

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

June 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 - June 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	99,814,536	(14.0)	85,836,085	(8.5)	93,801,382
Less: Plant Use	<u>9,478,656</u>	0.2	<u>9,500,581</u>	(9.7)	<u>10,523,032</u>
Net Generation/Wholesale Sales	<u><u>90,335,880</u></u>	(15.5)	<u><u>76,335,504</u></u>	(8.3)	<u><u>83,278,350</u></u>
<u>Net Capacity Factors</u>					
Unit 9	58.00	(6.3)	54.33	(14.2)	63.30
Unit 8/8A	61.52	(46.1)	33.13	15.0	28.81
Unit 7	17.00	40.1	23.82	---	---
Total Plant	54.40	(13.1)	47.30	(5.7)	50.15
<u>KWH Distribution</u>					
Residential	9,044,430	6.7	9,652,840	11.1	8,684,520
Commercial I	3,282,510	0.8	3,308,029	6.6	3,104,343
Commercial II	9,631,494	(12.3)	8,446,620	(6.1)	8,993,740
Industrial I	10,842,135	1.5	11,008,900	(2.2)	11,258,800
Industrial II	37,837,638	(6.7)	35,300,950	(2.8)	36,304,582
City Enterprise Funds	385,040	(3.7)	370,655	(16.4)	443,594
Water & Communications Utilities	<u>1,542,787</u>	3.3	<u>1,594,050</u>	4.6	<u>1,524,248</u>
Native System Sales	72,566,034	(4.0)	69,682,044	(0.9)	70,313,827
City Lighting	148,734	(68.1)	47,395	(70.5)	160,645
City Buildings	656,869	(14.8)	559,626	(8.9)	614,601
Offline Power Plant Usage	40,000	6.9X	316,648	4.2X	61,088
Losses & Cycle Billing	<u>3,988,204</u>	14.5	<u>4,566,791</u>	10.7	<u>4,125,189</u>
Total Native System KWH Distributed/Purchased Power	<u><u>77,399,841</u></u>	(2.9)	<u><u>75,172,504</u></u>	(0.1)	<u><u>75,275,350</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>238,605</u></u>	 3.3	 <u><u>246,464</u></u>	 5.3	 <u><u>234,084</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - June 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	553,391,844	(23.7)	422,445,743	(22.8)	546,876,570
Less: Plant Use	<u>55,264,089</u>	(6.3)	<u>51,788,902</u>	(14.6)	<u>60,635,789</u>
Net Generation/Wholesale Sales	<u>498,127,755</u>	(25.6)	<u>370,656,841</u>	(23.8)	<u>486,240,781</u>
<u>Net Capacity Factors</u>					
Unit 9	57.60	(22.7)	44.51	(26.8)	60.82
Unit 8/8A	36.00	(19.1)	29.14	7.3	27.17
Unit 7	18.74	(69.1)	5.80	30.6	4.44
Total Plant	49.45	(23.4)	37.86	(22.0)	48.55
<u>KWH Distribution</u>					
Residential	49,674,762	(4.4)	47,491,053	(1.1)	48,031,941
Commercial I	18,731,341	(7.2)	17,376,088	(1.6)	17,651,483
Commercial II	54,871,370	(13.4)	47,495,400	(11.7)	53,768,440
Industrial I	54,466,729	3.6	56,431,800	(1.4)	57,226,300
Industrial II	235,538,751	(4.7)	224,535,612	(1.4)	227,617,947
City Enterprise Funds	2,574,093	(1.5)	2,534,749	(8.0)	2,753,702
Water & Communications Utilities	<u>9,039,991</u>	(4.5)	<u>8,629,992</u>	(0.2)	<u>8,647,852</u>
Native System Sales	424,897,037	(4.8)	404,494,694	(2.7)	415,697,665
City Lighting	854,826	(60.9)	334,296	(64.1)	931,167
City Buildings	3,667,107	(11.0)	3,263,688	(4.2)	3,407,335
Offline Power Plant Usage	590,000	2.6X	2,136,748	1.2X	966,067
Losses & Cycle Billing	<u>13,423,997</u>	6.4	<u>14,283,668</u>	19.3	<u>11,968,877</u>
Total Native System KWH Distributed/Purchased Power	<u>443,432,967</u>	(4.3)	<u>424,513,094</u>	(2.0)	<u>432,971,111</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,261,234</u>	8.8	<u>1,372,287</u>	11.6	<u>1,229,806</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - June 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	\$979,622	\$ 0.10831	2.3	\$1,002,561	\$ 0.10386	12.5	\$891,066 \$ 0.10260
