

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2016

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - February 2016

| | <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 | 101,261,462 | (27.5) | 73,366,758 | (28.7) | 102,959,838 |
| Less: Plant Use | <u>10,170,518</u> | (5.6) | <u>9,599,403</u> | (13.5) | <u>11,101,736</u> |
| Net Generation/Wholesale Sales | <u><u>91,090,944</u></u> | (30.0) | <u><u>63,767,355</u></u> | (30.6) | <u><u>91,858,102</u></u> |
| <u>Net Capacity Factors</u> | | | | | |
| Unit 9 | 64.69 | (27.2) | 47.07 | (30.8) | 67.99 |
| Unit 8/8A | 42.50 | (23.6) | 32.45 | (28.6) | 45.42 |
| Unit 7 | 28.97 | (59.4) | 11.77 | (54.7) | 26.01 |
| Total Plant | 56.75 | (28.0) | 40.88 | (31.1) | 59.32 |
| <u>KWH Distribution</u> | | | | | |
| Residential | 8,919,044 | (9.0) | 8,113,291 | (7.2) | 8,746,623 |
| Commercial I | 3,263,633 | (10.9) | 2,908,756 | (7.4) | 3,141,119 |
| Commercial II | 8,799,953 | (12.4) | 7,708,320 | (12.7) | 8,830,300 |
| Industrial I | 7,972,012 | 2.7 | 8,184,400 | (4.2) | 8,544,700 |
| Industrial II | 37,384,809 | (2.3) | 36,518,795 | (0.1) | 36,570,844 |
| City Enterprise Funds | 451,490 | (5.0) | 429,041 | (6.6) | 459,418 |
| Water & Communications Utilities | <u>1,390,419</u> | (5.7) | <u>1,311,654</u> | (2.7) | <u>1,348,672</u> |
| Native System Sales | 68,181,360 | (4.4) | 65,174,257 | (3.6) | 67,641,676 |
| City Lighting | 137,307 | (78.9) | 29,009 | (80.7) | 150,071 |
| City Buildings | 673,404 | (14.8) | 573,734 | (6.7) | 614,761 |
| Offline Power Plant Usage | 40,000 | 71.5 | 68,594 | 85.2 | 37,032 |
| Losses & Cycle Billing | <u>1,041,956</u> | 1.1X | <u>2,169,352</u> | 13.9 | <u>1,904,399</u> |
| Total Native System KWH Distributed/Purchased Power | <u><u>70,074,027</u></u> | (2.9) | <u><u>68,014,946</u></u> | (3.3) | <u><u>70,347,939</u></u> |
| <u>STEAM SALES - 1000 lbs</u> | <u><u>243,027</u></u> | 3.6 | <u><u>251,716</u></u> | 8.7 | <u><u>231,550</u></u> |

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - February 2016

| | Budget Estimate | % Increase (Decrease) From Budget | This Year | % Increase (Decrease) Fr. Last Yr. | Last Year |
|--|----------------------------|--|---------------------------|---|---------------------------|
| <u>KWH Generated and Sold</u> | | | | | |
| Gross Generation | 208,819,087 | (20.4) | 166,292,460 | (18.7) | 204,549,804 |
| Less: Plant Use | <u>21,083,882</u> | (2.7) | <u>20,504,477</u> | (8.0) | <u>22,280,724</u> |
| Net Generation/Wholesale Sales | <u><u>187,735,205</u></u> | (22.3) | <u><u>145,787,983</u></u> | (20.0) | <u><u>182,269,080</u></u> |
| <u>Net Capacity Factors</u> | | | | | |
| Unit 9 | 64.85 | (16.7) | 54.04 | (19.5) | 67.10 |
| Unit 8/8A | 43.28 | (25.0) | 32.46 | (14.5) | 37.98 |
| Unit 7 | 24.33 | (76.6) | 5.69 | (53.9) | 12.34 |
| Total Plant | 56.53 | (19.9) | 45.26 | (19.0) | 55.86 |
| <u>KWH Distribution</u> | | | | | |
| Residential | 18,813,809 | (5.9) | 17,699,546 | (5.5) | 18,728,026 |
| Commercial I | 6,768,309 | (9.7) | 6,109,703 | (5.7) | 6,477,426 |
| Commercial II | 18,303,370 | (7.7) | 16,891,080 | (4.8) | 17,750,460 |
| Industrial I | 16,718,979 | 0.7 | 16,842,900 | (6.4) | 18,003,400 |
| Industrial II | 77,245,128 | (4.4) | 73,865,949 | (3.2) | 76,342,594 |
| City Enterprise Funds | 938,463 | (0.6) | 932,832 | (4.5) | 976,462 |
| Water & Communications Utilities | <u>2,942,623</u> | (9.1) | <u>2,673,658</u> | 0.8 | <u>2,652,632</u> |
| Native System Sales | 141,730,681 | (4.7) | 135,015,668 | (4.2) | 140,931,000 |
| City Lighting | 278,001 | (37.7) | 173,325 | (43.0) | 304,017 |
| City Buildings | 1,400,480 | (12.6) | 1,224,472 | (4.2) | 1,278,313 |
| Offline Power Plant Usage | 80,000 | 96.3 | 157,046 | 22.0 | 128,714 |
| Losses & Cycle Billing | <u>3,048,630</u> | 12.2 | <u>3,419,868</u> | 3.3 | <u>3,311,304</u> |
| Total Native System KWH Distributed/Purchased Power | <u><u>146,537,792</u></u> | (4.5) | <u><u>139,990,379</u></u> | (4.1) | <u><u>145,953,348</u></u> |
| <u>STEAM SALES - 1000 lbs</u> | <u><u>509,690</u></u> | 2.1 | <u><u>520,515</u></u> | 5.0 | <u><u>495,652</u></u> |

