>902,806</u>	1.9
<u>Distribution</u>						
Operation Supervision	58,456		58,311		59,995	
Load Dispatching	155,666		151,801		143,578	
Station Expense	38,301		31,888		52,686	
Overhead Line Expense	20,182		10,916		6,556	
Vehicle Expense	91,256		71,118		78,560	
Underground Line Expense	19,239		20,517		12,448	
Street Lighting	14,979		17,544		11,226	
Signal Expense	3,453		400		1,400	
Meter Expense	47,152		42,304		45,895	
Consumer Installation Expense	2,908		1,242		3,360	
Miscellaneous Distribution Expense	273,443		276,806		250,046	
Maintenance:						
Supervision	51,370		50,139		53,904	
Structures	4,402		---		---	
Station Equipment	50,946		63,883		34,797	
Overhead Lines	262,531		275,648		210,394	
Underground Lines	68,942		31,844		128,086	
Line Transformers	28,072		29,426		14,347	
Street Lighting	33,023		30,674		24,339	
Signal System	16,893		15,121		14,532	
Meters	14,120		10,612		10,588	
Miscellaneous Distribution Plant	12,500		12,942		15,846	
Vacation, Holiday, Sick Leave	150,514		160,260		137,941	
Depreciation	821,840		818,773		791,185	
Tax on Rural Property	8,427		8,454		8,453	
	<u>\$2,248,615</u>	5.6	<u>\$2,190,623</u>	5.8	<u>\$2,110,162</u>	4.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$15,839		\$13,733		\$12,068	
Energy Efficiency Rebates	19,107		2,377		4,588	
Electric Ranges/Dryers Maintenance	409		196		230	
Electric Water Heaters Maintenance	146		105		---	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	35,501	0.5	16,411	0.3	16,886	0.2
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	2,996		2,430		2,858	
Meter Reading Expense	9,103		7,897		10,451	
Consumer Records and Collection	35,506		34,327		33,704	
Uncollectible Accounts Expense	4,565		4,565		4,317	
Vacation, Holiday, Sick Leave	5,396		4,445		6,113	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	57,566	0.8	53,664	0.9	57,443	0.6
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	173,151		149,870		161,401	
Office Supplies and Expenses	16,106		22,397		11,985	
Outside Services Employed	36,956		32,522		71,930	
Property Insurance	60,894		58,782		59,470	
Casualty Ins, Injuries & Damages	41,551		114,683		53,164	
Employee Pensions and Benefits	547,197		513,451		506,736	
Fringe Benefits Charged to Constr.	(25,961)		(28,220)		(19,038)	
Regulatory Commission	7,311		7,322		7,405	
Miscellaneous General Expense	47,801		48,917		38,805	
Maintenance of General Plant	31,036		20,414		28,932	
Maintenance of A/O Center	61,764		26,501		11,586	
Vacation, Holiday, Sick Leave	31,523		37,978		33,968	
Depreciation	134,906		133,349		131,862	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,164,235	16.4	1,137,966	18.3	1,098,206	12.4
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$8,988,221</u>		<u>\$7,404,472</u>		<u>\$8,808,131</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		126.9		119.2		99.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$62,495		\$42,318		\$35,521	
Energy Efficiency Rebates	95,537		77,749		30,076	
Electric Ranges/Dryers Maintenance	2,145		1,233		2,136	
Electric Water Heaters Maintenance	830		539		419	
	<u>\$161,007</u>	0.4	<u>\$121,839</u>	0.3	<u>\$68,152</u>	0.1
<u>Consumer Accounts</u>						
Supervision	14,934		15,633		14,130	
Meter Reading Expense	46,711		47,391		48,848	
Consumer Records and Collection	177,551		169,234		165,161	
Uncollectible Accounts Expense	22,823		22,824		21,583	
Vacation, Holiday, Sick Leave	23,476		22,945		24,933	
	<u>285,495</u>	0.7	<u>278,027</u>	0.7	<u>274,655</u>	0.6
<u>Administrative and General</u>						
Administrative and General Salaries	865,835		808,809		831,508	
Office Supplies and Expenses	86,544		92,585		71,796	
Outside Services Employed	289,380		227,242		257,909	
Property Insurance	299,667		295,974		284,447	
Casualty Ins, Injuries & Damages	210,555		323,921		242,846	
Employee Pensions and Benefits	2,672,062		2,587,343		2,572,339	
Fringe Benefits Charged to Constr.	(121,439)		(102,104)		(111,261)	
Regulatory Commission	36,553		35,534		35,406	
Miscellaneous General Expense	264,702		204,949		220,834	
Maintenance of General Plant	173,064		140,369		148,550	
Maintenance of A/O Center	230,115		153,997		160,890	
Vacation, Holiday, Sick Leave	137,464		153,208		137,981	
Depreciation	674,529		666,744		659,310	
	<u>5,819,031</u>	14.6	<u>5,588,571</u>	14.7	<u>5,512,555</u>	11.8
Total Operating Expense	<u>\$42,894,558</u>		<u>\$39,029,741</u>		<u>\$44,240,724</u>	
Percent to Operating Revenue		107.3		102.9		95.1

