

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

July 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 - July 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	112,866,883	(0.9)	111,799,003	8.0	103,532,646
Less: Plant Use	<u>10,280,443</u>	13.5	<u>11,664,279</u>	2.3	<u>11,405,327</u>
Net Generation/Wholesale Sales	<u><u>102,586,440</u></u>	(2.4)	<u><u>100,134,724</u></u>	8.7	<u><u>92,127,319</u></u>
<u>Net Capacity Factors</u>					
Unit 9	58.00	18.9	68.99	10.1	62.64
Unit 8/8A	77.24	(35.2)	50.04	28.7	38.88
Unit 7	40.00	(66.3)	13.49	(32.8)	20.08
Total Plant	59.79	0.5	60.06	11.9	53.69
<u>KWH Distribution</u>					
Residential	11,817,585	2.0	12,058,077	14.6	10,523,608
Commercial I	3,846,233	(3.4)	3,716,639	10.5	3,363,131
Commercial II	10,513,218	(11.2)	9,334,260	(6.4)	9,972,280
Industrial I	11,417,166	(4.6)	10,891,300	(6.0)	11,587,200
Industrial II	39,575,303	(8.7)	36,139,408	(0.1)	36,178,813
City Enterprise Funds	456,520	(8.8)	416,195	(11.8)	472,063
Water & Communications Utilities	<u>1,632,828</u>	(0.5)	<u>1,625,388</u>	(4.1)	<u>1,694,385</u>
Native System Sales	79,258,853	(6.4)	74,181,267	0.5	73,791,480
City Lighting	146,125	(77.7)	32,658	(79.5)	159,251
City Buildings	625,592	(6.7)	583,659	0.7	579,738
Offline Power Plant Usage	40,000	55.3	62,127	70.6	36,416
Losses & Cycle Billing	<u>2,281,216</u>	(27.0)	<u>1,666,013</u>	(57.1)	<u>3,882,434</u>
Total Native System KWH Distributed/Purchased Power	<u><u>82,351,786</u></u>	(7.1)	<u><u>76,525,724</u></u>	(2.5)	<u><u>78,449,319</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>260,399</u></u>	6.6	<u><u>277,563</u></u>	3.9	<u><u>267,244</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - July 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	666,258,727	(19.8)	534,244,745	(17.9)	650,409,216
Less: Plant Use	<u>65,544,532</u>	(3.2)	<u>63,453,180</u>	(11.9)	<u>72,041,117</u>
Net Generation/Wholesale Sales	<u><u>600,714,195</u></u>	(21.6)	<u><u>470,791,565</u></u>	(18.6)	<u><u>578,368,099</u></u>
<u>Net Capacity Factors</u>					
Unit 9	57.66	(16.6)	48.07	(21.3)	61.08
Unit 8/8A	42.00	(23.4)	32.18	11.4	28.88
Unit 7	21.83	(68.3)	6.92	2.8	6.73
Total Plant	50.95	(19.4)	41.09	(16.7)	49.30
<u>KWH Distribution</u>					
Residential	61,492,347	(3.2)	59,549,130	1.7	58,555,549
Commercial I	22,577,574	(6.6)	21,092,727	0.4	21,014,614
Commercial II	65,384,588	(13.1)	56,829,660	(10.8)	63,740,720
Industrial I	65,883,895	2.2	67,323,100	(2.2)	68,813,500
Industrial II	275,114,054	(5.2)	260,675,020	(1.2)	263,796,760
City Enterprise Funds	3,030,613	(2.6)	2,950,944	(8.5)	3,225,765
Water & Communications Utilities	<u>10,672,819</u>	(3.9)	<u>10,255,380</u>	(0.8)	<u>10,342,237</u>
Native System Sales	504,155,890	(5.1)	478,675,961	(2.2)	489,489,145
City Lighting	1,000,951	(63.3)	366,954	(66.3)	1,090,418
City Buildings	4,292,699	(10.4)	3,847,347	(3.5)	3,987,073