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2016

| | Budget | | % Increase (Decrease) from Budget | % Increase (Decrease) from Last Year | | | | |
|--|----------------------|-------------|---|---|-------------|---------------|----------------------|-------------|
| | Estimate | Avg. Price | | This Year | Avg. Price | Year | Last Year | Avg. Price |
| Sales of Electricity | | | | | | | | |
| Residential | \$965,372 | \$ 0.10824 | (10.9) | \$860,455 | \$ 0.10605 | (6.4) | \$919,113 | \$ 0.10508 |
| Commercial I | 326,743 | 0.10012 | (13.0) | 284,131 | 0.09768 | (7.0) | 305,596 | 0.09729 |
| Commercial II | 674,777 | 0.07668 | (10.8) | 601,698 | 0.07806 | (10.3) | 670,788 | 0.07596 |
| Industrial I | 508,249 | 0.06375 | 0.5 | 510,894 | 0.06242 | (6.5) | 546,467 | 0.06395 |
| Industrial II | 1,888,101 | 0.05050 | (3.2) | 1,827,555 | 0.05004 | (4.5) | 1,914,637 | 0.05235 |
| City Enterprise Funds | 31,351 | 0.06944 | 0.1 | 31,392 | 0.07317 | (6.6) | 33,614 | 0.07317 |
| Water & Communication Utilities | 88,080 | 0.06335 | (8.3) | 80,786 | 0.06159 | (7.3) | 87,112 | 0.06459 |
| Native System Sales | 4,482,673 | 0.06575 | (6.4) | 4,196,911 | 0.06440 | (6.3) | 4,477,327 | 0.06619 |
| Wholesale Sales | 3,070,177 | 0.03370 | (51.3) | 1,494,517 | 0.02344 | (49.6) | 2,965,967 | 0.03229 |
| Energy Sales | 7,552,850 | | (24.6) | 5,691,428 | | (23.5) | 7,443,294 | |
| Steam Sales | 1,008,152 | 4.15 | (1.0) | 998,173 | 3.97 | 4.2 | 958,169 | 4.14 |
| Other Revenue | | | | | | | | |
| Rail Car Lease | 39,000 | | | --- | | | --- | |
| By-Product Revenue | 28,350 | | (12.3) | 24,870 | | 14.8X | 1,572 | |
| Miscellaneous Revenue | 52,191 | | (9.1) | 47,451 | | 19.4 | 39,755 | |
| Total Other Revenue | 119,541 | | (39.5) | 72,321 | | 75.0 | 41,327 | |
| Operating Revenue | 8,680,543 | | (22.1) | 6,761,922 | | (19.9) | 8,442,790 | |
| Operating Expense | | | | | | | | |
| Purchased Power | 1,993,295 | 0.02845 | (28.6) | 1,423,261 | 0.02093 | (28.6) | 1,994,078 | 0.02835 |
| Production Fuel | 2,416,542 | | (21.4) | 1,898,813 | | (26.0) | 2,565,860 | |
| Emissions Allowance | 23,906 | | (55.9) | 10,538 | | (67.6) | 32,486 | |
| Operation | 2,224,608 | | (10.2) | 1,997,508 | | 4.7 | 1,907,589 | |
| Maintenance | 885,525 | | (20.7) | 702,132 | | 21.6 | 577,543 | |
| Depreciation | 884,956 | | (5.4) | 837,341 | | (13.1) | 963,852 | |
| Total Operating Expense | 8,428,832 | | (18.5) | 6,869,593 | | (14.6) | 8,041,408 | |
| Operating Income (Loss) | 251,711 | | -1.4X | (107,671) | | -1.3X | 401,382 | |
| Nonoperating Revenue (Expense) | | | | | | | | |
| Interest Income | 8,286 | | 18.2 | 9,795 | | 29.1 | 7,585 | |
| Interest Expense | (167) | | 47.3 | (246) | | 1.5X | (98) | |
| Total Nonoperating Revenue (Expense) | 8,119 | | 17.6 | 9,549 | | 27.5 | 7,487 | |
| Net Income (Loss) Before Revenue Adjustment | 259,830 | | -1.4X | (98,122) | | -1.2X | 408,869 | |
| Capital Contributions | --- | | --- | 133,577 | | --- | --- | |
| Write Off - Loan to Communications | --- | | --- | --- | | --- | --- | |
| Change in Net Position | 259,830 | | (86.4) | 35,455 | | (91.3) | 408,869 | |
| Beginning Net Position | 123,634,874 | | | 123,195,843 | | | 131,250,317 | |
| Ending Net Position | \$123,894,704 | | | \$123,231,298 | | | \$131,659,186 | |
| Net Loss Before Rev Adj to Op Revenue | 3.0 | | | (1.5) | | | 4.8 | |
| Change in Net Position to Operating Revenue | 3.0 | | | 0.5 | | | 4.8 | |