Commercial I	330,130	0.10057	(1.8)	324,253	0.09802	9.9	295,141 0.09507
Commercial II	724,652	0.07524	(11.2)	643,626	0.07620	(1.9)	656,413 0.07299
Industrial I	649,943	0.05995	2.8	667,856	0.06067	3.3	646,577 0.05743
Industrial II	1,872,238	0.04948	(6.7)	1,747,482	0.04950	(0.7)	1,758,950 0.04845
City Enterprise Funds	30,568	0.07939	(0.3)	30,489	0.08226	(3.7)	31,669 0.07139
Water & Communication Utilities	98,152	0.06362	(2.4)	95,773	0.06008	5.1	91,104 0.05977
Native System Sales	4,685,305	0.06457	(3.7)	4,512,040	0.06475	3.2	4,370,920 0.06216
Wholesale Sales	3,215,958	0.03560	(16.1)	2,698,766	0.03535	15.0	2,346,551 0.02818
Energy Sales	7,901,263		(8.7)	7,210,806		7.3	6,717,471
Steam Sales	979,236	4.10	(0.1)	978,516	3.97	7.0	914,091 3.90
Other Revenue							
Rail Car Lease	---			---			---
By-Product Revenue	27,065		64.1	44,412		4.1	42,671
Miscellaneous Revenue	52,190		1.5X	128,028		1.1X	61,142
Total Other Revenue	79,255		1.2X	172,440		66.1	103,813
Operating Revenue	8,959,754		(6.7)	8,361,762		8.1	7,735,375
Operating Expense							
Purchased Power	2,324,990	0.03004	(4.5)	2,220,954	0.02954	18.2	1,878,987 0.02496
Production Fuel	2,397,826		(14.9)	2,039,564		(6.9)	2,191,201
Emissions Allowance	64,296		(49.2)	32,677		2.8	31,792
Operation	2,306,550		(24.9)	1,731,684		(4.6)	1,815,983
Maintenance	850,172		(21.6)	666,243		(40.7)	1,122,980
Depreciation	884,956		(5.4)	837,341		(13.1)	963,852
Total Operating Expense	8,828,790		(14.7)	7,528,463		(6.0)	8,004,795
Operating Income (Loss)	130,964		5.4X	833,299		-4.1X	(269,420)
Nonoperating Revenue (Expense)							
Interest Income	8,591		77.7	15,268		1.2X	6,868
Interest Expense	(167)		58.7	(265)		1.5X	(105)
Total Nonoperating Revenue (Expense)	8,424		78.1	15,003		1.2X	6,763
Net Income (Loss) Before Revenue Adjustment	139,388		5.1X	848,302		-4.2X	(262,657)
Capital Contributions	---		---	---		---	8,525
Write Off - Loan to Communications	---		---	---		---	---
Change in Net Position	139,388		5.1X	848,302		-4.3X	(254,132)
Beginning Net Position	120,521,744			122,018,429			129,890,322
Ending Net Position	\$120,661,132			\$122,866,731			\$129,636,190
Net Loss Before Rev Adj to Op Revenue	1.6			10.2			(3.4)
Change in Net Position to Operating Revenue	1.6			10.2			(3.3)

Muscatine Power and Water - Electric Utility
 Statements of Revenues, Expenses, and Changes in Net Position
 Calendar Year-to-Date - June 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	\$5,437,187	\$ 0.10946	(6.5)	\$5,086,257	\$ 0.10710	0.4	\$5,064,930 \$ 0.10545
Commercial I	1,883,139	0.10053	(9.2)	1,709,639	0.09839	0.2	1,705,661 0.09663
Commercial II	4,162,919	0.07587	(12.3)	3,652,782	0.07691	(8.1)	3,972,844 0.07389
Industrial I	3,349,071	0.06149	4.2	3,490,699	0.06186	(0.2)	3,498,395 0.06113
Industrial II	11,383,758	0.04833	(1.9)	11,163,152	0.04972	(1.7)	11,359,432 0.04991
City Enterprise Funds	183,848	0.07142	1.5	186,515	0.07358	(5.0)	196,315 0.07129
Water & Communications Utilities	575,995	0.06372	(8.1)	529,596	0.06137	(2.0)	540,298 0.06248
Native System Sales	26,975,917	0.06349	(4.3)	25,818,640	0.06383	(2.0)	26,337,875 0.06336
Wholesale Sales	16,511,975	0.03315	(41.3)	9,693,796	0.02615	(30.3)	13,913,841 0.02862
Energy Sales	43,487,892		(18.3)	35,512,436		(11.8)	40,251,716
Steam Sales	5,221,613	4.14	4.6	5,463,212	3.98	9.1	5,007,197 4.07
Other Revenue							
Rail Car Lease	117,000		---	---		---	---
By-Product Revenue	162,113		(22.9)	125,064		6.9	116,972