Offline Power Plant Usage	630,000	2.4X	2,168,875	1.2X	1,002,483
Losses & Cycle Billing	<u>15,705,213</u>	1.7	<u>15,979,681</u>	0.8	<u>15,851,310</u>
Total Native System KWH Distributed/Purchased Power	<u><u>525,784,753</u></u>	(4.7)	<u><u>501,038,818</u></u>	(2.0)	<u><u>511,420,429</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>1,521,633</u></u>	8.4	<u><u>1,649,850</u></u>	10.2	<u><u>1,497,050</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 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	\$1,236,525	\$ 0.10463	(1.5)	\$1,218,014	\$ 0.10101	16.2	\$1,047,841	\$ 0.09957
Commercial I	382,522	0.09945	(5.2)	362,516	0.09754	14.6	316,430	0.09409
Commercial II	779,313	0.07413	(11.5)	689,454	0.07386	(2.3)	705,635	0.07076
Industrial I	674,403	0.05907	(0.4)	671,700	0.06167	3.5	648,692	0.05598
Industrial II	1,935,106	0.04890	(7.3)	1,793,498	0.04963	4.6	1,714,770	0.04740
City Enterprise Funds	32,412	0.07100	(3.1)	31,419	0.07549	(5.8)	33,365	0.07068
Water & Communication Utilities	103,581	0.06344	(5.9)	97,442	0.05995	0.2	97,293	0.05742
Native System Sales	5,143,862	0.06490	(5.4)	4,864,043	0.06557	6.6	4,564,026	0.06185
Wholesale Sales	3,734,146	0.03640	1.4	3,787,078	0.03782	29.6	2,922,799	0.03173
Energy Sales	8,878,008		(2.6)	8,651,121		15.6	7,486,825	
Steam Sales	1,069,417	4.11	1.1	1,081,002	3.89	3.9	1,040,131	3.89
Other Revenue								
Rail Car Lease	---			---			---	
By-Product Revenue	31,515		5.8	33,355		1.9	32,734	
Miscellaneous Revenue	52,234		(7.9)	48,110		(15.1)	56,640	
Total Other Revenue	83,749		(2.7)	81,465		(8.8)	89,374	
Operating Revenue	10,031,174		(2.2)	9,813,588		13.9	8,616,330	
Operating Expense								
Purchased Power	2,435,520	0.02957	5.0	2,556,534	0.03341	15.6	2,211,249	0.02819
Production Fuel	2,696,656		(4.0)	2,589,973		4.0	2,490,687	
Emissions Allowance	70,169		(54.1)	32,207		(34.4)	49,094	
Operation	2,377,347		(13.4)	2,058,396		8.2	1,902,312	
Maintenance	874,233		(18.9)	708,660		(8.2)	771,724	
Depreciation	884,955		(5.4)	837,341		(13.1)	963,852	
Total Operating Expense	9,338,880		(6.0)	8,783,111		4.7	8,388,918	
Operating Income	692,294		48.8	1,030,477		3.5X	227,412	
Nonoperating Revenue (Expense)								
Interest Income	8,685		39.7	12,134		27.5	9,514	
Interest Expense	(167)		61.7	(270)		1.5X	(109)	
Total Nonoperating Revenue (Expense)	8,518		39.3	11,864		26.1	9,405	
Net Income Before Revenue Adjustment	700,812		48.7	1,042,341		3.4X	236,817	
Capital Contributions	---		---	---		---	5,643	
Write Off - Loan to Communications	---		---	---		---	---	
Change in Net Position	700,812		48.7	1,042,341		3.3X	242,460	
Beginning Net Position	120,661,132			122,866,731			129,636,190	
Ending Net Position	\$121,361,944			\$123,909,072			\$129,878,650	
Net Loss Before Rev Adj to Op Revenue	7.0			10.6			2.8	
Change in Net Position to Operating Revenue	7.0			10.6			2.8	

