

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

October 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 - October 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	62,737,949	(30.2)	43,776,573	(17.4)	53,017,960
Less: Plant Use	<u>6,555,682</u>	(11.2)	<u>5,824,557</u>	(19.3)	<u>7,215,186</u>
Net Generation/Wholesale Sales	<u><u>56,182,267</u></u>	(32.4)	<u><u>37,952,016</u></u>	(17.1)	<u><u>45,802,774</u></u>
<u>Net Capacity Factors</u>					
Unit 9	32.00	(35.5)	20.63	(38.9)	33.75
Unit 8/8A	48.78	(25.5)	36.35	10.4X	3.19
Unit 7	10.00	5.3	10.53	---	21.81
Total Plant	32.86	(30.7)	22.76	(14.7)	26.69
<u>KWH Distribution</u>					
Residential	6,826,000	2.7	7,009,209	7.1	6,547,353
Commercial I	2,517,000	10.5	2,782,420	1.3	2,745,859
Commercial II	6,475,500	25.6	8,134,780	(3.0)	8,383,440
Industrial I	10,108,764	(5.8)	9,521,400	(5.6)	10,090,880
Industrial II	41,500,000	(2.2)	40,580,177	4.0	39,027,174
City Enterprise Funds	390,711	1.7	397,225	(11.1)	446,748
Water & Communications Utilities	<u>1,486,627</u>	6.0	<u>1,575,413</u>	15.9	<u>1,359,539</u>
Native System Sales	69,304,602	1.0	70,000,624	2.0	68,600,993
City Lighting	171,000	(9.6)	154,530	(2.9)	159,180
City Buildings	542,000	(10.7)	483,814	5.8	457,228
Offline Power Plant Usage	580,248	23.4	715,947	54.0	464,757
Losses & Cycle Billing	<u>2,150,335</u>	(58.9)	<u>884,101</u>	(58.9)	<u>2,153,616</u>
Total Native System KWH Distributed/Purchased Power	<u><u>72,748,185</u></u>	(0.7)	<u><u>72,239,016</u></u>	0.6	<u><u>71,835,774</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>234,430</u></u>	15.0	<u><u>269,658</u></u>	79.5X	<u><u>3,350</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - October 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	942,349,036	(9.6)	852,125,498	(4.2)	889,588,763
Less: Plant Use	<u>91,837,970</u>	4.2	<u>95,665,004</u>	(2.8)	<u>98,468,098</u>
Net Generation/Wholesale Sales	<u>850,511,066</u>	(11.1)	<u>756,460,494</u>	(4.4)	<u>791,120,665</u>
<u>Net Capacity Factors</u>					
Unit 9	54.57	(0.4)	54.37	10.7	49.10
Unit 8/8A	51.29	(35.0)	33.35	(34.9)	51.24
Unit 7	24.42	(50.7)	12.04	(52.0)	25.07
Total Plant	50.73	(8.8)	46.27	(1.6)	47.01
<u>KWH Distribution</u>					
Residential	91,546,000	(5.2)	86,789,861	(1.2)	87,811,830
Commercial I	33,753,000	(8.2)	30,985,129	(2.1)	31,634,693
Commercial II	86,848,000	4.8	91,022,860	5.3	86,413,244
Industrial I	101,912,010	(1.5)	100,425,600	2.8	97,693,820
Industrial II	382,250,000	(0.5)	380,433,133	1.2	376,101,488
City Enterprise Funds	4,245,931	5.0	4,459,384	4.5	4,267,118
Water & Communications Utilities	<u>14,166,843</u>	7.3	<u>15,203,843</u>	9.9	<u>13,837,308</u>
Native System Sales	714,721,784	(0.8)	709,319,810	1.7	697,759,501
City Lighting	1,720,000	(10.3)	1,542,941	(4.5)	1,615,810
City Buildings	5,449,500	3.4	5,636,210	(3.7)	5,851,060
Offline Power Plant Usage	2,744,429	(4.8)	2,612,270	(12.7)	2,992,214
Losses & Cycle Billing	<u>21,596,351</u>	(12.0)	<u>18,999,593</u>	(1.2)	<u>19,226,622</u>
Total Native System KWH Distributed/Purchased Power	<u>746,232,064</u>	(1.1)	<u>738,110,824</u>	1.5	<u>727,445,207</u>
<u>STEAM SALES - 1000 lbs</u>	<u>2,254,691</u>	2.6	<u>2,313,699</u>	18.8	<u>1,947,545</u>