Miscellaneous Revenue	314,061		18.4	371,929		25.5	296,330
Total Other Revenue	593,174		(16.2)	496,993		20.2	413,302
Operating Revenue	49,302,679		(15.9)	41,472,641		(9.2)	45,672,215
Operating Expense							
Purchased Power	12,258,224	0.02764	(22.1)	9,550,657	0.02250	(10.4)	10,661,094 0.02462
Production Fuel	13,110,309		(20.0)	10,484,960		(20.0)	13,106,309
Emissions Allowance	164,892		(44.3)	91,835		(44.2)	164,656
Operation	13,790,507		(11.0)	12,276,449		4.6	11,736,751
Maintenance	7,157,483		(37.3)	4,487,358		(19.6)	5,582,619
Depreciation	5,309,739		(5.4)	5,024,046		(13.1)	5,783,108
Total Operating Expense	51,791,154		(19.1)	41,915,305		(10.9)	47,034,537
Operating Loss	(2,488,475)		(82.2)	(442,664)		(67.5)	(1,362,322)
Nonoperating Revenue (Expense)							
Interest Income	51,199		52.4	78,041		70.1	45,883
Interest Expense	(1,000)		63.1	(1,631)		1.2X	(734)
Total Nonoperating Revenue (Expense)	50,199		52.2	76,410		69.2	45,149
Net Loss Before Revenue Adjustment and Capital Contributions	(2,438,276)		(85.0)	(366,254)		(72.2)	(1,317,173)
Capital Contributions	---		---	133,577		---	8,525
Write Off - Loan to Communications	---		---	---		---	(25,327,000)
Change in Net Position	(2,438,276)		(90.5)	(232,677)		(99.1)	(26,635,648)
Beginning Net Position	123,099,408			123,099,408			156,271,838
Ending Net Position	\$120,661,132			\$122,866,731			\$129,636,190
Net Income (Loss) Before Rev Adj to Op Revenue	(5.0)			(0.9)			(2.9)
Change in Net Position to Operating Revenue	(5.0)			(0.6)			(58.3)

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$10,426,603	\$11,499,826
Investments	6,002,942	9,000,000
Receivables:		
Consumer Accounts	5,851,510	5,378,409
Refined Coal	3,489,103	3,631,355
Wholesale	542,212	433,638
Steam Sales	997,572	914,400
Interest	41,658	33,671
Inventories	5,640,791	6,061,248
Fuel	14,867,056	11,255,299
Prepaid Expenses	1,176,762	1,217,850
	<hr/>	<hr/>
Total Unrestricted Current Assets	49,036,209	49,425,696
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	2,832,587	3,066,139
Investments	10,250,000	10,000,000
	<hr/>	<hr/>
Total Restricted Current Assets	13,082,587	13,066,139
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Total Current Assets	62,118,796	62,491,835
	<hr/>	<hr/>
Property and Equipment:		
At Cost	422,895,557	416,883,347
Less Accumulated Depreciation	345,564,885	336,613,134
	<hr/>	<hr/>
Net Property and Equipment	77,330,672	80,270,213
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	9,523,335	10,000,000
Note Receivable - Water Utility	2,900,000	2,650,000
Joint Venture Rights	102,174	95,421
	<hr/>	<hr/>
Total Other Assets	12,525,509	12,745,421
	<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	2,742,269	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	6,081,454	---
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$158,056,431</u>	<u>\$155,507,469</u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$5,383,220	\$6,428,147
Pension Provision	---	1,057,160
Health & Dental Insurance Provision	295,620	289,930
Accrued Payroll	553,271	433,937
Accrued Vacation	1,240,560	1,217,699
Accrued Emission Allowance Expense	91,835	163,866
Consumers' Deposits	752,341	712,247
Retained Percentage on Contracts	2,030	---
Accrued Property Taxes	103,173	101,930
Miscellaneous Accrued Expenses	867,640	693,624
Unearned Revenue	253,448	26,709
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,543,138	11,125,249