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

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
Sales of Electricity								
Residential	\$6,673,712	\$ 0.10853	(5.5)	\$6,304,271	\$ 0.10587	3.1	\$6,112,771	\$ 0.10439
Commercial I	2,265,661	0.10035	(8.5)	2,072,155	0.09824	2.5	2,022,091	0.09622
Commercial II	4,942,232	0.07559	(12.1)	4,342,235	0.07641	(7.2)	4,678,479	0.07340
Industrial I	4,023,474	0.06107	3.5	4,162,398	0.06183	0.4	4,147,087	0.06027
Industrial II	13,318,865	0.04841	(2.7)	12,956,650	0.04970	(0.9)	13,074,202	0.04956
City Enterprise Funds	216,259	0.07136	0.8	217,934	0.07385	(5.1)	229,680	0.07120
Water & Communications Utilities	679,576	0.06367	(7.7)	627,038	0.06114	(1.7)	637,591	0.06165
Native System Sales	32,119,779	0.06371	(4.5)	30,682,681	0.06410	(0.7)	30,901,901	0.06313
Wholesale Sales	20,246,122	0.03370	(33.4)	13,480,876	0.02863	(19.9)	16,836,639	0.02911
Energy Sales	52,365,901		(15.7)	44,163,557		(7.5)	47,738,540	
Steam Sales	6,291,030	4.13	4.0	6,544,213	3.97	8.2	6,047,328	4.04
Other Revenue								
Rail Car Lease	117,000		---	---		---	---	
By-Product Revenue	193,628		(18.2)	158,420		5.8	149,705	
Miscellaneous Revenue	366,295		14.7	420,039		19.0	352,971	
Total Other Revenue	676,923		(14.5)	578,459		15.1	502,676	
Operating Revenue	59,333,854		(13.6)	51,286,229		(5.5)	54,288,544	
Operating Expense								
Purchased Power	14,693,744	0.02795	(17.6)	12,107,191	0.02416	(5.9)	12,872,343	0.02517
Production Fuel	15,806,965		(17.3)	13,074,933		(16.2)	15,596,995	
Emissions Allowance	235,061		(47.2)	124,042		(42.0)	213,751	
Operation	16,167,855		(11.3)	14,334,844		5.1	13,639,062	
Maintenance	8,031,716		(35.3)	5,196,017		(18.2)	6,354,345	
Depreciation	6,194,694		(5.4)	5,861,389		(13.1)	6,746,959	
Total Operating Expense	61,130,035		(17.1)	50,698,416		(8.5)	55,423,455	
Operating Income (Loss)	(1,796,181)		-1.3X	587,813		-1.5X	(1,134,911)	
Nonoperating Revenue (Expense)								
Interest Income	59,884		50.6	90,175		62.8	55,398	
Interest Expense	(1,167)		62.9	(1,901)		1.3X	(843)	
Total Nonoperating Revenue (Expense)	58,717		50.3	88,274		61.8	54,555	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,737,464)		-1.4X	676,087		-1.6X	(1,080,356)	
Capital Contributions	---		---	133,577		8.4X	14,168	
Write Off - Loan to Communications	---		---	---		---	(25,327,000)	
Change in Net Position	(1,737,464)		-1.5X	809,664		-1.0X	(26,393,188)	
Beginning Net Position	123,099,408			123,099,408			156,271,838	
Ending Net Position	\$121,361,944			\$123,909,072			\$129,878,650	
Net Income (Loss) Before Rev Adj to Op Revenue	(2.9)			1.3			(2.0)	
Change in Net Position to Operating Revenue	(2.9)			1.6			(48.6)	