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	
	Estimate	Avg. Price		Avg. Price	Avg. Price		Avg. Price	Avg. Price
Sales of Electricity								
Residential	\$756,708	\$ 0.11086	0.7	\$762,206	\$ 0.10874	8.2	\$704,253	\$ 0.10756
Commercial I	259,262	0.10300	4.8	271,648	0.09763	3.9	261,543	0.09525
Commercial II	556,403	0.08592	10.9	617,256	0.07588	2.6	601,362	0.07173
Industrial I	602,656	0.05962	(7.2)	559,384	0.05875	(3.8)	581,502	0.05763
Industrial II	1,934,995	0.04663	0.2	1,938,573	0.04777	5.6	1,836,374	0.04705
City Enterprise Funds	27,841	0.07126	6.2	29,569	0.07444	(7.5)	31,970	0.07156
Water & Communication Utilities	89,324	0.06009	4.8	93,656	0.05945	10.2	84,996	0.06252
Native System Sales	4,227,189	0.06099	1.1	4,272,292	0.06103	4.2	4,102,000	0.05980
Wholesale Sales	2,089,838	0.03720	(50.9)	1,025,604	0.02702	(44.2)	1,839,480	0.04016
Energy Sales	6,317,027		(16.1)	5,297,896		(10.8)	5,941,480	
Steam Sales	983,427	4.19	1.9	1,002,033	3.72	7.7X	115,533	34.49
Other Revenue								
By-Product Revenue	15,603		1.1X	33,158		21.7	27,252	
Miscellaneous Revenue	53,172		(7.3)	49,316		(1.2)	49,929	
Total Other Revenue	68,775		19.9	82,474		6.9	77,181	
Operating Revenue	7,369,229		(13.4)	6,382,403		4.0	6,134,194	
Operating Expense								
Purchased Power	2,337,377	0.03213	(28.9)	1,661,626	0.02300	(26.9)	2,272,687	0.03164
Production Fuel	1,880,346		(28.6)	1,342,800		19.4	1,124,888	
Emissions Allowance	10,901		1.0	11,011		54.1X	200	
Operation	1,974,382		(1.5)	1,945,663		11.8	1,739,905	
Maintenance	1,830,763		(4.3)	1,752,947		(12.8)	2,009,915	
Depreciation	956,362		0.8	963,852		1.9	945,494	
Total Operating Expense	8,990,131		(14.6)	7,677,899		(5.1)	8,093,089	
Operating Loss	(1,620,902)		(20.1)	(1,295,496)		(33.9)	(1,958,895)	
Nonoperating Revenue (Expense)								
Interest Income	15,836		(42.8)	9,051		(91.6)	108,108	
Interest Expense	(167)		(32.3)	(113)		32.9	(85)	
Total Nonoperating Revenue (Expense)	15,669		(43.0)	8,938		(91.7)	108,023	
Net Loss Before Revenue Adjustment	(1,605,233)		(19.9)	(1,286,558)		(30.5)	(1,850,872)	
Prior Period Adj. GASB 68 Pension	—		—	(4,724,094)		—	—	
Capital Contributions	—		—	—		—	—	
Change in Net Position	(1,605,233)		2.7X	(6,010,652)		2.2X	(1,850,872)	
Beginning Net Position	128,813,487			129,499,862			158,453,671	
Ending Net Position	\$127,208,254			\$123,489,210			\$156,602,799	
Net Loss Before Rev Adj to Op Revenue	(21.8)			(20.2)			(30.2)	
Change in Net Position to Operating Revenue	(21.8)			(94.2)			(30.2)	