Muscatine Power and Water - Electric Utility
Statistical Data
May 2015

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.925	\$1.933
Per Net MW Generated	\$22.46	\$22.19
Net Peak Monthly Demand-KW	119,170	121,300
Date of Peak	5/29	5/30
Hour of Peak	1600	1600

	<u>Calendar Year-To-Date</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.930	\$1.914
Per Net MW Generated	\$21.34	\$22.15
Net Peak Monthly Demand-KW	119,630	121,300
Date of Peak	2/12	5/30
Hour of Peak	900	1600

Average Temperature	63.1°	62.4°
---------------------	-------	-------

<u>Services</u>	<u>2015</u>	<u>2014</u>
Residential	9,787	9,723
Commercial I	1,366	1,367
Commercial II	119	118
Industrial I	9	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	33
Total	<u>11,340</u>	<u>11,275</u>

Musentine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - May 2015

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	75,235,215		68,247,837		101,884,476	
Wholesale Sales	\$2,791,226	\$0.03710	\$1,878,628	\$0.02753	\$3,869,883	\$0.03798
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,693,362	0.02251	1,466,283	0.02148	2,153,619	0.02114
Emissions:						
SO ² Allowances-ARP ^{fn1}	32	0.00000	5	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	197	0.00000	---	---
SO ² Allowances-CAIR ^{fn3}	23	0.00000	---	---	52	0.00000
NO _x Allowances ^{fn4}	1,589	0.00002	15,261	0.00022	14,274	0.00014
Other ^{fn5}	193,507	0.00257	193,507	0.00284	186,673	0.00183
Total Variable Costs	1,888,513	0.02510	1,675,253	0.02455	2,354,618	0.02311
Gross Margin	\$902,713	\$0.01200	\$203,375	\$0.00298	\$1,515,265	\$0.01487
Percent Gross Margin	32.3%		10.8%		39.2%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	422,211,612		402,962,431		461,904,029	
Wholesale Sales	\$14,624,616	\$0.03464	\$11,567,290	\$0.02871	\$21,315,623	\$0.04615
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	9,177,418	0.02174	8,262,517	0.02050	9,757,904	0.02113
Emissions:						
SO ² Allowances-ARP ^{fn1}	950	0.00000	114	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	13,605	0.00003	---	---
SO ² Allowances-CAIR ^{fn3}	666	0.00000	---	---	241	0.00000
NO _x Allowances ^{fn4}	31,826	0.00008	80,157	0.00020	95,699	0.00021
Other ^{fn3}	967,535	0.00229	967,535	0.00240	933,365	0.00202
Total Variable Costs	10,178,395	0.02411	9,323,928	0.02314	10,787,209	0.02335
Gross Margin	\$4,446,221	\$0.01053	\$2,243,362	\$0.00557	\$10,528,414	\$0.02279
Percent Gross Margin	30.4%		19.4%		49.4%	

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

	Budget	2015	2014
fn1 SO ² ARP	\$2.00	\$0.80	\$0.00
YTD SO ² ARP	2.00	0.80	0.00
fn2 SO ² CASPR	0.00	30.00	0.00
YTD SO ² CASPR	0.00	95.73	0.00
fn3 SO ² CAIR	0.70	0.00	0.80
YTD SO ² CAIR	0.70	0.00	0.76
fn4 NO _x annual	49.00	121.50	56.56
NO _x seasonal	10.00	130.00	21.50
YTD NO _x annual	49.00	155.57	25.00
YTD NO _x seasonal	10.00	130.00	15.77

fn5 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.