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

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$12,017,621	\$10,299,067
Investments	6,001,482	9,000,000
Receivables:		
Consumer Accounts	6,334,761	5,619,095
Refined Coal	4,424,253	4,178,560
Wholesale	981,132	610,091
Steam Sales	1,081,369	1,040,478
Interest	53,150	17,756
Inventories	5,663,958	6,034,338
Fuel	14,361,715	12,299,561
Prepaid Expenses	1,085,876	1,177,257
	<u>52,005,317</u>	<u>50,276,203</u>
Restricted Assets		
Cash - interest bearing	3,833,910	3,066,139
Investments	9,250,000	10,000,000
	<u>13,083,910</u>	<u>13,066,139</u>
Total Current Assets	<u>65,089,227</u>	<u>63,342,342</u>
Property and Equipment:		
At Cost	423,347,654	417,820,018
Less Accumulated Depreciation	346,383,188	337,566,953
	<u>76,964,466</u>	<u>80,253,065</u>
Other Assets:		
Note Receivable - Communications Utility	9,523,335	10,000,000
Note Receivable - Water Utility	2,900,000	2,900,000
Joint Venture Rights	93,736	113,520
	<u>12,517,071</u>	<u>13,013,520</u>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	---
Difference between projected and actual earnings on pension plan	575,136	---
Contributions subsequent to measurement date	3,022,497	---
	<u>6,361,682</u>	<u>---</u>
TOTAL ASSETS	<u>\$160,932,446</u>	<u>\$156,608,927</u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2016</u>	<u>2015</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$6,877,779	\$6,903,244
Pension Provision	---	1,233,353
Health & Dental Insurance Provision	295,620	289,930
Accrued Payroll	636,576	623,790
Accrued Vacation	1,203,274	1,172,438
Accrued Emission Allowance Expense	124,042	212,960
Consumers' Deposits	757,410	718,322
Retained Percentage on Contracts	4,527	19,305
Accrued Property Taxes	111,222	110,272
Miscellaneous Accrued Expenses	860,670	634,555
Unearned Revenue	229,339	23,370
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	11,100,459	11,941,539
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	990,823	1,094,047
Post-Employment Health Benefit Provision	398,138	478,086
Net Pension Liability	10,842,168	---
Consumer Advances for Construction	---	183,739
	<hr/>	<hr/>
Total Non-Current Liabilities	12,231,129	1,755,872
	<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	76,964,466	80,253,065
Restricted	19,445,592	13,066,139
Unrestricted	27,499,014	36,559,446
	<hr/>	<hr/>
Total Net Position	123,909,072	129,878,650
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$160,932,446</u>	<u>\$156,608,927</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,441,334	\$29,827,855
MISO sales	2,858,718	11,242,837
Steam sales	946,289	6,297,675
Coal sales	3,483,695	20,558,895
Railcar/facilities leasing	5,408	37,856
By-product sales	1,865	91,038
Miscellaneous sources	52,204	769,437
Cash paid to/for:		
Suppliers	263,982	(5,467,244)
MISO purchases/administration fees	(2,120,985)	(11,069,957)
Coal purchases	(5,229,061)	(29,265,687)
Employees payroll, taxes and benefits	(2,396,200)	(13,758,320)
Net cash flows from operating activities	<u>2,307,249</u>	<u>9,264,385</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>(717,009)</u>	<u>(4,246,667)</u>
Net cash flows from capital and related financing activities	<u>(717,009)</u>	<u>(4,246,667)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(45,830)
Interest received on investments	2,101	51,793
Accrued interest purchased	---	(5,250)
Amortization/accretion of investments	(224)	(317)
Mark to Market	<u>(1,236)</u>	<u>3,342</u>
Net cash flows from investing activities	<u>641</u>	<u>3,738</u>
Net increase in cash and investments	<u>1,590,881</u>	<u>5,021,456</u>
Cash and investments at beginning of period	<u>29,512,132</u>	<u>26,081,557</u>
Cash and investments at end of period	<u>\$31,103,013</u>	<u>\$31,103,013</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$1,030,477	\$587,813
Noncash items in operating income:		
Depreciation of electric utility plant	837,341	5,861,389
Amortization of joint venture rights	8,438	56,484
Change in deferred inflows of resources - pension	---	---
Change in deferred outflows of resources - pension	(280,228)	(840,682)
Changes in assets and liabilities:		
Consumer accounts receivable	(483,251)	(772,457)
Refined coal	(935,150)	(1,410,195)
Wholesale receivable	(438,920)	(968,731)
Steam sales receivable	(83,797)	(80,846)
Inventories	(23,167)	222,944
Fuel	505,341	3,056,843
Prepaid expenses	90,886	(215,745)
Accounts payable	1,740,433	2,633,223
Net pension liability	179,934	1,259,542
Health & dental insurance provision	94,103	(83,581)
Other post-employment benefit provision	2,316	16,212
Accrued payroll	83,305	31,441
Accrued vacation	(37,286)	6,986
Accrued emission allowance expense	32,207	(270,671)
Consumers' deposits	5,069	24,093
Retained Percentage	2,497	(44,083)
Accrued property taxes	8,049	9,103
Unearned revenue	(24,109)	172,756
Miscellaneous accrued expenses	(7,239)	12,547
	<u>\$2,307,249</u>	<u>\$9,264,385</u>
Net cash flows from operating activities	<u>\$2,307,249</u>	<u>\$9,264,385</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,083,910</u>	<u>\$13,066,139</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,083,910</u></u>	<u><u>\$13,066,139</u></u>