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

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	
	Estimate	Avg. Price		Avg. Price			Avg. Price	
Sales of Electricity								
Residential	\$9,310,302	\$ 0.10170	(3.0)	\$9,032,214	\$ 0.10407	5.0	\$8,600,635	\$ 0.09794
Commercial I	3,242,153	0.09606	(7.8)	2,989,319	0.09648	5.3	2,838,526	0.08973
Commercial II	6,403,291	0.07373	4.8	6,709,901	0.07372	14.7	5,851,382	0.06771
Industrial I	5,978,967	0.05867	0.5	6,010,847	0.05985	7.3	5,603,828	0.05736
Industrial II	18,136,037	0.04745	3.3	18,738,621	0.04926	5.3	17,802,007	0.04733
City Enterprise Funds	294,822	0.06944	9.8	323,825	0.07262	12.6	287,713	0.06743
Water & Communications Utilities	821,327	0.05798	12.6	924,683	0.06082	16.3	794,937	0.05745
Native System Sales	44,186,899	0.06182	1.2	44,729,410	0.06306	7.1	41,779,028	0.05988
Wholesale Sales	30,753,480	0.03616	(29.4)	21,701,683	0.02869	(36.5)	34,176,631	0.04320
Energy Sales	74,940,379		(11.4)	66,431,093		(12.5)	75,955,659	
Steam Sales	9,359,298	4.15	(2.2)	9,151,059	3.96	19.4	7,661,596	3.93
Other Revenue								
Rail Car Lease	---			---		-1.0X	68,627	
By-Product Revenue	258,692		1.4	262,276		(27.2)	360,412	
Miscellaneous Revenue	532,822		(2.5)	519,553		(1.8)	529,299	
Total Other Revenue	791,514		(1.2)	781,829		(18.4)	958,338	
Operating Revenue	85,091,191		(10.3)	76,363,981		(9.7)	84,575,593	
Operating Expense								
Purchased Power	22,862,908	0.03064	(20.4)	18,201,964	0.02466	(28.1)	25,329,795	0.03482
Production Fuel	24,892,146		(15.4)	21,071,193		(3.8)	21,897,636	
Emissions Allowance	166,495		87.6	312,314		2.9X	80,447	
Operation	20,879,913		(5.9)	19,644,907		8.0	18,188,217	
Maintenance	10,652,781		(3.1)	10,322,428		16.5	8,863,444	
Depreciation	9,563,614		0.8	9,638,513		1.9	9,454,940	
Total Operating Expense	89,017,857		(11.0)	79,191,319		(5.5)	83,814,479	
Operating Income (Loss)	(3,926,666)		(28.0)	(2,827,338)		-4.7X	761,114	
Nonoperating Revenue (Expense)								
Interest Income	191,749		(56.8)	82,810		(92.3)	1,075,947	
Interest Expense	(1,667)		(29.6)	(1,174)		(38.3)	(1,903)	
Total Nonoperating Revenue (Expense)	190,082		(57.1)	81,636		(92.4)	1,074,044	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(3,736,584)		(26.5)	(2,745,702)		-2.5X	1,835,158	
Prior Period Adj. GASB 68 Pension	---		---	(4,724,094)		---	---	
Capital Contributions	---		---	14,168		(65.9)	41,584	
Write Off - Loan to Communications	(25,327,000)		---	(25,327,000)		---	---	
Change in Net Position	(29,063,584)		12.8	(32,782,628)		-18.5X	1,876,742	
Beginning Net Position	156,271,838			156,271,838			154,726,057	
Ending Net Position	\$127,208,254			\$123,489,210			\$156,602,799	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.4)			(3.6)			2.2	
Change in Net Position to Operating Revenue	(34.2)			(42.9)			2.2	

