

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

March 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 - March 2016

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	84,639,449	(50.9)	41,525,460	(50.0)	83,040,021
Less: Plant Use	<u>9,037,368</u>	(38.9)	<u>5,522,321</u>	(42.8)	<u>9,661,497</u>
Net Generation/Wholesale Sales	<u><u>75,602,081</u></u>	(52.4)	<u><u>36,003,139</u></u>	(50.9)	<u><u>73,378,524</u></u>
<u>Net Capacity Factors</u>					
Unit 9	50.00	(55.1)	22.46	(57.0)	52.26
Unit 8/8A	40.66	(29.5)	28.66	(3.2)	29.60
Unit 7	10.00	---	---	---	2.44
Total Plant	44.06	(51.1)	21.56	(49.6)	42.76
<u>KWH Distribution</u>					
Residential	7,946,205	(7.2)	7,377,099	(3.4)	7,639,919
Commercial I	3,027,364	(6.7)	2,825,334	0.8	2,802,848
Commercial II	9,014,490	(21.2)	7,104,400	(21.3)	9,030,680
Industrial I	8,857,515	5.5	9,341,600	(0.2)	9,363,200
Industrial II	41,870,394	(6.9)	39,001,410	1.3	38,514,759
City Enterprise Funds	452,670	(5.6)	427,380	(8.3)	465,955
Water & Communications Utilities	<u>1,550,901</u>	(5.5)	<u>1,465,931</u>	(0.1)	<u>1,466,800</u>
Native System Sales	72,719,539	(7.1)	67,543,154	(2.5)	69,284,161
City Lighting	136,164	(77.7)	30,363	(79.1)	145,222
City Buildings	595,177	(12.1)	523,300	(9.3)	576,658
Offline Power Plant Usage	40,000	23.0X	960,540	1.6X	366,979
Losses & Cycle Billing	<u>1,825,667</u>	(13.0)	<u>1,588,639</u>	8.0	<u>1,470,504</u>
Total Native System KWH Distributed/Purchased Power	<u><u>75,316,547</u></u>	(6.2)	<u><u>70,645,996</u></u>	(1.7)	<u><u>71,843,524</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>268,464</u></u>	(10.1)	<u><u>241,376</u></u>	(4.2)	<u><u>251,946</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - March 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	293,458,536	(29.2)	207,817,920	(27.7)	287,589,825
Less: Plant Use	<u>30,121,250</u>	(13.6)	<u>26,026,798</u>	(18.5)	<u>31,942,220</u>
Net Generation/Wholesale Sales	<u><u>263,337,286</u></u>	(31.0)	<u><u>181,791,122</u></u>	(28.9)	<u><u>255,647,605</u></u>
<u>Net Capacity Factors</u>					
Unit 9	59.79	(27.7)	43.20	(30.3)	61.99
Unit 8/8A	42.39	(26.5)	31.16	(11.2)	35.09
Unit 7	19.45	(80.7)	3.75	(58.0)	8.93
Total Plant	52.28	(29.0)	37.13	(27.7)	51.35
<u>KWH Distribution</u>					
Residential	26,760,014	(6.3)	25,076,645	(4.9)	26,367,945
Commercial I	9,795,673	(8.8)	8,935,037	(3.7)	9,280,274
Commercial II	27,317,860	(12.2)	23,995,480	(10.4)	26,781,140
Industrial I	25,576,494	2.4	26,184,500	(4.3)	27,366,600
Industrial II	119,115,522	(5.2)	112,867,359	(1.7)	114,857,353
City Enterprise Funds	1,391,133	(2.2)	1,360,212	(5.7)	1,442,417
Water & Communications Utilities	<u>4,493,524</u>	(7.9)	<u>4,139,589</u>	0.5	<u>4,119,432</u>
Native System Sales	214,450,220	(5.5)	202,558,822	(3.6)	210,215,161
City Lighting	414,165	(50.8)	203,688	(54.7)	449,239
City Buildings	1,995,657	(12.4)	1,747,772	(5.8)	1,854,971
Offline Power Plant Usage	120,000	8.3X	1,117,586	1.3X	495,694
Losses & Cycle Billing	<u>4,874,297</u>	2.8	<u>5,008,507</u>	4.7	<u>4,781,807</u>
Total Native System KWH Distributed/Purchased Power	<u><u>221,854,339</u></u>	(5.1)	<u><u>210,636,375</u></u>	(3.3)	<u><u>217,796,872</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>778,154</u></u>	(2.1)	<u><u>761,891</u></u>	1.9	<u><u>747,598</u></u>