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	896,720	1,059,568
Post-Employment Health Benefit Provision	395,822	469,857
Net Pension Liability	10,662,234	---
Consumer Advances for Construction	---	183,739
	<hr/>	<hr/>
Total Non-Current Liabilities	11,954,776	1,713,164
	<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	77,330,672	80,270,213
Restricted	19,164,041	13,066,139
Unrestricted	26,372,018	36,299,838
	<hr/>	<hr/>
Total Net Position	122,866,731	129,636,190
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$158,056,431</u>	<u>\$155,507,469</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,992,437	\$25,386,521
MISO sales	1,037,382	8,384,118
Steam sales	1,440,863	5,351,386
Coal sales	2,226,625	17,075,200
Railcar/facilities leasing	5,408	32,448
By-product sales	280	89,173
Miscellaneous sources	116,171	709,213
Cash paid to/for:		
Suppliers	(958,788)	(5,723,203)
MISO purchases/administration fees	(1,609,761)	(8,948,972)
Coal purchases	(3,619,349)	(24,036,626)
Employees payroll, taxes and benefits	(1,892,820)	(11,362,121)
Net cash flows from operating activities	<u>738,448</u>	<u>6,957,137</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>(880,434)</u>	<u>(3,529,658)</u>
Net cash flows from capital and related financing activities	<u>(880,434)</u>	<u>(3,529,658)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(45,830)
Interest received on investments	24,348	49,691
Accrued interest purchased	---	(5,250)
Amortization/accretion of investments	(227)	(93)
Mark to Market	2,028	4,578
Net cash flows from investing activities	<u>26,149</u>	<u>3,096</u>
Net increase (decrease) in cash and investments	<u>(115,837)</u>	<u>3,430,575</u>
Cash and investments at beginning of period	<u>29,627,969</u>	<u>26,081,557</u>
Cash and investments at end of period	<u>\$29,512,132</u>	<u>\$29,512,132</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$833,299	(\$442,664)
Noncash items in operating income:		
Depreciation of electric utility plant	837,341	5,024,046
Amortization of joint venture rights	7,825	48,046
Change in deferred inflows of resources - pension	---	---
Change in deferred outflows of resources - pension	(280,227)	(560,454)
Changes in assets and liabilities:		
Consumer accounts receivable	434,494	(289,206)
Refined coal	(1,257,070)	(475,045)
Wholesale receivable	(537,306)	(529,811)
Steam sales receivable	(439,686)	2,951
Inventories	(2,311)	246,111
Fuel	401,466	2,551,502
Prepaid expenses	(18,129)	(306,631)
Accounts payable	569,537	892,790
Net pension liability	179,935	1,079,608
Health & dental insurance provision	(47,412)	(177,684)
Other post-employment benefit provision	2,316	13,896
Accrued payroll	106,581	(51,864)
Accrued vacation	(44,150)	44,272
Accrued emission allowance expense	32,677	(302,878)
Consumers' deposits	(786)	19,024
Retained Percentage	---	(46,580)
Accrued property taxes	8,049	1,054
Unearned revenue	(24,109)	196,865
Miscellaneous accrued expenses	(23,886)	19,789
	<u>\$738,448</u>	<u>\$6,957,137</u>
Net cash flows from operating activities	<u>\$738,448</u>	<u>\$6,957,137</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,082,587</u>	<u>\$13,066,139</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,082,587</u>	<u>\$13,066,139</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,324,990</u>	25.9	<u>\$2,220,954</u>	26.6	<u>\$1,878,987</u>	24.3
Average price per kWh	\$0.0300		\$0.0295		\$0.0250	