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$14,640,598	\$22,845,506
Investments	3,000,000	3,000,000
Receivables:		
Consumer Accounts	5,527,757	5,152,405
Refined Coal	2,142,903	1,819,689
Wholesale	9,042	1,942
Steam Sales	1,002,380	183,900
Interest	36,546	437,924
Inventories	5,804,062	5,931,827
Fuel	15,845,804	5,055,682
Prepaid Expenses	766,844	661,513
	<u>48,775,936</u>	<u>45,090,388</u>
<u>Restricted Assets</u>		
Cash - interest bearing	3,066,139	2,042,488
Investments	10,000,000	11,000,000
	<u>13,066,139</u>	<u>13,042,488</u>
Total Current Assets	<u>61,842,075</u>	<u>58,132,876</u>
Property and Equipment:		
At Cost	420,066,431	415,082,496
Less Accumulated Depreciation	340,320,161	330,260,408
	<u>79,746,270</u>	<u>84,822,088</u>
Other Assets:		
Note Receivable - Communications Utility	10,000,000	35,327,000
Note Receivable - Water Utility	2,900,000	1,650,000
Joint Venture Rights	112,308	113,924
	<u>13,012,308</u>	<u>37,090,924</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	---
Difference between projected and actual earnings on pension plan	575,136	---
Contributions subsequent to measurement date	1,309,089	---
	<u>4,648,274</u>	<u>---</u>
TOTAL ASSETS	<u><u>\$159,248,927</u></u>	<u><u>\$180,045,888</u></u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$7,256,769	\$5,117,178
Pension Provision	---	225,098
Health & Dental Insurance Provision	289,930	229,100
Accrued Payroll	324,675	300,107
Accrued Vacation	1,184,151	1,117,064
Accrued Emission Allowance Expense	311,523	80,447
Consumers' Deposits	744,503	668,040
Retained Percentage on Contracts	37,917	37,916
Accrued Property Taxes	90,101	37,638
Miscellaneous Accrued Expenses	860,281	527,661
Unearned Revenue	84,519	---
	<u>11,184,369</u>	<u>8,340,249</u>
Total Unrestricted Current Liabilities		
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,098,353	1,485,580
Post-Employment Health Benefit Provision	381,926	404,024
Net Pension Liability	9,219,544	---
Consumer Advances for Construction	183,739	180,370
	<u>10,883,562</u>	<u>2,069,974</u>
Total Non-Current Liabilities		
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	658,920	---
	<u>13,691,786</u>	<u>13,032,866</u>
Total Deferred Inflows of Resources		
Net Position:		
Net Investment in Capital Assets	79,746,270	84,822,088
Restricted	17,714,413	13,042,488
Unrestricted	26,028,527	58,738,223
	<u>123,489,210</u>	<u>156,602,799</u>
Total Net Position		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$159,248,927</u></u>	<u><u>\$180,045,888</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,671,883	\$44,504,564
MISO sales	596,920	23,838,349
Steam sales	1,006,766	8,875,845
Coal sales	2,642,110	34,874,925
Railcar/facilities leasing	5,408	52,416
By-product sales	35,576	290,219
Miscellaneous sources	39,484	522,353
Cash paid to/for:		
Suppliers	(885,700)	(9,530,365)
MISO purchases/administration fees	(1,444,120)	(19,309,089)
Coal purchases	(5,186,657)	(63,861,392)
Employees payroll, taxes and benefits	(2,601,195)	(19,654,716)
Net cash flows from operating activities	<u>(1,119,525)</u>	<u>603,109</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	---	650,577
Loan to Water Utility	---	<u>(1,000,000)</u>
Net cash flows from noncapital financing activities	<u>---</u>	<u>(349,423)</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(574,201)</u>	<u>(4,330,346)</u>
Net cash flows from capital and related financing activities	<u>(574,201)</u>	<u>(4,330,346)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(25,935)	(96,690)
Interest received on investments	3,984	45,621
Net cash flows from investing activities	<u>(21,951)</u>	<u>(51,069)</u>
Net decrease in cash and investments	<u>(1,715,677)</u>	<u>(4,127,729)</u>
Cash and investments at beginning of period	<u>32,422,414</u>	<u>34,834,466</u>
Cash and investments at end of period	<u><u>\$30,706,737</u></u>	<u><u>\$30,706,737</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$1,295,496)	(\$2,827,338)