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

	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	\$874,120	\$ 0.11000	(8.4)	\$800,872	\$ 0.10856	(2.0)	\$817,249 \$ 0.10697
Commercial I	304,689	0.10064	(8.7)	278,210	0.09847	1.6	273,757 0.09767
Commercial II	685,622	0.07606	(18.2)	560,558	0.07890	(16.6)	672,243 0.07444
Industrial I	541,226	0.06110	6.6	577,091	0.06178	(0.1)	577,846 0.06171
Industrial II	1,796,523	0.04291	7.2	1,925,634	0.04937	(0.9)	1,944,039 0.05048
City Enterprise Funds	32,631	0.07209	(7.1)	30,330	0.07097	(10.7)	33,948 0.07286
Water & Communication Utilities	98,022	0.06320	(9.5)	88,724	0.06052	(3.3)	91,741 0.06254
Native System Sales	4,332,833	0.05958	(1.6)	4,261,419	0.06309	(3.4)	4,410,823 0.06366
Wholesale Sales	2,414,324	0.03193	(66.5)	807,637	0.02243	(61.7)	2,110,463 0.02876
Energy Sales	6,747,157		(24.9)	5,069,056		(22.3)	6,521,286
Steam Sales	1,114,030	4.15	(14.1)	956,753	3.96	(7.5)	1,034,393 4.11
Other Revenue							
Rail Car Lease	39,000			---			---
By-Product Revenue	24,195		-2.0X	(25,254)		-2.9X	13,400
Miscellaneous Revenue	52,216		(1.6)	51,374		13.2	45,396
Total Other Revenue	115,411		(77.4)	26,120		(55.6)	58,796
Operating Revenue	7,976,598		(24.1)	6,051,929		(20.5)	7,614,475
Operating Expense							
Purchased Power	1,948,132	0.02587	(28.5)	1,393,346	0.01972	(20.2)	1,746,254 0.02431
Production Fuel	2,134,298		(40.7)	1,265,623		(40.7)	2,133,742
Emissions Allowance	26,409		(62.4)	9,930		(70.4)	33,535
Operation	2,324,916		(9.9)	2,094,775		1.9	2,055,439
Maintenance	911,716		(6.1)	856,490		(23.2)	1,114,658
Depreciation	884,956		(5.4)	837,341		(13.1)	963,852
Total Operating Expense	8,230,427		(21.5)	6,457,505		(19.8)	8,047,480
Operating Loss	(253,829)		59.8	(405,576)		(6.3)	(433,005)
Nonoperating Revenue (Expense)							
Interest Income	8,380		72.1	14,423		79.5	8,034
Interest Expense	(167)		63.5	(273)		27.0	(215)
Total Nonoperating Revenue (Expense)	8,213		72.3	14,150		81.0	7,819
Net Loss Before Revenue Adjustment	(245,616)		59.4	(391,426)		(7.9)	(425,186)
Capital Contributions	---		---	---		---	---
Write Off - Loan to Communications	---		---	---		---	---
Change in Net Position	(245,616)		59.4	(391,426)		(7.9)	(425,186)
Beginning Net Position	123,894,704			123,231,298			131,659,186
Ending Net Position	\$123,649,088			\$122,839,872			\$131,234,000
Net Loss Before Rev Adj to Op Revenue	(3.1)			(6.5)			(5.6)
Change in Net Position to Operating Revenue	(3.1)			(6.5)			(5.6)