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2016

| | Budget | | % Increase (Decrease) from Budget | This Year | | % Increase (Decrease) from Last Year | Last Year | |
|--|----------------------|-------------|---|----------------------|-------------|---|----------------------|-------------|
| | Estimate | Avg. Price | | Avg. Price | Year | | Avg. Price | Avg. Price |
| <u>Sales of Electricity</u> | | | | | | | | |
| Residential | \$2,017,066 | \$ 0.10721 | (8.5) | \$1,845,752 | \$ 0.10428 | (4.8) | \$1,938,407 | \$ 0.10350 |
| Commercial I | 675,696 | 0.09983 | (12.1) | 593,648 | 0.09716 | (5.1) | 625,594 | 0.09658 |
| Commercial II | 1,388,469 | 0.07586 | (8.6) | 1,269,258 | 0.07514 | (4.4) | 1,327,723 | 0.07480 |
| Industrial I | 1,045,478 | 0.06253 | (0.2) | 1,043,757 | 0.06197 | (7.5) | 1,128,400 | 0.06268 |
| Industrial II | 3,847,387 | 0.04981 | (4.8) | 3,663,555 | 0.04960 | (6.1) | 3,900,427 | 0.05109 |
| City Enterprise Funds | 64,262 | 0.06848 | 3.1 | 66,259 | 0.07103 | (4.0) | 69,045 | 0.07071 |
| Water & Communications Utilities | 186,936 | 0.06353 | (12.0) | 164,563 | 0.06155 | (4.3) | 171,984 | 0.06484 |
| Native System Sales | 9,225,294 | 0.06509 | (6.3) | 8,646,792 | 0.06404 | (5.6) | 9,161,580 | 0.06501 |
| Wholesale Sales | 6,192,300 | 0.03298 | (43.0) | 3,527,182 | 0.02419 | (36.0) | 5,513,516 | 0.03025 |
| Energy Sales | 15,417,594 | | (21.0) | 12,173,974 | | (17.0) | 14,675,096 | |
| Steam Sales | 2,113,821 | 4.15 | (2.5) | 2,061,935 | 3.96 | 0.1 | 2,059,217 | 4.15 |
| <u>Other Revenue</u> | | | | | | | | |
| Rail Car Lease | 78,000 | | | --- | | --- | --- | |
| By-Product Revenue | 59,799 | | 1.4 | 60,660 | | 11.2X | 4,975 | |
| Miscellaneous Revenue | 104,380 | | (14.9) | 88,804 | | 7.3 | 82,736 | |
| Total Other Revenue | 242,179 | | (38.3) | 149,464 | | 70.4 | 87,711 | |
| Operating Revenue | 17,773,594 | | (19.1) | 14,385,373 | | (14.5) | 16,822,024 | |
| <u>Operating Expense</u> | | | | | | | | |
| Purchased Power | 3,960,304 | 0.02703 | (22.1) | 3,085,114 | 0.02204 | (21.6) | 3,935,743 | 0.02697 |
| Production Fuel | 4,982,454 | | (16.7) | 4,149,155 | | (18.5) | 5,093,212 | |
| Emissions Allowance | 50,138 | | (53.3) | 23,418 | | (68.3) | 73,833 | |
| Operation | 4,484,344 | | (9.2) | 4,070,658 | | 6.1 | 3,835,742 | |
| Maintenance | 1,748,140 | | (19.7) | 1,403,914 | | 11.6 | 1,257,788 | |
| Depreciation | 1,769,913 | | (5.4) | 1,674,682 | | (13.1) | 1,927,702 | |
| Total Operating Expense | 16,995,293 | | (15.2) | 14,406,941 | | (10.6) | 16,124,020 | |
| Operating Income (Loss) | 778,301 | | -1.0X | (21,568) | | -1.0X | 698,004 | |
| <u>Nonoperating Revenue (Expense)</u> | | | | | | | | |
| Interest Income | 17,328 | | 17.8 | 20,417 | | 23.4 | 16,545 | |
| Interest Expense | (333) | | 61.0 | (536) | | 1.7X | (201) | |
| Total Nonoperating Revenue (Expense) | 16,995 | | 17.0 | 19,881 | | 21.6 | 16,344 | |
| Net Income (Loss) Before Revenue Adjustment and Capital Contributions | 795,296 | | -1.0X | (1,687) | | -1.0X | 714,348 | |
| Capital Contributions | --- | | --- | 133,577 | | --- | --- | |
| Write Off - Loan to Communications | --- | | --- | --- | | --- | (25,327,000) | |
| Change in Net Position | 795,296 | | (83.4) | 131,890 | | -1.0X | (24,612,652) | |
| Beginning Net Position | 123,099,408 | | | 123,099,408 | | | 156,271,838 | |
| Ending Net Position | \$123,894,704 | | | \$123,231,298 | | | \$131,659,186 | |
| Net Income (Loss) Before Rev Adj to Op Revenue | 4.5 | | | (0.0) | | | 4.3 | |
| Change in Net Position to Operating Revenue | 4.5 | | | 0.9 | | | (146.3) | |

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2016

ASSETS

| | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|
| Current Assets: | | |
| <u>Unrestricted Assets</u> | | |
| Cash - interest bearing | \$11,840,838 | \$14,895,589 |
| Investments | 6,998,814 | 9,004,815 |
| Receivables: | | |
| Consumer Accounts | 5,521,348 | 5,609,700 |
| Refined Coal | 3,156,898 | 3,477,635 |
| Wholesale | 74,948 | 851,799 |
| Steam Sales | 1,026,228 | 999,709 |
| Interest | 25,052 | 23,661 |
| Inventories | 5,832,993 | 5,916,981 |
| Fuel | 13,319,905 | 5,852,068 |
| Prepaid Expenses | 665,680 | 676,023 |
| | <hr/> | <hr/> |
| Total Unrestricted Current Assets | 48,462,704 | 47,307,980 |
| | <hr/> | <hr/> |
| <u>Restricted Assets</u> | | |
| Cash - interest bearing | 7,832,587 | 9,056,727 |
| Investments | 5,250,000 | 4,001,412 |
| | <hr/> | <hr/> |
| Total Restricted Current Assets | 13,082,587 | 13,058,139 |
| | <hr/> | <hr/> |
| Total Current Assets | 61,545,291 | 60,366,119 |
| | <hr/> | <hr/> |
| Property and Equipment: | | |
| At Cost | 420,140,328 | 415,654,683 |
| Less Accumulated Depreciation | 342,578,231 | 332,923,469 |
| | <hr/> | <hr/> |
| Net Property and Equipment | 77,562,097 | 82,731,214 |
| | <hr/> | <hr/> |
| Other Assets: | | |
| Note Receivable - Communications Utility | 9,523,335 | 10,000,000 |
| Note Receivable - Water Utility | 2,900,000 | 2,400,000 |
| Joint Venture Rights | 110,844 | 105,815 |
| | <hr/> | <hr/> |
| Total Other Assets | 12,534,179 | 12,505,815 |
| | <hr/> | <hr/> |
| 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 | 2,181,815 | --- |
| | <hr/> | <hr/> |
| Total Deferred Outflows of Resources - Pension | 5,521,000 | --- |
| | <hr/> | <hr/> |
| TOTAL ASSETS | <u>\$157,162,567</u> | <u>\$155,603,148</u> |