<u>Generation</u>						
Operation Supervision (500)	84,998		77,432		82,831	
Fuel: (501)						
Coal	2,292,171		1,964,299		2,115,646	
Fuel Oil	9,000		16,685		267	
Gas	10,500		10,815		8,228	
Coal Handling Expense (501-003)	68,039		39,573		57,036	
Landfill Operation Expense (501-925)	18,116		8,192		10,024	
Emissions Allowance Expense (509)	64,296		32,677		31,792	
Steam Expense:						
Boiler (502-004)	99,959		98,318		85,944	
Pollution Control (502-005)	161,426		70,350		47,960	
Electric Expense (505)	108,206		96,583		92,652	
Miscellaneous Steam Power Expense (506)	377,684		29,117		120,273	
Maintenance:						
Supervision (510)	90,148		67,287		86,775	
Structures (511)	83,818		61,158		36,946	
Boiler Plant:						
Boiler (512-006)	136,851		76,048		179,856	
Pollution Control (512-007)	49,043		65,792		166,676	
Electric Plant (513-008)	47,632		21,372		121,712	
System Control (513-009)	21,218		18,084		15,872	
Miscellaneous Steam Plant (514)	74,303		55,223		56,759	
Coal Handling Equipment (516)	96,498		111,744		257,840	
System Control and Load Dispatch (556)	31,750		22,026		21,355	
Vacation, Holiday, Sick Leave (557)	79,751		64,587		78,396	
Depreciation (558)	<u>645,074</u>		<u>637,587</u>		<u>636,060</u>	
Total Generation Expense	<u>\$4,650,481</u>	51.9	<u>\$3,644,949</u>	43.6	<u>\$4,310,900</u>	55.7

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<u>Purchased Power</u>	<u>\$12,258,224</u>	24.9	<u>\$9,550,657</u>	23.0	<u>\$10,661,094</u>	23.3
Average price per kWh	\$0.0276		\$0.0225		\$0.0246	
<u>Generation</u>						
Operation Supervision (500)	542,167		492,859		489,294	
Fuel: (501)						
Coal	12,478,518		10,043,390		12,629,651	
Fuel Oil	61,131		50,997		28,142	
Gas	109,500		69,226		103,331	
Coal Handling Expense (501-003)	395,131		272,413		321,005	
Landfill Operation Expense (501-925)	66,029		48,934		24,180	
Emissions Allowance Expense (509)	164,892		91,835		164,656	
Steam Expense:						
Boiler (502-004)	649,972		629,876		618,466	
Pollution Control (502-005)	888,093		401,918		194,371	
Electric Expense (505)	618,299		603,230		556,889	
Miscellaneous Steam Power Expense (506)	1,952,740		1,138,731		1,232,111	
Maintenance:						
Supervision (510)	543,415		423,846		534,226	
Structures (511)	385,794		262,522		331,072	
Boiler Plant:						
Boiler (512-006)	2,486,253		955,189		1,306,518	
Pollution Control (512-007)	383,918		388,066		453,727	
Electric Plant (513-008)	624,747		235,541		398,782	
System Control (513-009)	129,343		136,272		105,798	
Miscellaneous Steam Plant (514)	473,213		341,189		384,131	
Coal Handling Equipment (516)	648,179		511,933		855,543	
System Control and Load Dispatch (556)	196,408		141,498		166,929	
Vacation, Holiday, Sick Leave (557)	583,213		551,494		586,284	
Depreciation (558)	<u>3,870,447</u>		<u>3,825,524</u>		<u>3,816,360</u>	
Total Generation Expense	<u>\$28,251,402</u>	57.3	<u>\$21,616,483</u>	52.1	<u>\$25,301,466</u>	55.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$5,462		\$8,927		\$5,300	
Load Dispatching (561)	59,283		56,275		62,844	
Station Expense (562)	7,249		10,775		8,387	
Overhead Line Expense (563)	135		---		---	
Transmission of Electricity by Others (565)	71,152		76,138		53,030	
Miscellaneous Transmission Expense (566)	8,764		17,585		5,185	
Maintenance:						
Supervision (568)	3,416		3,371		2,846	
Structures (569)	179		---		---	
Station Equipment (570)	8,323		7,412		3,900	
Overhead Lines (571)	12,904		14,396		11,026	