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

	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	\$2,891,186	\$ 0.10804	(8.5)	\$2,646,625	\$ 0.10554	(4.0)	\$2,755,657	\$ 0.10451
Commercial I	980,385	0.10008	(11.1)	871,857	0.09758	(3.1)	899,351	0.09691
Commercial II	2,074,092	0.07592	(11.8)	1,829,816	0.07626	(8.5)	1,999,966	0.07468
Industrial I	1,586,704	0.06204	2.2	1,620,848	0.06190	(5.0)	1,706,246	0.06235
Industrial II	5,643,910	0.04738	(1.0)	5,589,189	0.04952	(4.4)	5,844,466	0.05088
City Enterprise Funds	96,893	0.06965	(0.3)	96,589	0.07101	(6.2)	102,993	0.07140
Water & Communications Utilities	284,957	0.06342	(11.1)	253,288	0.06119	(4.0)	263,725	0.06402
Native System Sales	13,558,127	0.06322	(4.8)	12,908,212	0.06373	(4.9)	13,572,404	0.06456
Wholesale Sales	8,606,623	0.03268	(49.6)	4,334,819	0.02385	(43.1)	7,623,978	0.02982
Energy Sales	22,164,750		(22.2)	17,243,031		(18.7)	21,196,382	
Steam Sales	3,227,851	4.15	(6.5)	3,018,688	3.96	(2.4)	3,093,610	4.14
Other Revenue								
Rail Car Lease	117,000		---	---		---	---	
By-Product Revenue	83,994		(57.8)	35,406		92.7	18,375	
Miscellaneous Revenue	156,597		(10.5)	140,177		9.4	128,133	
Total Other Revenue	357,591		(50.9)	175,583		19.8	146,508	
Operating Revenue	25,750,192		(20.6)	20,437,302		(16.4)	24,436,500	
Operating Expense								
Purchased Power	5,908,436	0.02663	(24.2)	4,478,460	0.02126	(21.2)	5,681,997	0.02609
Production Fuel	7,116,752		(23.9)	5,414,778		(25.1)	7,226,954	
Emissions Allowance	76,547		(56.4)	33,348		(68.9)	107,367	
Operation	6,809,259		(9.5)	6,165,433		4.7	5,891,180	
Maintenance	2,659,857		(15.0)	2,260,404		(4.7)	2,372,449	
Depreciation	2,654,869		(5.4)	2,512,023		(13.1)	2,891,554	
Total Operating Expense	25,225,720		(17.3)	20,864,446		(13.7)	24,171,501	
Operating Income (Loss)	524,472		-1.8X	(427,144)		-2.6X	264,999	
Nonoperating Revenue (Expense)								
Interest Income	25,708		35.5	34,841		41.8	24,579	
Interest Expense	(500)		62.0	(810)		94.7	(416)	
Total Nonoperating Revenue (Expense)	25,208		35.0	34,031		40.8	24,163	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	549,680		-1.7X	(393,113)		-2.4X	289,162	
Capital Contributions	---		---	133,577		---	---	
Write Off - Loan to Communications	---		---	---		---	(25,327,000)	
Change in Net Position	549,680		-1.5X	(259,536)		(99.0)	(25,037,838)	
Beginning Net Position	123,099,408			123,099,408			156,271,838	
Ending Net Position	\$123,649,088			\$122,839,872			\$131,234,000	
Net Income (Loss) Before Rev Adj to Op Revenue	2.1			(1.9)			1.2	
Change in Net Position to Operating Revenue	2.1			(1.3)			(102.5)	