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|
| Current Liabilities: | | |
| <u>Unrestricted</u> | | |
| Accounts Payable | \$4,470,976 | \$5,110,585 |
| Pension Provision | --- | 352,387 |
| Health & Dental Insurance Provision | 295,620 | 289,930 |
| Accrued Payroll | 705,189 | 620,443 |
| Accrued Vacation | 1,269,715 | 1,189,173 |
| Accrued Emission Allowance Expense | 277,584 | 73,042 |
| Consumers' Deposits | 735,189 | 689,556 |
| Retained Percentage on Contracts | 48,610 | 73,894 |
| Accrued Property Taxes | 117,655 | 117,236 |
| Miscellaneous Accrued Expenses | 779,696 | 636,703 |
| Unearned Revenue | 284,081 | --- |
| | <hr/> | <hr/> |
| Total Unrestricted Current Liabilities | 8,984,315 | 9,152,949 |
| | <hr/> | <hr/> |
| Non-Current Liabilities: | | |
| Health & Dental Insurance Provision | 926,115 | 1,137,467 |
| Post-Employment Health Benefit Provision | 386,558 | 436,941 |
| Net Pension Liability | 9,942,495 | --- |
| Consumer Advances for Construction | --- | 183,739 |
| | <hr/> | <hr/> |
| Total Non-Current Liabilities | 11,255,168 | 1,758,147 |
| | <hr/> | <hr/> |
| Deferred Inflows of Resources | | |
| Extraordinary O&M | 13,032,866 | 13,032,866 |
| Pension | | |
| Differences between expected and actual experience | 658,920 | --- |
| | <hr/> | <hr/> |
| Total Deferred Inflows of Resources | 13,691,786 | 13,032,866 |
| | <hr/> | <hr/> |
| Net Position: | | |
| Net Investment in Capital Assets | 77,562,097 | 82,731,214 |
| Restricted | 18,603,587 | 13,058,139 |
| Unrestricted | 27,065,614 | 35,869,833 |
| | <hr/> | <hr/> |
| Total Net Position | 123,231,298 | 131,659,186 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | <u>\$157,162,567</u> | <u>\$155,603,148</u> |

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2016

| | <u>Current Month</u> | <u>Year- To-Date</u> |
|--|----------------------------|----------------------------|
| Cash flows from operating activities: | | |
| Cash received from: | | |
| Retail electric sales | \$4,425,651 | \$8,652,792 |
| MISO sales | 2,335,461 | 3,647,207 |
| Steam sales | 1,051,373 | 1,975,193 |
| Coal sales | 3,743,130 | 6,751,780 |
| Railcar/facilities leasing | 5,408 | 10,816 |
| By-product sales | 2,627 | 67,064 |
| Miscellaneous sources | 470,785 | 508,800 |
| Cash paid to/for: | | |
| Suppliers | (1,954,568) | 105,890,377 |
| MISO purchases/administration fees | (1,321,600) | (22,085,302) |
| Coal purchases | (2,972,733) | (74,967,431) |
| Employees payroll, taxes and benefits | (1,767,404) | (23,916,673) |
| Net cash flows from operating activities | <u>4,018,130</u> | <u>6,534,623</u> |
| Cash flows from noncapital financing activities: | | |
| Interest received on notes receivable from water & communications utilities | --- | --- |
| Principal received on note receivable from communications utility | --- | --- |
| Loan to Water Utility | <u>---</u> | <u>---</u> |
| Net cash flows from noncapital financing activities | <u>---</u> | <u>---</u> |
| Cash flows from capital financing activities: | | |
| Capital expenditures, net | <u>(53,145)</u> | <u>(678,934)</u> |
| Net cash flows from capital and related financing activities | <u>(53,145)</u> | <u>(678,934)</u> |
| Cash flows from investing activities: | | |
| Purchase of joint venture rights | --- | (22,915) |
| Interest received on investments | 759 | 11,538 |
| Accrued interest purchased | (5,250) | (5,250) |
| Amortization/accretion of investments | (25) | 403 |
| Mark to Market | <u>(535)</u> | <u>1,217</u> |
| Net cash flows from investing activities | <u>(5,051)</u> | <u>(15,007)</u> |
| Net increase in cash and investments | <u>3,959,934</u> | <u>5,840,682</u> |
| Cash and investments at beginning of period | <u>27,962,305</u> | <u>26,081,557</u> |
| Cash and investments at end of period | <u><u>\$31,922,239</u></u> | <u><u>\$31,922,239</u></u> |

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2016

| | <u>Current</u> <u>Month</u> | <u>Year-</u> <u>To-Date</u> |
|--|--|--|
| Reconciliation of operating loss to net cash flows from operating activities | | |
| Operating loss | (\$107,671) | (\$21,568) |
| Noncash items in operating income: | | |
| Depreciation of electric utility plant | 837,341 | 1,674,682 |
| Amortization of joint venture rights | 8,005 | 16,461 |
| Changes in assets and liabilities: | | |
| Consumer accounts receivable | 185,542 | 40,956 |
| Refined coal | 591,640 | (142,840) |
| Wholesale receivable | 275,839 | (62,547) |
| Steam sales receivable | 103,597 | (25,705) |
| Inventories | 67,754 | 53,909 |
| Fuel | 1,870,630 | 4,098,653 |
| Prepaid expenses | 121,960 | 204,451 |
| Accounts payable | (186,789) | 247,761 |
| Net pension liability | 179,935 | 359,869 |
| Health & dental insurance provision | (108,306) | (148,289) |
| Other post-employment benefit provision | 2,316 | 4,632 |
| Accrued payroll | 67,323 | 100,054 |
| Accrued vacation | 17,005 | 73,427 |
| Accrued emission allowance expense | (130,009) | (117,129) |
| Consumers' deposits | 3,937 | 1,872 |
| Retained Percentage | --- | --- |
| Accrued property taxes | 7,991 | 15,536 |
| Unearned revenue | 233,937 | 227,500 |
| Miscellaneous accrued expenses | (23,847) | (67,062) |
| | <u>\$4,018,130</u> | <u>\$6,534,623</u> |
| Net cash flows from operating activities | <u>\$4,018,130</u> | <u>\$6,534,623</u> |

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
February 2016

| | <u>This Year</u> | <u>Last Year</u> |
|--|----------------------------|----------------------------|
| Extraordinary Operation & Maintenance Account | <u>\$13,082,587</u> | <u>\$13,058,139</u> |
| Total Cash and Investments Appropriated for Specific Purposes | <u><u>\$13,082,587</u></u> | <u><u>\$13,058,139</u></u> |