Vacation, Holiday, Sick Leave (575)	6,716		6,762		5,523	
Depreciation (576)	31,050		31,072		30,688	
Tax on Rural Property (577)	5,673		5,685		5,642	
Total Transmission Expense	<u>220,306</u>	2.5	<u>238,398</u>	2.9	<u>194,371</u>	2.5
<u>Distribution</u>						
Operation Supervision (580)	16,541		19,522		13,894	
Load Dispatching (581)	27,339		32,671		30,649	
Station Expense (582)	8,351		12,989		9,600	
Overhead Line Expense (583)	6,564		3,922		6,613	
Vehicle Expense (589)	18,450		11,222		18,616	
Underground Line Expense (584)	3,791		5,514		4,179	
Street Lighting (585-418)	4,391		273		3,881	
Signal Expense (585-419)	788		65		83	
Meter Expense (586)	9,848		10,557		7,277	
Consumer Installation Expense (587)	509		779		674	
Miscellaneous Distribution Expense (588)	49,898		52,638		59,315	
Maintenance:						
Supervision (590)	15,025		14,159		12,023	
Structures (591)	2,334		---		---	
Station Equipment (592)	9,839		8,563		12,614	
Overhead Lines (593)	60,086		51,392		41,795	
Underground Lines (594)	18,040		11,266		35,080	
Line Transformers (595)	5,350		1,698		2,363	
Street Lighting (596-418)	7,595		10,135		3,419	
Signal System (596-419)	4,565		2,539		6,954	
Meters (597)	2,406		2,104		(2,457)	
Miscellaneous Distribution Plant (598)	2,542		3,147		2,605	
Vacation, Holiday, Sick Leave (599)	25,256		23,580		21,399	
Depreciation (578)	168,629		168,481		163,755	
Tax on Rural Property (579)	1,695		1,698		1,685	
Total Distribution Expense	<u>\$469,832</u>	5.2	<u>\$448,914</u>	5.4	<u>\$456,016</u>	5.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$32,774		\$38,091		\$28,648	
Load Dispatching (561)	356,475		351,744		360,494	
Station Expense (562)	53,475		64,439		59,396	
Overhead Line Expense (563)	481		4,766		2,989	
Transmission of Electricity by Others (565)	426,904		460,128		304,148	
Miscellaneous Transmission Expense (566)	109,396		103,355		40,374	
Maintenance:						
Supervision (568)	20,497		20,320		14,859	
Structures (569)	776		---		---	
Station Equipment (570)	77,692		64,656		22,538	
Overhead Lines (571)	181,072		139,908		178,000	
Vacation, Holiday, Sick Leave (575)	49,239		47,290		42,861	
Depreciation (576)	186,300		186,432		184,127	
Tax on Rural Property (577)	34,037		34,198		33,946	
	<u>1,529,118</u>	3.1	<u>1,515,327</u>	3.7	<u>1,272,380</u>	2.8
<u>Distribution</u>						
Operation Supervision (580)	97,060		102,949		72,205	
Load Dispatching (581)	164,424		198,526		182,450	
Station Expense (582)	44,842		45,672		41,489	
Overhead Line Expense (583)	34,697		15,833		17,528	
Vehicle Expense (589)	110,682		70,754		89,733	
Underground Line Expense (584)	23,896		21,219		24,696	
Street Lighting (585-418)	25,512		6,277		21,425	
Signal Expense (585-419)	3,951		807		484	
Meter Expense (586)	61,974		61,745		49,582	
Consumer Installation Expense (587)	3,155		4,445		1,916	
Miscellaneous Distribution Expense (588)	339,929		321,013		336,120	
Maintenance:						
Supervision (590)	87,647		86,862		62,162	
Structures (591)	5,502		17		---	
Station Equipment (592)	58,992		57,852		76,497	
Overhead Lines (593)	331,598		296,811		317,442	
Underground Lines (594)	97,798		76,140		66,924	
Line Transformers (595)	40,975		13,554		31,789	
Street Lighting (596-418)	46,721		61,054		34,093	
Signal System (596-419)	20,428		19,309		22,075	
Meters (597)	15,409		14,167		8,154	
Miscellaneous Distribution Plant (598)	15,250		15,033		15,547	
Vacation, Holiday, Sick Leave (599)	185,993		192,376		181,659	