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$12,420,840	\$17,012,790
Investments	7,000,617	9,004,815
Receivables:		
Consumer Accounts	5,425,376	5,381,926
Refined Coal	2,049,748	3,307,020
Wholesale	1,853	157,193
Steam Sales	957,084	1,107,467
Interest	28,548	31,026
Inventories	5,559,687	5,977,638
Fuel	14,195,222	5,539,901
Prepaid Expenses	1,290,881	636,552
	<hr/>	<hr/>
Total Unrestricted Current Assets	48,929,856	48,156,328
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	2,832,587	9,056,727
Investments	10,250,000	4,001,412
	<hr/>	<hr/>
Total Restricted Current Assets	13,082,587	13,058,139
	<hr/>	<hr/>
Total Current Assets	62,012,443	61,214,467
	<hr/>	<hr/>
Property and Equipment:		
At Cost	420,421,852	415,945,745
Less Accumulated Depreciation	343,408,173	333,882,327
	<hr/>	<hr/>
Net Property and Equipment	77,013,679	82,063,418
	<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	102,220	97,422
	<hr/>	<hr/>
Total Other Assets	12,525,555	12,497,422
	<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>\$157,072,677</u>	<u>\$155,775,307</u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$5,332,967	\$5,763,062
Pension Provision	---	528,580
Health & Dental Insurance Provision	295,620	289,930
Accrued Payroll	256,328	120,436
Accrued Vacation	1,285,849	1,209,645
Accrued Emission Allowance Expense	33,348	106,577
Consumers' Deposits	740,280	700,142
Retained Percentage on Contracts	58,395	73,894
Accrued Property Taxes	79,076	77,950
Miscellaneous Accrued Expenses	741,607	880,936
Unearned Revenue	273,259	---
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,096,729	9,751,152
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	932,986	1,128,380
Post-Employment Health Benefit Provision	388,874	445,170
Net Pension Liability	10,122,430	---
Consumer Advances for Construction	---	183,739
	<hr/>	<hr/>
Total Non-Current Liabilities	11,444,290	1,757,289
	<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	77,013,679	82,063,418
Restricted	18,603,587	13,058,139
Unrestricted	27,222,606	36,112,443
	<hr/>	<hr/>
Total Net Position	122,839,872	131,234,000
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$157,072,677</u>	<u>\$155,775,307</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,285,936	\$12,938,728
MISO sales	1,288,539	4,935,745
Steam sales	988,081	2,963,274
Coal sales	3,151,490	9,903,270
Railcar/facilities leasing	5,408	16,224
By-product sales	18,657	85,721
Miscellaneous sources	47,334	557,270
Cash paid to/for:		
Suppliers	(1,490,424)	(3,105,303)
MISO purchases/administration fees	(1,228,828)	(4,469,096)
Coal purchases	(3,929,248)	(10,607,486)
Employees payroll, taxes and benefits	(2,302,967)	(5,849,746)
Net cash flows from operating activities	<u>833,978</u>	<u>7,368,601</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	---	---
Net cash flows from noncapital financing activities	<u>---</u>	<u>---</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(263,100)</u>	<u>(942,035)</u>
Net cash flows from capital and related financing activities	<u>(263,100)</u>	<u>(942,035)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(22,915)
Interest received on investments	9,124	20,662
Accrued interest purchased	---	(5,250)
Amortization/accretion of investments	(11)	393
Mark to Market	1,814	3,031
Net cash flows from investing activities	<u>10,927</u>	<u>(4,079)</u>
Net increase in cash and investments	<u>581,805</u>	<u>6,422,487</u>
Cash and investments at beginning of period	<u>31,922,239</u>	<u>26,081,557</u>
Cash and investments at end of period	<u>\$32,504,044</u>	<u>\$32,504,044</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$405,576)	(\$427,144)
Noncash items in operating income:		
Depreciation of electric utility plant	837,341	2,512,023
Amortization of joint venture rights	8,623	25,085
Changes in assets and liabilities:		
Consumer accounts receivable	95,972	136,928
Refined coal	1,107,150	964,310
Wholesale receivable	73,095	10,548
Steam sales receivable	69,144	43,439
Inventories	273,306	327,215
Fuel	(875,317)	3,223,336
Prepaid expenses	(625,201)	(420,750)
Accounts payable	836,168	1,083,930
Net pension liability	179,935	539,804
Health & dental insurance provision	6,871	(141,418)
Other post-employment benefit provision	2,316	6,948
Accrued payroll	(448,861)	(348,807)
Accrued vacation	16,134	89,561
Accrued emission allowance expense	(244,236)	(361,365)
Consumers' deposits	5,091	6,963
Retained Percentage	9,785	9,785
Accrued property taxes	(38,579)	(23,043)
Unearned revenue	(10,822)	(105,425)
Miscellaneous accrued expenses	(38,362)	216,678
	<u>\$833,977</u>	<u>\$7,368,601</u>
Net cash flows from operating activities	<u>\$833,977</u>	<u>\$7,368,601</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
March 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>\$13,082,587</u>	<u>\$13,058,139</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,948,132</u>	24.4	<u>\$1,393,346</u>	23.0	<u>\$1,746,254</u>	22.9
Average price per kWh	\$0.0259		\$0.0197		\$0.0243	
<u>Generation</u>						
Operation Supervision (500)	85,782		85,191		83,128	
Fuel: (501)						
Coal	2,031,645		1,168,998		2,042,656	
Fuel Oil	15,131		25,389		24,628	
Gas	22,000		16,130		12,100	
Coal Handling Expense (501-003)	57,146		48,519		52,344	
Landfill Operation Expense (501-925)	8,376		6,587		2,014	
Emissions Allowance Expense (509)	26,409		9,930		33,535	
Steam Expense:						
Boiler (502-004)	97,267		94,300		94,731	
Pollution Control (502-005)	140,069		36,322		31,216	
Electric Expense (505)	101,758		97,759		98,623	
Miscellaneous Steam Power Expense (506)	312,553		251,279		311,869	
Maintenance:						
Supervision (510)	90,414		67,988		94,541	
Structures (511)	65,671		37,683		52,581	
Boiler Plant:						
Boiler (512-006)	251,369		231,195		277,491	
Pollution Control (512-007)	61,566		65,658		56,215	
Electric Plant (513-008)	52,720		74,591		28,994	
System Control (513-009)	23,591		27,366		18,711	
Miscellaneous Steam Plant (514)	76,624		73,002		62,200	
Coal Handling Equipment (516)	62,481		69,717		283,848	
System Control and Load Dispatch (556)	31,817		18,305		29,737	
Vacation, Holiday, Sick Leave (557)	114,334		110,987		80,431	
Depreciation (558)	<u>645,074</u>		<u>637,587</u>		<u>636,060</u>	
Total Generation Expense	<u>\$4,373,797</u>	54.8	<u>\$3,254,483</u>	53.8	<u>\$4,407,653</u>	57.9