Noncash items in operating income:		
Depreciation of electric utility plant	963,852	9,638,513
Amortization of joint venture rights	9,963	83,877
Changes in deferred inflows of resources - pension	658,920	658,920
Changes in assets and liabilities:		
Consumer accounts receivable	432,879	(4,375)
Refined coal	504,615	2,558,147
Wholesale receivable	164,734	1,018,741
Steam sales receivable	43,700	77,462
Inventories	43,031	103,635
Fuel	(2,675,451)	(9,120,120)
Prepaid expenses	120,112	(258,930)
Accounts payable	993,137	(1,326,219)
Net pension liability	(892,837)	(152,825)
Health & dental insurance provision	(25,434)	(313,600)
Other post-employment benefit provision	0	(38,556)
Accrued payroll	89,429	(183,195)
Accrued vacation	13,466	53,328
Accrued emission allowance expense	11,011	242,925
Consumers' deposits	5,893	64,069
Retained Percentage	27,973	(35,977)
Accrued property taxes	8,591	(10,453)
Unearned revenue	(14,143)	290,552
Miscellaneous accrued expenses	(307,470)	84,528
	<u>(\$1,119,525)</u>	<u>\$603,109</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
October 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><u>\$13,066,139</u></u>	<u><u>\$13,042,488</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,337,377</u>	31.7	<u>\$1,661,626</u>	26.0	<u>\$2,272,687</u>	37.0
Average price per kWh	\$0.0321		\$0.0230		\$0.0316	
<u>Generation</u>						
Operation Supervision	90,427		91,497		104,318	
Fuel:						
Coal	1,765,794		1,234,516		1,038,192	
Fuel Oil	18,432		29,567		431	
Gas	15,000		6,193		12,591	
Coal Handling Expense	70,637		62,773		60,719	
Landfill Operation Expense	10,483		9,751		12,955	
Emissions Allowance Expense	10,901		11,011		200	
Steam Expense:						
Boiler	112,849		143,117		91,437	
Pollution Control	57,669		49,210		27,590	
Electric Expense	105,121		94,147		85,636	
Miscellaneous Steam Power Expense	204,454		162,347		155,182	
Maintenance:						
Supervision	91,874		97,890		102,009	
Structures	60,357		46,121		67,226	
Boiler Plant:						
Boiler	756,123		721,327		1,054,553	
Pollution Control	111,992		130,138		87,097	
Electric Plant	425,319		202,192		179,255	
System Control	21,215		16,380		18,239	
Miscellaneous Steam Plant	73,395		72,448		70,563	
Coal Handling Equipment	77,090		189,576		217,139	
System Control and Load Dispatch	31,159		25,450		11,793	
Vacation, Holiday, Sick Leave	77,253		80,020		65,195	
Depreciation	<u>626,278</u>		<u>636,060</u>		<u>624,707</u>	
Total Generation Expense	<u>\$4,813,822</u>	65.3	<u>\$4,111,731</u>	64.4	<u>\$4,087,027</u>	66.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$22,862,908</u>	26.9	<u>\$18,201,964</u>	23.8	<u>\$25,329,795</u>	29.9
Average price per kWh	\$0.0306		\$0.0247		\$0.0348	
<u>Generation</u>						
Operation Supervision	895,738		844,451		829,801	
Fuel:						
Coal	23,779,832		20,168,633		20,704,240	
Fuel Oil	176,959		89,138		131,388	
Gas	155,000		149,260		380,408	
Coal Handling Expense	708,274		606,232		638,903	
Landfill Operation Expense	72,081		57,930		42,697	
Emissions Allowance Expense	166,495		312,314		80,447	
Steam Expense:						
Boiler	1,099,643		1,080,373		1,043,349	
Pollution Control	657,710		405,877		390,422	
Electric Expense	1,035,881		937,715		931,345	
Miscellaneous Steam Power Expense	2,499,974		2,036,956		1,562,908	
Maintenance:						
Supervision	879,941		896,873		848,123	
Structures	698,947		561,083		601,648	
Boiler Plant:						
Boiler	2,930,770		2,809,609		2,663,924	
Pollution Control	832,270		805,693		641,325	
Electric Plant	1,157,934		938,239		547,318	
System Control	208,928		172,956		185,178	
Miscellaneous Steam Plant	753,426		668,843		674,890	
Coal Handling Equipment	943,832		1,289,298		912,152	
System Control and Load Dispatch	284,979		263,146		234,841	
Vacation, Holiday, Sick Leave	936,608		942,813		956,016	
Depreciation	<u>6,262,775</u>		<u>6,360,600</u>		<u>6,247,070</u>	
Total Generation Expense	<u>\$47,137,997</u>	55.4	<u>\$42,398,032</u>	55.5	<u>\$41,248,393</u>	48.8