Depreciation (578)	1,011,772		1,010,886		982,528	
Tax on Rural Property (579)	10,167		10,215		10,140	
	<u>\$2,838,374</u>	5.8	<u>\$2,703,516</u>	6.5	<u>\$2,646,638</u>	5.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$3,531		\$2,818		\$5,057	
Energy Efficiency Rebates (910)	18,342		7,337		6,954	
Electric Ranges/Dryers Maintenance (911)	435		220		353	
Electric Water Heaters Maintenance (912)	124		31		29	
Total Customer Service Expense	22,432	0.3	10,406	0.1	12,393	0.2
<u>Consumer Accounts</u>						
Supervision (901)	3,143		3,756		3,564	
Meter Reading Expense (902)	9,169		9,100		8,484	
Consumer Records and Collection (903)	38,915		39,373		36,000	
Uncollectible Accounts Expense (904)	4,769		4,769		4,565	
Vacation, Holiday, Sick Leave (906)	4,011		3,070		2,901	
Total Consumer Accounts Expense	60,007	0.7	60,068	0.7	55,514	0.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	180,602		174,307		174,194	
Office Supplies and Expenses (921)	15,071		12,924		18,254	
Outside Services Employed (923)	80,211		27,208		60,820	
Property Insurance (924)	61,821		53,778		58,782	
Casualty Ins, Injuries & Damages (925)	40,521		23,767		27,554	
Employee Pensions and Benefits (926)	518,921		515,664		504,140	
Fringe Benefits Charged to Constr. (927)	(28,048)		(24,591)		(30,334)	
Regulatory Commission (928)	6,408		7,663		7,680	
Miscellaneous General Expense (930)	43,790		34,674		53,444	
Maintenance of General Plant (932)	52,517		21,421		33,837	
Maintenance of A/O Center (934)	45,540		37,932		34,539	
Vacation, Holiday, Sick Leave (936)	23,185		19,826		20,355	
Depreciation (933)	40,203		201		133,349	
Total Administrative and General	1,080,742	12.1	904,774	10.8	1,096,614	14.2
Total Operating Expense	\$8,828,790		\$7,528,463		\$8,004,795	
Percent to Operating Revenue		98.5		90.0		103.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$44,359		\$34,067		\$47,375	
Energy Efficiency Rebates (910)	110,048		33,201		84,703	
Electric Ranges/Dryers Maintenance (911)	2,707		1,183		1,587	
Electric Water Heaters Maintenance (912)	<u>1,000</u>		<u>329</u>		<u>568</u>	
Total Customer Service Expense	<u>\$158,114</u>	0.3	<u>\$68,780</u>	0.2	<u>\$134,233</u>	0.3
 <u>Consumer Accounts</u>						
Supervision (901)	18,861		19,220		19,197	
Meter Reading Expense (902)	54,596		54,398		55,875	
Consumer Records and Collection (903)	235,519		222,796		205,234	
Uncollectible Accounts Expense (904)	28,612		28,614		27,388	
Vacation, Holiday, Sick Leave (906)	<u>29,882</u>		<u>30,391</u>		<u>25,846</u>	
Total Consumer Accounts Expense	<u>367,470</u>	0.7	<u>355,419</u>	0.9	<u>333,540</u>	0.7
 <u>Administrative and General</u>						
Administrative and General Salaries (920)	1,083,534		1,058,615		983,003	
Office Supplies and Expenses (921)	102,122		76,717		110,839	
Outside Services Employed (923)	297,870		178,922		288,062	
Property Insurance (924)	361,255		337,680		354,756	
Casualty Ins, Injuries & Damages (925)	245,494		582,737		351,474	
Employee Pensions and Benefits (926)	3,197,597		3,195,646		3,091,484	
Fringe Benefits Charged to Constr. (927)	(146,275)		(146,974)		(132,438)	
Regulatory Commission (928)	38,450		43,222		43,215	
Miscellaneous General Expense (930)	314,161		230,089		258,393	
Maintenance of General Plant (932)	273,604		159,310		174,206	
Maintenance of A/O Center (934)	208,660		207,807		188,536	
Vacation, Holiday, Sick Leave (936)	170,760		180,148		173,563	