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$5,908,436</u>	22.9	<u>\$4,478,460</u>	21.9	<u>\$5,681,997</u>	23.3
Average price per kWh	\$0.0266		\$0.0213		\$0.0261	
 <u>Generation</u>						
Operation Supervision (500)	259,832		256,530		241,166	
Fuel: (501)						
Coal	6,793,022		5,175,384		6,965,801	
Fuel Oil	33,131		30,286		27,610	
Gas	66,500		30,759		64,228	
Coal Handling Expense (501-003)	201,736		160,082		163,070	
Landfill Operation Expense (501-925)	22,363		18,267		6,245	
Emissions Allowance Expense (509)	76,547		33,348		107,367	
Steam Expense:						
Boiler (502-004)	301,138		292,941		286,238	
Pollution Control (502-005)	417,906		153,047		84,166	
Electric Expense (505)	311,563		299,094		285,645	
Miscellaneous Steam Power Expense (506)	900,123		626,021		686,174	
Maintenance:						
Supervision (510)	269,055		221,570		272,750	
Structures (511)	185,984		111,971		152,696	
Boiler Plant:						
Boiler (512-006)	648,626		387,856		378,001	
Pollution Control (512-007)	172,622		262,578		145,343	
Electric Plant (513-008)	159,590		141,076		84,268	
System Control (513-009)	65,181		68,761		51,796	
Miscellaneous Steam Plant (514)	240,093		180,729		215,777	
Coal Handling Equipment (516)	219,674		208,240		395,105	
System Control and Load Dispatch (556)	99,532		77,552		92,853	
Vacation, Holiday, Sick Leave (557)	308,506		318,707		288,168	
Depreciation (558)	1,935,223		1,912,762		1,908,180	
 Total Generation Expense	 <u>\$13,687,947</u>	 53.2	 <u>\$10,967,561</u>	 53.7	 <u>\$12,902,647</u>	 52.8