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,435,520</u>	24.3	<u>\$2,556,534</u>	26.1	<u>\$2,211,249</u>	25.7
Average price per kWh	\$0.0296		\$0.0334		\$0.0282	
<u>Generation</u>						
Operation Supervision (500)	91,320		75,416		86,790	
Fuel: (501)						
Coal	2,600,646		2,514,382		2,410,673	
Fuel Oil	9,000		119		121	
Gas	10,000		10,512		13,663	
Coal Handling Expense (501-003)	66,351		48,177		61,505	
Landfill Operation Expense (501-925)	10,659		16,783		4,725	
Emissions Allowance Expense (509)	70,169		32,207		49,094	
Steam Expense:						
Boiler (502-004)	118,397		107,417		100,847	
Pollution Control (502-005)	143,230		45,478		44,787	
Electric Expense (505)	111,223		105,610		93,816	
Miscellaneous Steam Power Expense (506)	399,121		235,471		177,831	
Maintenance:						
Supervision (510)	91,921		62,914		83,993	
Structures (511)	116,529		47,505		68,694	
Boiler Plant:						
Boiler (512-006)	140,610		84,008		196,274	
Pollution Control (512-007)	48,862		67,019		35,766	
Electric Plant (513-008)	43,399		24,285		28,086	
System Control (513-009)	25,636		15,616		18,022	
Miscellaneous Steam Plant (514)	75,982		56,187		47,811	
Coal Handling Equipment (516)	95,364		57,842		37,340	
System Control and Load Dispatch (556)	33,113		24,123		22,110	
Vacation, Holiday, Sick Leave (557)	116,381		102,394		110,253	
Depreciation (558)	<u>645,074</u>		<u>637,587</u>		<u>636,060</u>	
Total Generation Expense	<u>\$5,062,987</u>	50.5	<u>\$4,371,052</u>	44.5	<u>\$4,328,261</u>	50.2