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

	Budget Estimate		This Year		Last Year	
<u>Transmission</u>						
Operation Supervision	\$4,802		\$6,358		\$5,130	
Load Dispatching	60,965		71,191		70,617	
Station Expense	7,358		9,078		12,433	
Overhead Line Expense	142		56		74	
Transmission of Electricity by Others	44,470		50,271		31,003	
Miscellaneous Transmission Expense	8,716		7,203		10,639	
Maintenance:						
Supervision	2,632		3,696		2,351	
Structures	250		---		---	
Station Equipment	6,708		55,952		6,386	
Overhead Lines	11,905		11,277		7,708	
Vacation, Holiday, Sick Leave	6,402		5,109		4,794	
Depreciation	30,810		30,688		30,688	
Tax on Rural Property	5,642		5,729		5,642	
Total Transmission Expense	190,802	2.6	256,608	4.0	187,465	3.1
<u>Distribution</u>						
Operation Supervision	12,111		18,021		13,728	
Load Dispatching	32,682		29,794		30,990	
Station Expense	6,448		5,119		7,648	
Overhead Line Expense	2,559		(2,727)		2,599	
Vehicle Expense	18,254		18,413		17,231	
Underground Line Expense	3,613		4,650		2,666	
Street Lighting	2,970		1,073		1,639	
Signal Expense	667		---		103	
Meter Expense	9,828		7,533		9,554	
Consumer Installation Expense	566		954		833	
Miscellaneous Distribution Expense	56,964		64,310		59,783	
Maintenance:						
Supervision	10,487		15,795		12,309	
Structures	430		---		---	
Station Equipment	12,184		16,280		7,681	
Overhead Lines	66,679		54,059		58,126	
Underground Lines	13,229		17,977		26,828	
Line Transformers	3,659		3,647		1,646	
Street Lighting	6,382		27,242		10,886	
Signal System	1,386		3,538		1,683	
Meters	2,043		2,313		4,410	
Miscellaneous Distribution Plant	2,500		2,116		1,526	
Vacation, Holiday, Sick Leave	23,984		21,504		23,068	
Depreciation	164,368		163,755		158,237	
Tax on Rural Property	1,685		1,711		1,685	
Total Distribution Expense	\$455,678	6.2	\$477,077	7.5	\$454,859	7.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$47,183		\$51,627		\$43,505	
Load Dispatching	600,509		605,228		581,310	
Station Expense	72,335		104,934		133,273	
Overhead Line Expense	858		3,740		3,466	
Transmission of Electricity by Others	444,694		498,725		304,579	
Miscellaneous Transmission Expense	200,634		64,269		75,255	
Maintenance:						
Supervision	25,860		28,563		20,497	
Structures	10,838		---		---	
Station Equipment	133,872		94,036		64,973	
Overhead Lines	120,863		225,523		118,693	
Vacation, Holiday, Sick Leave	76,178		70,211		61,755	
Depreciation	308,101		306,878		306,880	
Tax on Rural Property	56,423		57,019		56,916	
	<u>2,098,348</u>	2.5	<u>2,110,753</u>	2.8	<u>1,771,102</u>	2.1
<u>Distribution</u>						
Operation Supervision	119,435		138,524		121,218	
Load Dispatching	318,399		303,629		310,101	
Station Expense	75,235		71,781		97,911	
Overhead Line Expense	36,971		26,653		20,346	
Vehicle Expense	182,560		141,711		153,376	
Underground Line Expense	38,054		39,121		31,792	
Street Lighting	30,215		32,745		21,301	
Signal Expense	7,280		1,256		2,172	
Meter Expense	95,268		81,763		91,924	
Consumer Installation Expense	5,794		5,564		6,093	
Miscellaneous Distribution Expense	548,464		577,807		528,985	
Maintenance:						
Supervision	104,534		120,420		109,123	
Structures	14,386		---		1,498	
Station Equipment	98,953		120,813		79,653	
Overhead Lines	578,243		560,243		428,670	
Underground Lines	138,831		145,655		92,797	
Line Transformers	56,808		45,449		43,736	
Street Lighting	64,952		96,055		68,726	
Signal System	31,669		46,298		50,363	
Meters	24,874		19,511		22,468	
Miscellaneous Distribution Plant	25,000		31,630		31,085	