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$5,462		\$5,995		\$4,554	
Load Dispatching (561)	58,351		55,081		51,327	
Station Expense (562)	6,138		9,840		9,986	
Overhead Line Expense (563)	---		450		821	
Transmission of Electricity by Others (565)	71,152		79,963		51,504	
Miscellaneous Transmission Expense (566)	28,146		28,657		7,428	
Maintenance:						
Supervision (568)	3,416		3,423		2,502	
Structures (569)	119		---		---	
Station Equipment (570)	5,000		7,881		3,723	
Overhead Lines (571)	29,407		726		16,306	
Vacation, Holiday, Sick Leave (575)	9,694		9,884		6,125	
Depreciation (576)	31,050		31,072		30,688	
Tax on Rural Property (577)	5,673		5,771		5,734	
Total Transmission Expense	253,608	3.2	238,743	3.9	190,698	2.5
<u>Distribution</u>						
Operation Supervision (580)	17,109		16,484		11,721	
Load Dispatching (581)	27,339		41,772		29,717	
Station Expense (582)	7,102		6,015		6,560	
Overhead Line Expense (583)	2,730		4,609		1,678	
Vehicle Expense (589)	18,471		12,335		15,768	
Underground Line Expense (584)	3,851		2,775		4,333	
Street Lighting (585-418)	4,391		914		3,806	
Signal Expense (585-419)	598		5		---	
Meter Expense (586)	12,210		4,307		13,388	
Consumer Installation Expense (587)	509		241		309	
Miscellaneous Distribution Expense (588)	64,622		53,448		46,912	
Maintenance:						
Supervision (590)	15,589		14,224		10,084	
Structures (591)	424		---		---	
Station Equipment (592)	7,851		8,590		28,058	
Overhead Lines (593)	54,060		71,607		68,821	
Underground Lines (594)	16,127		10,701		8,981	
Line Transformers (595)	4,290		2,471		16,451	
Street Lighting (596-418)	7,579		15,313		4,532	
Signal System (596-419)	4,258		3,088		939	
Meters (597)	2,077		2,238		1,957	
Miscellaneous Distribution Plant (598)	2,542		3,284		1,482	
Vacation, Holiday, Sick Leave (599)	36,774		39,319		28,215	
Depreciation (578)	168,629		168,481		163,755	
Tax on Rural Property (579)	1,695		1,724		1,713	
Total Distribution Expense	\$480,827	6.0	\$483,945	8.0	\$469,180	6.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$16,387		\$17,641		\$13,896	
Load Dispatching (561)	181,256		175,612		176,951	
Station Expense (562)	23,313		33,014		32,266	
Overhead Line Expense (563)	135		4,593		1,587	
Transmission of Electricity by Others (565)	213,452		233,633		153,569	
Miscellaneous Transmission Expense (566)	85,268		53,611		22,630	
Maintenance:						
Supervision (568)	10,249		10,210		7,106	
Structures (569)	269		---		---	
Station Equipment (570)	21,163		28,346		11,098	
Overhead Lines (571)	101,078		110,416		124,996	
Vacation, Holiday, Sick Leave (575)	26,113		26,059		20,161	
Depreciation (576)	93,150		93,216		92,063	
Tax on Rural Property (577)	17,018		17,142		17,019	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	788,851	3.1	803,493	3.9	673,342	2.8
<u>Distribution</u>						
Operation Supervision (580)	48,376		49,976		34,922	
Load Dispatching (581)	82,036		97,911		92,416	
Station Expense (582)	21,811		18,412		21,137	
Overhead Line Expense (583)	21,257		9,212		4,170	
Vehicle Expense (589)	55,310		38,733		40,407	
Underground Line Expense (584)	11,963		5,509		8,579	
Street Lighting (585-418)	12,339		4,684		11,367	
Signal Expense (585-419)	1,741		527		---	
Meter Expense (586)	32,701		31,535		27,778	
Consumer Installation Expense (587)	1,628		2,315		960	
Miscellaneous Distribution Expense (588)	175,217		159,814		164,393	
Maintenance:						
Supervision (590)	44,186		43,542		30,133	
Structures (591)	1,361		17		---	
Station Equipment (592)	29,926		29,994		44,442	
Overhead Lines (593)	159,201		171,883		187,090	
Underground Lines (594)	45,383		28,790		16,003	
Line Transformers (595)	12,803		3,842		24,655	
Street Lighting (596-418)	23,938		38,604		14,959	
Signal System (596-419)	10,023		10,431		8,364	
Meters (597)	6,490		8,231		6,737	
Miscellaneous Distribution Plant (598)	7,625		7,695		5,471	
Vacation, Holiday, Sick Leave (599)	98,747		109,811		89,589	
Depreciation (578)	505,886		505,443		491,264	
Tax on Rural Property (579)	5,083		5,120		5,084	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$1,415,031	5.5	\$1,382,031	6.8	\$1,329,920	5.4