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<u>Purchased Power</u>	<u>\$14,693,744</u>	24.8	<u>\$12,107,191</u>	23.6	<u>\$12,872,343</u>	23.7
Average price per kWh	\$0.0279		\$0.0242		\$0.0252	
<u>Generation</u>						
Operation Supervision (500)	633,487		568,275		576,084	
Fuel: (501)						
Coal	15,079,164		12,557,771		15,040,324	
Fuel Oil	70,131		51,116		28,262	
Gas	119,500		79,739		116,994	
Coal Handling Expense (501-003)	461,482		320,590		382,510	
Landfill Operation Expense (501-925)	76,688		65,717		28,905	
Emissions Allowance Expense (509)	235,061		124,042		213,751	
Steam Expense:						
Boiler (502-004)	768,369		737,294		719,313	
Pollution Control (502-005)	1,031,322		447,396		239,158	
Electric Expense (505)	729,522		708,840		650,705	
Miscellaneous Steam Power Expense (506)	2,351,861		1,374,201		1,409,942	
Maintenance:						
Supervision (510)	635,336		486,760		618,219	
Structures (511)	502,323		310,027		399,766	
Boiler Plant:						
Boiler (512-006)	2,626,863		1,039,197		1,502,792	
Pollution Control (512-007)	432,780		455,085		489,493	
Electric Plant (513-008)	668,147		259,826		426,868	
System Control (513-009)	154,979		151,888		123,820	
Miscellaneous Steam Plant (514)	549,195		397,376		431,942	
Coal Handling Equipment (516)	743,543		569,775		892,883	
System Control and Load Dispatch (556)	229,522		165,620		189,039	
Vacation, Holiday, Sick Leave (557)	699,593		653,888		696,537	
Depreciation (558)	<u>4,515,521</u>		<u>4,463,111</u>		<u>4,452,420</u>	
Total Generation Expense	<u>\$33,314,389</u>	56.1	<u>\$25,987,534</u>	50.7	<u>\$29,629,727</u>	54.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$5,626		\$6,732		\$5,050	
Load Dispatching (561)	58,434		56,680		55,138	
Station Expense (562)	8,132		11,510		12,170	
Overhead Line Expense (563)	76		---		25	
Transmission of Electricity by Others (565)	71,150		79,426		50,945	
Miscellaneous Transmission Expense (566)	7,611		30,891		4,962	
Maintenance:						
Supervision (568)	3,519		2,618		3,308	
Structures (569)	90		---		---	
Station Equipment (570)	7,501		9,486		3,449	
Overhead Lines (571)	13,927		8,242		11,629	
Vacation, Holiday, Sick Leave (575)	9,900		10,921		8,785	
Depreciation (576)	31,050		31,072		30,688	
Tax on Rural Property (577)	5,673		5,686		5,642	
Total Transmission Expense	<u>222,689</u>	2.2	<u>253,264</u>	2.6	<u>191,791</u>	2.2
<u>Distribution</u>						
Operation Supervision (580)	16,444		14,471		15,969	
Load Dispatching (581)	28,231		34,439		32,713	
Station Expense (582)	8,371		8,202		10,287	
Overhead Line Expense (583)	2,568		926		4,099	
Vehicle Expense (589)	18,480		14,344		13,758	
Underground Line Expense (584)	3,899		4,467		3,520	
Street Lighting (585-418)	4,408		99		4,461	
Signal Expense (585-419)	714		83		65	
Meter Expense (586)	9,852		11,409		8,703	
Consumer Installation Expense (587)	543		331		988	
Miscellaneous Distribution Expense (588)	53,573		45,593		50,504	
Maintenance:						
Supervision (590)	14,328		10,884		14,209	
Structures (591)	5,904		---		---	
Station Equipment (592)	10,693		9,224		13,055	
Overhead Lines (593)	62,045		70,273		68,782	
Underground Lines (594)	16,368		55,483		35,100	
Line Transformers (595)	3,981		5,097		1,743	
Street Lighting (596-418)	7,623		34,973		7,444	
Signal System (596-419)	3,361		2,210		2,834	
Meters (597)	2,131		1,845		2,668	
Miscellaneous Distribution Plant (598)	2,541		1,827		9,395	
Vacation, Holiday, Sick Leave (599)	37,491		39,069		34,844	
Depreciation (578)	168,628		168,481		163,755	
Tax on Rural Property (579)	1,694		1,698		1,685	
Total Distribution Expense	<u>\$483,871</u>	4.8	<u>\$535,428</u>	5.5	<u>\$500,581</u>	5.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$38,400		\$44,822		\$33,697	
Load Dispatching (561)	414,909		408,424		415,632	
Station Expense (562)	61,607		75,949		71,566	
Overhead Line Expense (563)	557		4,766		3,013	
Transmission of Electricity by Others (565)	498,054		539,554		355,094	
Miscellaneous Transmission Expense (566)	117,008		134,246		45,337	
Maintenance:						
Supervision (568)	24,016		22,938		18,168	
Structures (569)	866		---		---	
Station Equipment (570)	85,193		74,142		25,987	
Overhead Lines (571)	194,999		148,150		189,629	
Vacation, Holiday, Sick Leave (575)	59,139		58,211		51,646	
Depreciation (576)	217,349		217,505		214,815	
Tax on Rural Property (577)	39,710		39,884		39,588	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	1,751,807	3.0	1,768,591	3.4	1,464,172	2.7
<u>Distribution</u>						
Operation Supervision (580)	113,504		117,420		88,174	
Load Dispatching (581)	192,655		232,965		215,162	
Station Expense (582)	53,213		53,874		51,776	
Overhead Line Expense (583)	37,265		16,760		21,627	
Vehicle Expense (589)	129,162		85,098		103,491	
Underground Line Expense (584)	27,795		25,685		28,216	