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2016

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|----------------------------------|------|--------------------|------|--------------------|------|
| <u>Purchased Power</u> | <u>\$1,993,295</u> | 23.0 | <u>\$1,423,261</u> | 21.0 | <u>\$1,994,078</u> | 23.6 |
| Average price per kWh | \$0.0284 | | \$0.0209 | | \$0.0283 | |
| <u>Generation</u> | | | | | | |
| Operation Supervision (500) | 85,329 | | 86,293 | | 73,420 | |
| Fuel: (501) | | | | | | |
| Coal | 2,307,951 | | 1,829,667 | | 2,489,671 | |
| Fuel Oil | 9,000 | | 45 | | 126 | |
| Gas | 22,000 | | 8,880 | | 26,573 | |
| Coal Handling Expense (501-003) | 70,279 | | 53,059 | | 48,031 | |
| Landfill Operation Expense (501-925) | 7,312 | | 7,162 | | 1,459 | |
| Emissions Allowance Expense (509) | 23,906 | | 10,538 | | 32,486 | |
| Steam Expense: | | | | | | |
| Boiler (502-004) | 100,686 | | 96,484 | | 88,172 | |
| Pollution Control (502-005) | 138,527 | | 75,319 | | 21,039 | |
| Electric Expense (505) | 102,991 | | 100,514 | | 89,476 | |
| Miscellaneous Steam Power Expense (506) | 328,858 | | 204,870 | | 217,800 | |
| Maintenance: | | | | | | |
| Supervision (510) | 89,602 | | 72,737 | | 87,029 | |
| Structures (511) | 67,292 | | 31,144 | | 36,557 | |
| Boiler Plant: | | | | | | |
| Boiler (512-006) | 225,377 | | 93,308 | | 11,646 | |
| Pollution Control (512-007) | 48,110 | | 88,222 | | 58,873 | |
| Electric Plant (513-008) | 58,244 | | 29,893 | | 36,902 | |
| System Control (513-009) | 20,590 | | 18,856 | | 17,967 | |
| Miscellaneous Steam Plant (514) | 90,931 | | 51,568 | | 76,607 | |
| Coal Handling Equipment (516) | 60,856 | | 54,210 | | 54,886 | |
| System Control and Load Dispatch (556) | 31,300 | | 28,587 | | 30,916 | |
| Vacation, Holiday, Sick Leave (557) | 79,458 | | 82,077 | | 83,571 | |
| Depreciation (558) | <u>645,074</u> | | <u>637,587</u> | | <u>636,060</u> | |
| Total Generation Expense | <u>\$4,613,673</u> | 53.1 | <u>\$3,661,020</u> | 54.1 | <u>\$4,219,267</u> | 50.0 |

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2016

| | <u>Budget</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|------------------------|----------|------------------------|----------|------------------------|----------|
| | <u>Estimate</u> | | | | | |
| <u>Purchased Power</u> | <u>\$3,960,304</u> | 22.3 | <u>\$3,085,114</u> | 21.4 | <u>\$3,935,743</u> | 23.4 |
| Average price per kWh | \$0.0270 | | \$0.0220 | | \$0.0270 | |
| <u>Generation</u> | | | | | | |
| Operation Supervision (500) | 174,049 | | 171,339 | | 158,038 | |
| Fuel: (501) | | | | | | |
| Coal | 4,761,377 | | 4,006,386 | | 4,923,145 | |
| Fuel Oil | 18,000 | | 4,897 | | 2,982 | |
| Gas | 44,500 | | 14,629 | | 52,129 | |
| Coal Handling Expense (501-003) | 144,590 | | 111,563 | | 110,725 | |
| Landfill Operation Expense (501-925) | 13,987 | | 11,680 | | 4,231 | |
| Emissions Allowance Expense (509) | 50,138 | | 23,418 | | 73,833 | |
| Steam Expense: | | | | | | |
| Boiler (502-004) | 203,871 | | 198,641 | | 191,507 | |
| Pollution Control (502-005) | 277,837 | | 116,725 | | 52,950 | |
| Electric Expense (505) | 209,805 | | 201,335 | | 187,022 | |
| Miscellaneous Steam Power Expense (506) | 587,569 | | 374,743 | | 374,304 | |
| Maintenance: | | | | | | |
| Supervision (510) | 178,642 | | 153,581 | | 178,209 | |
| Structures (511) | 120,313 | | 74,289 | | 100,115 | |
| Boiler Plant: | | | | | | |
| Boiler (512-006) | 397,256 | | 156,661 | | 100,510 | |
| Pollution Control (512-007) | 111,057 | | 196,920 | | 89,127 | |
| Electric Plant (513-008) | 106,870 | | 66,485 | | 55,274 | |
| System Control (513-009) | 41,590 | | 41,395 | | 33,084 | |
| Miscellaneous Steam Plant (514) | 163,470 | | 107,727 | | 153,577 | |
| Coal Handling Equipment (516) | 157,193 | | 138,523 | | 111,257 | |
| System Control and Load Dispatch (556) | 67,715 | | 59,247 | | 63,116 | |
| Vacation, Holiday, Sick Leave (557) | 194,173 | | 207,720 | | 207,737 | |
| Depreciation (558) | <u>1,290,149</u> | | <u>1,275,175</u> | | <u>1,272,120</u> | |
| Total Generation Expense | <u>\$9,314,151</u> | 52.4 | <u>\$7,713,079</u> | 53.6 | <u>\$8,494,992</u> | 50.5 |

**Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2016**

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|----------------------------------|-----|------------------|-----|------------------|-----|
| <u>Transmission</u> | | | | | | |
| Operation Supervision (560) | \$5,462 | | \$6,048 | | \$4,705 | |
| Load Dispatching (561) | 59,421 | | 56,344 | | 65,463 | |
| Station Expense (562) | 7,319 | | 11,679 | | 13,032 | |
| Overhead Line Expense (563) | 135 | | --- | | 765 | |
| Transmission of Electricity by Others (565) | 71,150 | | 76,450 | | 48,329 | |
| Miscellaneous Transmission Expense (566) | 26,913 | | 7,799 | | 7,571 | |
| Maintenance: | | | | | | |
| Supervision (568) | 3,416 | | 3,396 | | 2,347 | |
| Structures (569) | 30 | | --- | | --- | |
| Station Equipment (570) | 8,183 | | 8,687 | | 4,465 | |
| Overhead Lines (571) | 35,218 | | 74,340 | | 46,544 | |
| Vacation, Holiday, Sick Leave (575) | 6,716 | | 6,567 | | 6,119 | |
| Depreciation (576) | 31,050 | | 31,072 | | 30,688 | |
| Tax on Rural Property (577) | 5,673 | | 5,685 | | 5,642 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Transmission Expense | 260,686 | 3.0 | 288,067 | 4.3 | 235,670 | 2.8 |
| <u>Distribution</u> | | | | | | |
| Operation Supervision (580) | 15,223 | | 17,009 | | 11,214 | |
| Load Dispatching (581) | 27,211 | | 32,263 | | 29,168 | |
| Station Expense (582) | 7,638 | | 6,889 | | 7,763 | |
| Overhead Line Expense (583) | 5,564 | | 556 | | 993 | |
| Vehicle Expense (589) | 18,403 | | 14,620 | | 12,119 | |
| Underground Line Expense (584) | 4,291 | | 1,464 | | 2,077 | |
| Street Lighting (585-418) | 4,391 | | 1,488 | | 2,090 | |
| Signal Expense (585-419) | 522 | | 522 | | --- | |
| Meter Expense (586) | 10,449 | | 18,358 | | 7,888 | |
| Consumer Installation Expense (587) | 509 | | 829 | | 84 | |
| Miscellaneous Distribution Expense (588) | 56,599 | | 51,713 | | 64,890 | |
| Maintenance: | | | | | | |
| Supervision (590) | 14,016 | | 14,861 | | 9,528 | |
| Structures (591) | 484 | | --- | | --- | |
| Station Equipment (592) | 10,306 | | 8,924 | | 6,805 | |
| Overhead Lines (593) | 49,258 | | 45,217 | | 56,709 | |
| Underground Lines (594) | 13,914 | | 10,260 | | 4,177 | |
| Line Transformers (595) | 4,168 | | 495 | | 2,727 | |
| Street Lighting (596-418) | 7,579 | | 17,918 | | 6,736 | |
| Signal System (596-419) | 2,818 | | 2,484 | | 2,293 | |
| Meters (597) | 1,935 | | 1,953 | | 2,547 | |
| Miscellaneous Distribution Plant (598) | 2,542 | | 2,939 | | 1,690 | |
| Vacation, Holiday, Sick Leave (599) | 25,236 | | 29,545 | | 24,678 | |
| Depreciation (578) | 168,629 | | 168,481 | | 163,755 | |
| Tax on Rural Property (579) | 1,694 | | 1,698 | | 1,685 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Distribution Expense | \$453,379 | 5.2 | \$450,486 | 6.7 | \$421,616 | 5.0 |

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2016

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|----------------------------------|-----|------------------|-----|------------------|-----|
| <u>Transmission</u> | | | | | | |
| Operation Supervision (560) | \$10,925 | | \$11,645 | | \$9,342 | |
| Load Dispatching (561) | 122,905 | | 120,532 | | 125,624 | |
| Station Expense (562) | 17,175 | | 23,174 | | 22,280 | |
| Overhead Line Expense (563) | 135 | | 4,143 | | 765 | |
| Transmission of Electricity by Others (565) | 142,300 | | 153,670 | | 102,065 | |
| Miscellaneous Transmission Expense (566) | 57,123 | | 24,954 | | 15,202 | |
| Maintenance: | | | | | | |
| Supervision (568) | 6,832 | | 6,786 | | 4,604 | |
| Structures (569) | 149 | | --- | | --- | |
| Station Equipment (570) | 16,163 | | 20,466 | | 7,374 | |
| Overhead Lines (571) | 71,671 | | 109,690 | | 108,690 | |
| Vacation, Holiday, Sick Leave (575) | 16,419 | | 16,175 | | 14,037 | |
| Depreciation (576) | 62,100 | | 62,144 | | 61,375 | |
| Tax on Rural Property (577) | 11,346 | | 11,371 | | 11,285 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Transmission Expense | 535,243 | 3.0 | 564,750 | 3.9 | 482,643 | 2.9 |
| <u>Distribution</u> | | | | | | |
| Operation Supervision (580) | 31,267 | | 33,491 | | 23,201 | |
| Load Dispatching (581) | 54,697 | | 56,138 | | 62,699 | |
| Station Expense (582) | 14,710 | | 12,397 | | 14,576 | |
| Overhead Line Expense (583) | 18,527 | | 4,603 | | 2,492 | |
| Vehicle Expense (589) | 36,840 | | 26,399 | | 24,639 | |
| Underground Line Expense (584) | 8,111 | | 2,734 | | 4,246 | |
| Street Lighting (585-418) | 7,948 | | 3,769 | | 7,561 | |
| Signal Expense (585-419) | 1,143 | | 522 | | --- | |
| Meter Expense (586) | 20,490 | | 27,228 | | 14,390 | |
| Consumer Installation Expense (587) | 1,118 | | 2,074 | | 651 | |
| Miscellaneous Distribution Expense (588) | 110,594 | | 106,366 | | 117,481 | |
| Maintenance: | | | | | | |
| Supervision (590) | 28,597 | | 29,318 | | 20,049 | |
| Structures (591) | 937 | | 17 | | --- | |
| Station Equipment (592) | 22,075 | | 21,405 | | 16,384 | |
| Overhead Lines (593) | 105,141 | | 100,276 | | 118,269 | |
| Underground Lines (594) | 29,256 | | 18,089 | | 7,022 | |
| Line Transformers (595) | 8,513 | | 1,371 | | 8,204 | |
| Street Lighting (596-418) | 16,358 | | 23,291 | | 10,428 | |
| Signal System (596-419) | 5,765 | | 7,343 | | 7,425 | |
| Meters (597) | 4,413 | | 5,993 | | 4,780 | |
| Miscellaneous Distribution Plant (598) | 5,083 | | 4,411 | | 3,989 | |
| Vacation, Holiday, Sick Leave (599) | 61,974 | | 70,492 | | 61,373 | |
| Depreciation (578) | 337,257 | | 336,962 | | 327,509 | |
| Tax on Rural Property (579) | 3,389 | | 3,397 | | 3,371 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Distribution Expense | \$934,203 | 5.3 | \$898,086 | 6.2 | \$860,739 | 5.1 |