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$15,411		\$1,300		\$12,851	
Energy Efficiency Rebates (910)	18,340		5,073		61,703	
Electric Ranges/Dryers Maintenance (911)	435		157		507	
Electric Water Heaters Maintenance (912)	155		94		120	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	34,341	0.4	6,624	0.1	75,181	1.0
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision (901)	3,144		3,756		3,564	
Meter Reading Expense (902)	8,555		9,387		9,324	
Consumer Records and Collection (903)	38,869		32,029		40,746	
Uncollectible Accounts Expense (904)	4,769		4,769		4,565	
Vacation, Holiday, Sick Leave (906)	5,950		6,360		3,442	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	61,287	0.8	56,301	0.9	61,641	0.8
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries (920)	180,602		175,866		163,218	
Office Supplies and Expenses (921)	22,852		9,826		22,679	
Outside Services Employed (923)	54,371		34,312		36,277	
Property Insurance (924)	58,597		58,782		59,470	
Casualty Ins, Injuries & Damages (925)	40,521		45,926		18,297	
Employee Pensions and Benefits (926)	529,502		562,053		527,325	
Fringe Benefits Charged to Constr. (927)	(27,584)		(23,369)		(19,213)	
Regulatory Commission (928)	6,408		7,078		7,248	
Miscellaneous General Expense (930)	64,680		47,957		43,215	
Maintenance of General Plant (932)	42,955		28,956		37,592	
Maintenance of A/O Center (934)	31,586		36,788		38,649	
Vacation, Holiday, Sick Leave (936)	33,742		39,687		28,767	
Depreciation (933)	40,203		201		133,349	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,078,435	13.5	1,024,063	16.9	1,096,873	14.4
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$8,230,427</u>		<u>\$6,457,505</u>		<u>\$8,047,480</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		103.2		106.7		105.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$23,164		\$16,946		\$25,094	
Energy Efficiency Rebates (910)	55,023		16,035		71,847	
Electric Ranges/Dryers Maintenance (911)	1,404		328		1,030	
Electric Water Heaters Maintenance (912)	<u>565</u>		<u>141</u>		<u>325</u>	
Total Customer Service Expense	<u>\$80,156</u>	0.3	<u>\$33,450</u>	0.2	<u>\$98,296</u>	0.4
<u>Consumer Accounts</u>						
Supervision (901)	9,431		10,726		9,801	
Meter Reading Expense (902)	25,877		27,833		30,026	
Consumer Records and Collection (903)	116,575		103,483		97,974	
Uncollectible Accounts Expense (904)	14,306		14,307		13,694	
Vacation, Holiday, Sick Leave (906)	<u>15,911</u>		<u>16,404</u>		<u>13,115</u>	
Total Consumer Accounts Expense	<u>182,100</u>	0.7	<u>172,753</u>	0.8	<u>164,610</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	541,729		530,028		491,522	
Office Supplies and Expenses (921)	56,095		37,487		49,373	
Outside Services Employed (923)	119,574		99,080		130,879	
Property Insurance (924)	175,791		176,346		178,410	
Casualty Ins, Injuries & Damages (925)	122,352		201,867		170,902	
Employee Pensions and Benefits (926)	1,585,931		1,625,091		1,548,501	
Fringe Benefits Charged to Constr. (927)	(62,591)		(66,105)		(47,227)	
Regulatory Commission (928)	19,225		21,320		21,427	
Miscellaneous General Expense (930)	168,498		107,122		99,839	
Maintenance of General Plant (932)	132,852		81,546		96,022	
Maintenance of A/O Center (934)	92,485		104,076		99,637	
Vacation, Holiday, Sick Leave (936)	90,648		108,238		81,357	
Depreciation (933)	<u>120,610</u>		<u>602</u>		<u>400,047</u>	
Total Administrative and General	<u>3,163,199</u>	12.3	<u>3,026,698</u>	14.8	<u>3,320,689</u>	13.6
Total Operating Expense	<u>\$25,225,720</u>		<u>\$20,864,446</u>		<u>\$24,171,501</u>	
Percent to Operating Revenue		98.0		102.1		98.9