Street Lighting (585-418)	29,920		6,375		25,886	
Signal Expense (585-419)	4,665		891		549	
Meter Expense (586)	71,826		73,155		58,285	
Consumer Installation Expense (587)	3,698		4,776		2,904	
Miscellaneous Distribution Expense (588)	393,502		366,606		386,624	
Maintenance:						
Supervision (590)	101,975		97,746		76,371	
Structures (591)	11,406		17		---	
Station Equipment (592)	69,684		67,078		89,551	
Overhead Lines (593)	393,643		367,084		386,225	
Underground Lines (594)	114,166		131,622		102,024	
Line Transformers (595)	44,955		18,650		33,532	
Street Lighting (596-418)	54,344		96,026		41,537	
Signal System (596-419)	23,789		21,519		24,909	
Meters (597)	17,540		16,011		10,822	
Miscellaneous Distribution Plant (598)	17,792		16,861		24,942	
Vacation, Holiday, Sick Leave (599)	223,484		231,444		216,503	
Depreciation (578)	1,180,401		1,179,368		1,146,283	
Tax on Rural Property (579)	11,861		11,913		11,825	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$3,322,245	5.6	\$3,238,944	6.3	\$3,147,218	5.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$4,489		\$18,590		\$5,349	
Energy Efficiency Rebates (910)	21,840		14,000		5,969	
Electric Ranges/Dryers Maintenance (911)	435		34		(40)	
Electric Water Heaters Maintenance (912)	124		94		89	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	26,888	0.3	32,718	0.3	11,367	0.1
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision (901)	3,238		3,328		3,004	
Meter Reading Expense (902)	9,168		7,820		10,409	
Consumer Records and Collection (903)	39,719		33,216		36,294	
Uncollectible Accounts Expense (904)	4,769		4,769		4,565	
Vacation, Holiday, Sick Leave (906)	6,090		5,906		5,968	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	62,984	0.6	55,039	0.6	60,240	0.7
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries (920)	186,017		161,337		180,772	
Office Supplies and Expenses (921)	15,059		10,404		11,633	
Outside Services Employed (923)	34,108		42,302		13,226	
Property Insurance (924)	61,821		53,778		58,782	
Casualty Ins, Injuries & Damages (925)	42,101		62,604		39,788	
Employee Pensions and Benefits (926)	525,247		504,574		504,218	
Fringe Benefits Charged to Constr. (927)	(28,569)		(19,457)		(26,362)	
Regulatory Commission (928)	6,408		7,871		7,803	
Miscellaneous General Expense (930)	44,918		43,433		47,681	
Maintenance of General Plant (932)	45,179		35,880		36,432	
Maintenance of A/O Center (934)	36,739		45,242		45,690	
Vacation, Holiday, Sick Leave (936)	34,710		30,907		32,417	
Depreciation (933)	40,203		201		133,349	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,043,941	10.4	979,076	10.0	1,085,429	12.6
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$9,338,880</u>		<u>\$8,783,111</u>		<u>\$8,388,918</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		93.1		89.5		97.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$48,848		\$52,656		\$52,724	
Energy Efficiency Rebates (910)	131,888		47,201		90,672	
Electric Ranges/Dryers Maintenance (911)	3,142		1,217		1,547	
Electric Water Heaters Maintenance (912)	<u>1,124</u>		<u>424</u>		<u>658</u>	
Total Customer Service Expense	<u>\$185,002</u>	0.3	<u>\$101,498</u>	0.2	<u>\$145,601</u>	0.3
 <u>Consumer Accounts</u>						
Supervision (901)	22,099		22,549		22,200	
Meter Reading Expense (902)	63,764		62,218		66,284	
Consumer Records and Collection (903)	275,239		256,012		241,528	
Uncollectible Accounts Expense (904)	33,381		33,383		31,953	
Vacation, Holiday, Sick Leave (906)	<u>35,972</u>		<u>36,297</u>		<u>31,814</u>	
Total Consumer Accounts Expense	<u>430,455</u>	0.7	<u>410,459</u>	0.8	<u>393,779</u>	0.7
 <u>Administrative and General</u>						
Administrative and General Salaries (920)	1,269,552		1,219,953		1,163,775	
Office Supplies and Expenses (921)	117,181		87,121		122,471	
Outside Services Employed (923)	331,977		221,224		301,288	
Property Insurance (924)	423,076		391,458		413,538	
Casualty Ins, Injuries & Damages (925)	287,595		645,340		391,263	
Employee Pensions and Benefits (926)	3,722,844		3,700,219		3,595,702	
Fringe Benefits Charged to Constr. (927)	(174,844)		(166,430)		(158,801)	
Regulatory Commission (928)	44,858		51,093		51,018	
Miscellaneous General Expense (930)	359,079		273,522		306,074	
Maintenance of General Plant (932)	318,783		195,190		210,639	
Maintenance of A/O Center (934)	245,399		253,049		234,226	
Vacation, Holiday, Sick Leave (936)	205,470		211,055		205,981	
Depreciation (933)	<u>281,423</u>		<u>1,405</u>		<u>933,441</u>	
Total Administrative and General	<u>7,432,393</u>	12.5	<u>7,084,199</u>	13.8	<u>7,770,615</u>	14.3
Total Operating Expense	<u>\$61,130,035</u>		<u>\$50,698,416</u>		<u>\$55,423,455</u>	
Percent to Operating Revenue		103.0		98.9		102.1