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2016

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|----------------------------------|------|--------------------|-------|--------------------|------|
| <u>Customer Service Expense</u> | | | | | | |
| Customer Information Expense (909) | \$3,363 | | \$14,235 | | \$3,960 | |
| Energy Efficiency Rebates (910) | 18,342 | | 6,888 | | 1,809 | |
| Electric Ranges/Dryers Maintenance (911) | 435 | | 100 | | 213 | |
| Electric Water Heaters Maintenance (912) | 155 | | --- | | 87 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Customer Service Expense | 22,295 | 0.3 | 21,223 | 0.3 | 6,069 | 0.1 |
| | <hr/> | | <hr/> | | <hr/> | |
| <u>Consumer Accounts</u> | | | | | | |
| Supervision (901) | 3,144 | | 3,586 | | 3,078 | |
| Meter Reading Expense (902) | 8,555 | | 9,133 | | 10,048 | |
| Consumer Records and Collection (903) | 38,854 | | 41,487 | | 27,235 | |
| Uncollectible Accounts Expense (904) | 4,769 | | 4,769 | | 4,565 | |
| Vacation, Holiday, Sick Leave (906) | 4,011 | | 4,094 | | 4,241 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Consumer Accounts Expense | 59,333 | 0.7 | 63,069 | 0.9 | 49,167 | 0.6 |
| | <hr/> | | <hr/> | | <hr/> | |
| <u>Administrative and General</u> | | | | | | |
| Administrative and General Salaries (920) | 180,561 | | 179,423 | | 157,243 | |
| Office Supplies and Expenses (921) | 15,039 | | 13,154 | | 10,342 | |
| Outside Services Employed (923) | 30,761 | | 41,385 | | 52,575 | |
| Property Insurance (924) | 58,597 | | 58,782 | | 59,470 | |
| Casualty Ins, Injuries & Damages (925) | 40,521 | | 34,181 | | 106,136 | |
| Employee Pensions and Benefits (926) | 523,461 | | 523,741 | | 502,110 | |
| Fringe Benefits Charged to Constr. (927) | (17,832) | | (20,409) | | (12,550) | |
| Regulatory Commission (928) | 6,408 | | 6,965 | | 6,893 | |
| Miscellaneous General Expense (930) | 54,611 | | 25,647 | | 28,187 | |
| Maintenance of General Plant (932) | 40,646 | | 29,023 | | 20,414 | |
| Maintenance of A/O Center (934) | 30,010 | | 41,697 | | 30,094 | |
| Vacation, Holiday, Sick Leave (936) | 23,185 | | 28,677 | | 21,278 | |
| Depreciation (933) | 40,203 | | 201 | | 133,349 | |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Administrative and General | 1,026,171 | 11.8 | 962,467 | 14.2 | 1,115,541 | 13.2 |
| | <hr/> | | <hr/> | | <hr/> | |
| Total Operating Expense | <u>\$8,428,832</u> | | <u>\$6,869,593</u> | | <u>\$8,041,408</u> | |
| | <hr/> | | <hr/> | | <hr/> | |
| Percent to Operating Revenue | | 97.1 | | 101.6 | | 95.2 |

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2016

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> | |
|---|----------------------------------|------|---------------------|-------|---------------------|------|
| <u>Customer Service Expense</u> | | | | | | |
| Customer Information Expense (909) | \$7,753 | | \$15,646 | | \$12,244 | |
| Energy Efficiency Rebates (910) | 36,683 | | 10,962 | | 10,144 | |
| Electric Ranges/Dryers Maintenance (911) | 969 | | 171 | | 524 | |
| Electric Water Heaters Maintenance (912) | 410 | | 47 | | 205 | |
| | <u>\$45,815</u> | 0.3 | <u>\$26,826</u> | 0.2 | <u>\$23,117</u> | 0.1 |
| <u>Consumer Accounts</u> | | | | | | |
| Supervision (901) | 6,287 | | 6,969 | | 6,237 | |
| Meter Reading Expense (902) | 17,322 | | 18,446 | | 20,702 | |
| Consumer Records and Collection (903) | 77,706 | | 71,455 | | 57,229 | |
| Uncollectible Accounts Expense (904) | 9,537 | | 9,538 | | 9,129 | |
| Vacation, Holiday, Sick Leave (906) | 9,961 | | 10,044 | | 9,673 | |
| | <u>120,813</u> | 0.7 | <u>116,452</u> | 0.8 | <u>102,970</u> | 0.6 |
| <u>Administrative and General</u> | | | | | | |
| Administrative and General Salaries (920) | 361,127 | | 354,162 | | 328,304 | |
| Office Supplies and Expenses (921) | 33,243 | | 27,661 | | 26,694 | |
| Outside Services Employed (923) | 65,203 | | 64,768 | | 94,602 | |
| Property Insurance (924) | 117,194 | | 117,564 | | 118,940 | |
| Casualty Ins, Injuries & Damages (925) | 81,831 | | 155,941 | | 152,606 | |
| Employee Pensions and Benefits (926) | 1,056,429 | | 1,063,038 | | 1,021,177 | |
| Fringe Benefits Charged to Constr. (927) | (35,006) | | (42,737) | | (28,014) | |
| Regulatory Commission (928) | 12,817 | | 14,242 | | 14,178 | |
| Miscellaneous General Expense (930) | 103,818 | | 59,166 | | 56,624 | |
| Maintenance of General Plant (932) | 89,897 | | 52,589 | | 58,429 | |
| Maintenance of A/O Center (934) | 60,899 | | 67,288 | | 60,988 | |
| Vacation, Holiday, Sick Leave (936) | 56,905 | | 68,551 | | 52,590 | |
| Depreciation (933) | 80,407 | | 401 | | 266,698 | |
| | <u>2,084,764</u> | 11.7 | <u>2,002,634</u> | 13.9 | <u>2,223,816</u> | 13.2 |
| Total Operating Expense | <u>\$16,995,293</u> | | <u>\$14,406,941</u> | | <u>\$16,124,020</u> | |
| Percent to Operating Revenue | | 95.6 | | 100.1 | | 95.9 |