Vacation, Holiday, Sick Leave	292,296		293,958		272,597	
Depreciation	1,643,680		1,637,547		1,582,370	
Tax on Rural Property	16,853		17,031		16,994	
	<u>\$4,548,754</u>	5.3	<u>\$4,555,164</u>	6.0	<u>\$4,185,299</u>	4.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$8,423		\$16,562		\$4,709	
Energy Efficiency Rebates	19,110		4,521		6,811	
Electric Ranges/Dryers Maintenance	409		213		221	
Electric Water Heaters Maintenance	146		30		110	
Total Customer Service Expense	28,088	0.4	21,326	0.3	11,851	0.2
<u>Consumer Accounts</u>						
Supervision	3,086		3,004		2,592	
Meter Reading Expense	9,075		9,055		9,767	
Consumer Records and Collection	36,202		36,638		36,091	
Uncollectible Accounts Expense	4,565		4,565		4,317	
Vacation, Holiday, Sick Leave	3,724		3,184		5,469	
Total Consumer Accounts Expense	56,652	0.8	56,446	0.9	58,236	0.9
<u>Administrative and General</u>						
Administrative and General Salaries	178,376		192,967		180,637	
Office Supplies and Expenses	15,593		9,635		15,403	
Outside Services Employed	35,457		22,262		43,278	
Property Insurance	60,894		58,782		59,470	
Casualty Ins, Injuries & Damages	42,951		50,799		31,652	
Employee Pensions and Benefits	521,478		529,671		454,596	
Fringe Benefits Charged to Constr.	(24,282)		(31,612)		(24,262)	
Regulatory Commission	7,311		6,651		3,169	
Miscellaneous General Expense	40,051		37,925		30,754	
Maintenance of General Plant	32,874		30,629		32,230	
Maintenance of A/O Center	40,050		32,354		40,064	
Vacation, Holiday, Sick Leave	22,053		19,673		22,111	
Depreciation	134,906		133,349		131,862	
Total Administrative and General	1,107,712	15.0	1,093,085	17.1	1,020,964	16.6
Total Operating Expense	\$8,990,131		\$7,677,899		\$8,093,089	
Percent to Operating Revenue		122.0		120.3		131.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$110,245		\$77,768		\$54,860	
Energy Efficiency Rebates	195,079		110,064		149,589	
Electric Ranges/Dryers Maintenance	4,189		2,369		3,605	
Electric Water Heaters Maintenance	<u>1,502</u>		<u>809</u>		<u>668</u>	
Total Customer Service Expense	<u>\$311,015</u>	0.4	<u>\$191,010</u>	0.3	<u>\$208,722</u>	0.2
 <u>Consumer Accounts</u>						
Supervision	30,276		31,211		29,935	
Meter Reading Expense	92,378		93,044		96,439	
Consumer Records and Collection	357,836		349,323		329,155	
Uncollectible Accounts Expense	45,647		45,647		43,165	
Vacation, Holiday, Sick Leave	<u>45,596</u>		<u>42,492</u>		<u>49,305</u>	
Total Consumer Accounts Expense	<u>571,733</u>	0.7	<u>561,717</u>	0.7	<u>547,999</u>	0.6
 <u>Administrative and General</u>						
Administrative and General Salaries	1,752,426		1,718,008		1,678,273	
Office Supplies and Expenses	166,569		166,085		152,017	
Outside Services Employed	555,923		361,875		393,427	
Property Insurance	604,137		589,884		581,796	
Casualty Ins, Injuries & Damages	421,110		794,586		358,895	
Employee Pensions and Benefits	5,276,121		5,049,439		4,954,919	
Fringe Benefits Charged to Constr.	(254,516)		(256,643)		(264,391)	
Regulatory Commission	73,107		72,310		69,586	
Miscellaneous General Expense	458,260		422,978		360,194	
Maintenance of General Plant	338,150		281,341		299,697	
Maintenance of A/O Center	478,900		364,297		356,907	
Vacation, Holiday, Sick Leave	267,857		275,031		263,229	
Depreciation	<u>1,349,058</u>		<u>1,333,488</u>		<u>1,318,620</u>	
Total Administrative and General	<u>11,487,102</u>	13.5	<u>11,172,679</u>	14.6	<u>10,523,169</u>	12.4
Total Operating Expense	<u>\$89,017,857</u>		<u>\$79,191,319</u>		<u>\$83,814,479</u>	
Percent to Operating Revenue		104.6		103.7		99.1