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

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.913	\$1.938
Per Net MW Generated	\$20.39	\$20.78
Net Peak Monthly Demand-KW	110,700	117,870
Date of Peak	3/1	3/6
Hour of Peak	2000	800

	<u>Calendar Year-To-Date</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.868	\$1.949
Per Net MW Generated	\$20.58	\$21.39
Net Peak Monthly Demand-KW	116,710	119,630
Date of Peak	1/12	2/12
Hour of Peak	1900	900

Average Temperature	43.8°	36.4°
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<u>Services</u>	<u>2016</u>	<u>2015</u>
Residential	9,842	9,798
Commercial I	1,372	1,365
Commercial II	119	119
Industrial I	10	9
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	34	35
Total	<u>11,401</u>	<u>11,350</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>75,602,081</u>		<u>36,003,139</u>		<u>73,378,524</u>	
Wholesale Sales	<u>\$2,414,324</u>	<u>\$0.03193</u>	<u>\$807,637</u>	<u>\$0.02243</u>	<u>\$2,110,463</u>	<u>\$0.02876</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,479,831	0.01957	669,972	0.01861	1,457,607	0.01986
Emissions:						
SO ² Allowances-ARP ^{fn1}	237	0.00000	20	0.00000	22	0.00000
SO ² Allowances-CASPR ^{fn2}	---	---	49	0.00000	2,801	0.00004
SO ² Allowances-CAIR ^{fn3}	653	0.00001	---	---	---	---
NO _x Allowances ^{fn4}	25,519	0.00034	3,904	0.00011	14,250	0.00019
Other ^{fn5}	<u>206,112</u>	<u>0.00273</u>	<u>192,431</u>	<u>0.00534</u>	<u>193,507</u>	<u>0.00264</u>
Total Variable Costs	<u>1,712,352</u>	<u>0.02265</u>	<u>866,376</u>	<u>0.02406</u>	<u>1,668,187</u>	<u>0.02273</u>
Gross Margin	<u>\$701,972</u>	<u>\$0.00929</u>	<u>(\$58,739)</u>	<u>(\$0.00163)</u>	<u>\$442,276</u>	<u>\$0.00603</u>
Percent Gross Margin	29.1%		-7.3%		21.0%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>263,337,286</u>		<u>181,791,122</u>		<u>255,647,605</u>	
Wholesale Sales	<u>\$8,606,623</u>	<u>\$0.03268</u>	<u>\$4,334,819</u>	<u>\$0.02385</u>	<u>\$7,623,978</u>	<u>\$0.02982</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	5,187,750	0.01970	3,515,276	0.01934	5,264,453	0.02059
Emissions:						
SO ² Allowances-ARP ^{fn1}	688	0.00000	65	0.00000	81	---
SO ² Allowances-CASPR ^{fn2}	---	---	161	0.00000	11,372	---
SO ² Allowances-CAIR ^{fn3}	1,892	0.00001	---	---	---	0.00000
NO _x Allowances ^{fn4}	73,968	0.00028	18,614	0.00010	53,714	0.00021
Other ^{fn3}	<u>618,336</u>	<u>0.00235</u>	<u>577,293</u>	<u>0.00318</u>	<u>580,521</u>	<u>0.00227</u>
Total Variable Costs	<u>5,882,634</u>	<u>0.02234</u>	<u>4,111,409</u>	<u>0.02262</u>	<u>5,910,141</u>	<u>0.02312</u>
Gross Margin	<u>\$2,723,989</u>	<u>\$0.01034</u>	<u>\$223,410</u>	<u>\$0.00123</u>	<u>\$1,713,837</u>	<u>\$0.00670</u>
Percent Gross Margin	31.6%		5.2%		22.5%	

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	111.90
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	83.12	170.85

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