**Muscatine Power and Water - Electric Utility
Statistical Data
February 2016**

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

| | <u>Current Month</u> | |
|----------------------------|-----------------------------|--------------------|
| | <u>2016</u> | <u>2015</u> |
| Per Million Btu. | \$1.869 | \$1.955 |
| Per Net MW Generated | \$21.15 | \$22.09 |
| Net Peak Monthly Demand-KW | 114,470 | 119,630 |
| Date of Peak | 2/10 | 2/12 |
| Hour of Peak | 800 | 900 |

Calendar Year-To-Date

| | <u>2016</u> | <u>2015</u> |
|----------------------------|--------------------|--------------------|
| Per Million Btu. | \$1.855 | \$1.954 |
| Per Net MW Generated | \$20.62 | \$21.64 |
| Net Peak Monthly Demand-KW | 116,710 | 119,630 |
| Date of Peak | 1/12 | 2/12 |
| Hour of Peak | 1900 | 900 |
| Average Temperature | 30.2° | 12° |

| <u>Services</u> | <u>2016</u> | <u>2015</u> |
|--------------------------------|--------------------|--------------------|
| Residential | 9,852 | 9,789 |
| Commercial I | 1,369 | 1,362 |
| Commercial II | 120 | 120 |
| Industrial I | 9 | 9 |
| Industrial II | 2 | 2 |
| City Enterprise Funds | 22 | 22 |
| Water & Communications Utility | 35 | 35 |
| Total | <u>11,409</u> | <u>11,339</u> |

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - February 2016

| | Modified Budget | \$/kWh | This Year | \$/kWh | Last Year | \$/kWh |
|---|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| Wholesale kWh Sales | <u>91,090,944</u> | | <u>63,767,355</u> | | <u>91,858,102</u> | |
| Wholesale Sales | <u>\$3,070,177</u> | <u>\$0.03370</u> | <u>\$1,494,517</u> | <u>\$0.02344</u> | <u>\$2,965,967</u> | <u>\$0.03229</u> |
| Variable Costs | | | | | | |
| Fuel (Coal, Gas & Fuel Oil) | 1,807,410 | 0.01984 | 1,269,129 | 0.01990 | 1,971,158 | 0.02146 |
| Emissions: | | | | | | |
| SO ² Allowances-ARP ^{fn1} | 215 | 0.00000 | 20 | 0.00000 | 40 | 0.00000 |
| SO ² Allowances-CASPR ^{fn2} | --- | --- | 50 | 0.00000 | 4,943 | 0.00005 |
| SO ² Allowances-CAIR ^{fn3} | 591 | 0.00001 | --- | --- | --- | --- |
| NO _x Allowances ^{fn4} | 23,101 | 0.00025 | 5,652 | 0.00009 | 19,779 | 0.00022 |
| Other ^{fn5} | <u>206,112</u> | <u>0.00226</u> | <u>192,431</u> | <u>0.00302</u> | <u>193,507</u> | <u>0.00211</u> |
| Total Variable Costs | <u>2,037,429</u> | <u>0.02237</u> | <u>1,467,282</u> | <u>0.02301</u> | <u>2,189,427</u> | <u>0.02383</u> |
| Gross Margin | <u>\$1,032,748</u> | <u>\$0.01134</u> | <u>\$27,235</u> | <u>\$0.00043</u> | <u>\$776,540</u> | <u>\$0.00845</u> |
| Percent Gross Margin | 33.6% | | 1.8% | | 26.2% | |

Calendar Year To Date

| | Modified Budget | \$/kWh | This Year | \$/kWh | Last Year | \$/kWh |
|---|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| Wholesale kWh Sales | <u>187,735,205</u> | | <u>145,787,983</u> | | <u>182,269,080</u> | |
| Wholesale Sales | <u>\$6,192,300</u> | <u>\$0.03298</u> | <u>\$3,527,182</u> | <u>\$0.02419</u> | <u>\$5,513,516</u> | <u>\$0.03025</u> |
| Variable Costs | | | | | | |
| Fuel (Coal, Gas & Fuel Oil) | 3,707,919 | 0.01975 | 2,845,304 | 0.01952 | 3,806,846 | 0.02089 |
| Emissions: | | | | | | |
| SO ² Allowances-ARP ^{fn1} | 451 | 0.00000 | 45 | 0.00000 | 59 | --- |
| SO ² Allowances-CASPR ^{fn2} | --- | --- | 112 | 0.00000 | 8,571 | --- |
| SO ² Allowances-CAIR ^{fn3} | 1,239 | 0.00001 | --- | --- | --- | 0.00000 |
| NO _x Allowances ^{fn4} | 48,449 | 0.00026 | 14,710 | 0.00010 | 39,463 | 0.00022 |
| Other ^{fn3} | <u>412,224</u> | <u>0.00220</u> | <u>384,862</u> | <u>0.00264</u> | <u>387,014</u> | <u>0.00212</u> |
| Total Variable Costs | <u>4,170,282</u> | <u>0.02221</u> | <u>3,245,033</u> | <u>0.02226</u> | <u>4,241,953</u> | <u>0.02327</u> |
| Gross Margin | <u>\$2,022,018</u> | <u>\$0.01077</u> | <u>\$282,149</u> | <u>\$0.00194</u> | <u>\$1,271,563</u> | <u>\$0.00698</u> |
| Percent Gross Margin | 32.7% | | 8.0% | | 23.1% | |

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

| | Budget | 2016 | 2015 |
|-----------------------------------|--------|--------|--------|
| fn1 SO ² ARP | \$2.00 | \$0.80 | \$0.80 |
| YTD SO ² ARP | 2.00 | 0.80 | 0.80 |
| fn2 SO ² CASPR | 0.00 | 2.00 | 100.00 |
| YTD SO ² CASPR | 0.00 | 2.00 | 116.43 |
| fn3 SO ² CAIR | 0.00 | 0.00 | 0.00 |
| YTD SO ² CAIR | 0.00 | 0.00 | 0.00 |
| fn4 NO _x annual | 160.00 | 77.50 | 162.50 |
| YTD NO _x annual | 49.00 | 84.75 | 174.08 |
| YTD NO _x seasonal | 0.00 | 0.00 | 0.00 |

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