**Muscatine Power and Water - Electric Utility
Statistical Data
October 2015**

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.863	\$1.883
Per Net MW Generated	\$19.42	\$24.85
Net Peak Monthly Demand-KW	113,920	111,300
Date of Peak	10/8	10/2
Hour of Peak	1600	1200

	<u>Calendar Year-To-Date</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.887	\$1.874
Per Net MW Generated	\$21.00	\$22.39
Net Peak Monthly Demand-KW	137,500	133,330
Date of Peak	9/3	9/4
Hour of Peak	1700	1600

Average Temperature	53.8°	51°
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<u>Services</u>	<u>2015</u>	<u>2014</u>
Residential	9,806	9,766
Commercial I	1,363	1,368
Commercial II	120	118
Industrial I	9	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	35
Total	<u>11,357</u>	<u>11,321</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - October 2015

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>56,182,267</u>		<u>37,952,016</u>		<u>45,802,774</u>	
Wholesale Sales	<u>\$2,089,838</u>	<u>\$0.03720</u>	<u>\$1,025,604</u>	<u>\$0.02702</u>	<u>\$1,839,480</u>	<u>\$0.04016</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,223,750	0.02178	652,264	0.01719	1,054,910	0.02303
Emissions:						
SO ² Allowances-ARP ^{fn1}	155	0.00000	25	0.00000	—	—
SO ² Allowances-CASPR ^{fn2}	—	—	78	0.00000	—	—
SO ² Allowances-CAIR ^{fn3}	109	0.00000	—	—	6	0.00000
NO _x Allowances ^{fn4}	5,105	0.00009	18,901	0.00050	2,939	0.00006
Other ^{fn5}	<u>193,507</u>	<u>0.00344</u>	<u>185,110</u>	<u>0.00488</u>	<u>184,962</u>	<u>0.00404</u>
Total Variable Costs	<u>1,422,626</u>	<u>0.02532</u>	<u>856,378</u>	<u>0.02256</u>	<u>1,242,817</u>	<u>0.02713</u>
Gross Margin	<u>\$667,212</u>	<u>\$0.01188</u>	<u>\$169,226</u>	<u>\$0.00446</u>	<u>\$596,663</u>	<u>\$0.01303</u>
Percent Gross Margin	31.9%		16.5%		32.4%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>850,511,066</u>		<u>756,460,494</u>		<u>791,120,665</u>	
Wholesale Sales	<u>\$30,753,480</u>	<u>\$0.03616</u>	<u>\$21,701,683</u>	<u>\$0.02869</u>	<u>\$34,176,631</u>	<u>\$0.04320</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	18,589,644	0.02186	15,082,784	0.01994	16,844,086	0.02129
Emissions:						
SO ² Allowances-ARP ^{fn1}	1,756	0.00000	285	0.00000	—	—
SO ² Allowances-CASPR ^{fn2}	—	—	15,083	0.00002	—	—
SO ² Allowances-CAIR ^{fn3}	1,231	0.00000	—	—	533	0.00000
NO _x Allowances ^{fn4}	71,237	0.00008	268,155	0.00035	156,293	0.00020
Other ^{fn5}	<u>1,935,070</u>	<u>0.00228</u>	<u>1,893,085</u>	<u>0.00250</u>	<u>1,858,175</u>	<u>0.00235</u>
Total Variable Costs	<u>20,598,938</u>	<u>0.02422</u>	<u>17,259,392</u>	<u>0.02282</u>	<u>18,859,087</u>	<u>0.02384</u>
Gross Margin	<u>\$10,154,542</u>	<u>\$0.01194</u>	<u>\$4,442,291</u>	<u>\$0.00587</u>	<u>\$15,317,544</u>	<u>\$0.01936</u>
Percent Gross Margin	33.0%		20.5%		44.8%	

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	0.79	0.00
fn2 SO ² CASPR	0.00	2.50	0.00
YTD SO ² CASPR	0.00	41.80	0.00
fn3 SO ² CAIR	0.70	0.00	0.90
YTD SO ² CAIR	0.70	0.00	0.83
fn4 NO _x annual	49.00	110.00	59.50
NO _x seasonal	10.00	195.00	31.50
YTD NO _x annual	49.00	153.50	57.75
YTD NO _x seasonal	10.00	237.41	26.99

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