Depreciation (933)	<u>241,220</u>		<u>1,204</u>		<u>800,093</u>	
Total Administrative and General	<u>6,388,452</u>	13.0	<u>6,105,123</u>	14.7	<u>6,685,186</u>	14.6
Total Operating Expense	<u>\$51,791,154</u>		<u>\$41,915,305</u>		<u>\$47,034,537</u>	
Percent to Operating Revenue		105.0		101.1		103.0

Muscatine Power and Water - Electric Utility
Statistical Data
June 2016

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.834	\$1.831
Per Net MW Generated	\$19.74	\$20.18
Net Peak Monthly Demand-KW	132,030	133,330
Date of Peak	6/15	6/10
Hour of Peak	1700	1500

	<u>Calendar Year-To-Date</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.847	\$1.912
Per Net MW Generated	\$20.22	\$21.14
Net Peak Monthly Demand-KW	132,030	133,330
Date of Peak	6/15	6/10
Hour of Peak	1700	1500

Average Temperature	72.2°	70.6°
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<u>Services</u>	<u>2016</u>	<u>2015</u>
Residential	9,837	9,789
Commercial I	1,377	1,365
Commercial II	118	118
Industrial I	10	9
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	35
Total	<u>11,401</u>	<u>11,340</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>90,335,880</u>		<u>76,335,504</u>		<u>83,278,350</u>	
Wholesale Sales	<u>\$3,215,958</u>	<u>\$0.03560</u>	<u>\$2,698,766</u>	<u>\$0.03535</u>	<u>\$2,346,551</u>	<u>\$0.02818</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,787,250	0.01978	1,444,997	0.01893	1,597,366	0.01918
Emissions:						
SO ² Allowances-ARP ^{fn1}	211	0.00000	25	0.00000	25	0.00000
SO ² Allowances-CSAPR ^{fn2}	---	---	62	0.00000	215	0.00000
SO ² Allowances-CAIR ^{fn3}	580	0.00001	---	---	---	---
NO _x Allowances ^{fn4}	63,505	0.00070	1,776	0.00002	28,695	0.00034
Other ^{fn5}	<u>206,112</u>	<u>0.00228</u>	<u>193,885</u>	<u>0.00254</u>	<u>185,110</u>	<u>0.00222</u>
Total Variable Costs	<u>2,057,658</u>	<u>0.02278</u>	<u>1,640,745</u>	<u>0.02149</u>	<u>1,811,411</u>	<u>0.02175</u>
Gross Margin	<u>\$1,158,300</u>	<u>\$0.01282</u>	<u>\$1,058,021</u>	<u>\$0.01386</u>	<u>\$535,140</u>	<u>\$0.00643</u>
Percent Gross Margin	36.0%		39.2%		22.8%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>498,127,755</u>		<u>370,656,841</u>		<u>486,240,781</u>	
Wholesale Sales	<u>\$16,511,975</u>	<u>\$0.03315</u>	<u>\$9,693,796</u>	<u>\$0.02615</u>	<u>\$13,913,841</u>	<u>\$0.02862</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	9,876,973	0.01983	7,085,833	0.01912	9,859,883	0.02028
Emissions:						
SO ² Allowances-ARP ^{fn1}	1,115	0.00000	124	0.00000	138	---
SO ² Allowances-CASPR ^{fn2}	---	---	308	0.00000	13,820	---
SO ² Allowances-CAIR ^{fn3}	3,066	---	---	---	---	0.00000
NO _x Allowances ^{fn4}	160,711	0.00032	25,391	0.00007	108,852	0.00022
Other ^{fn3}	<u>1,236,672</u>	<u>0.00248</u>	<u>1,156,040</u>	<u>0.00312</u>	<u>1,152,645</u>	<u>0.00237</u>
Total Variable Costs	<u>11,278,537</u>	<u>0.02264</u>	<u>8,267,696</u>	<u>0.02231</u>	<u>11,135,338</u>	<u>0.02290</u>
Gross Margin	<u>\$5,233,438</u>	<u>\$0.01051</u>	<u>\$1,426,100</u>	<u>\$0.00385</u>	<u>\$2,778,503</u>	<u>\$0.00571</u>
Percent Gross Margin	31.7%		14.7%		20.0%	

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	7.00
YTD SO ² CASPR	0.00	2.00	79.97
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	20.00	152.50
NO _x seasonal	288.00	230.00	162.50
YTD NO _x annual	160.00	55.73	155.07
YTD NO _x seasonal	288.00	245.75	149.51

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