Muscatine Power and Water - Electric Utility
Statistical Data
July 2016

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.797	\$1.835
Per Net MW Generated	\$19.73	\$20.78
Net Peak Monthly Demand-KW	134,700	132,800
Date of Peak	7/21	7/17
Hour of Peak	1600	1600

	<u>Calendar Year-To-Date</u>	
	<u>2016</u>	<u>2015</u>
Per Million Btu.	\$1.837	\$1.899
Per Net MW Generated	\$20.12	\$21.09
Net Peak Monthly Demand-KW	134,700	133,330
Date of Peak	7/21	6/10
Hour of Peak	1600	1500
Average Temperature	73.2°	72°

<u>Services</u>	<u>2016</u>	<u>2015</u>
Residential	9,842	9,775
Commercial I	1,373	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>11,402</u>	<u>11,326</u>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>102,586,440</u>		<u>100,134,724</u>		<u>92,127,319</u>	
<u>Wholesale Sales</u>	<u>\$3,734,146</u>	<u>\$0.03640</u>	<u>\$3,787,078</u>	<u>\$0.03782</u>	<u>\$2,922,799</u>	<u>\$0.03173</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	2,039,486	0.01988	1,888,046	0.01886	1,827,849	0.01984
Emissions:						
SO ² Allowances-ARP ^{fn1}	230	0.00000	50	0.00000	43	0.00000
SO ² Allowances-CASPR ^{fn2}	---	---	125	0.00000	452	0.00000
SO ² Allowances-CAIR ^{fn3}	633	---	---	---	---	---
NO _x Allowances ^{fn4}	69,306	0.00068	1,342	0.00001	50,074	0.00054
Other ^{fn5}	<u>206,112</u>	<u>0.00201</u>	<u>193,885</u>	<u>0.00194</u>	<u>185,110</u>	<u>0.00201</u>
Total Variable Costs	<u>2,315,767</u>	<u>0.02257</u>	<u>2,083,448</u>	<u>0.02081</u>	<u>2,063,528</u>	<u>0.02240</u>
Gross Margin	<u>\$1,418,379</u>	<u>\$0.01383</u>	<u>\$1,703,630</u>	<u>\$0.01701</u>	<u>\$859,271</u>	<u>\$0.00933</u>
Percent Gross Margin	38.0%		45.0%		29.4%	

Calendar Year To Date

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>600,714,195</u>		<u>470,791,565</u>		<u>578,368,099</u>	
<u>Wholesale Sales</u>	<u>\$20,246,122</u>	<u>\$0.03370</u>	<u>\$13,480,876</u>	<u>\$0.02863</u>	<u>\$16,836,639</u>	<u>\$0.02911</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	11,916,459	0.01984	8,973,879	0.01906	11,687,732	0.02021
Emissions:						
SO ² Allowances-ARP ^{fn1}	1,345	0.00000	174	0.00000	181	---
SO ² Allowances-CASPR ^{fn2}	---	---	433	0.00000	14,271	---
SO ² Allowances-CAIR ^{fn3}	3,699	---	---	---	---	---
NO _x Allowances ^{fn4}	230,017	0.00038	26,733	0.00006	158,926	0.00027
Other ^{fn3}	<u>1,442,784</u>	<u>0.00240</u>	<u>1,349,925</u>	<u>0.00287</u>	<u>1,337,755</u>	<u>0.00231</u>
Total Variable Costs	<u>13,594,304</u>	<u>0.02263</u>	<u>10,351,144</u>	<u>0.02199</u>	<u>13,198,865</u>	<u>0.02282</u>
Gross Margin	<u>\$6,651,818</u>	<u>\$0.01107</u>	<u>\$3,129,732</u>	<u>\$0.00665</u>	<u>\$3,637,774</u>	<u>\$0.00629</u>
Percent Gross Margin	32.9%		23.2%		21.6%	

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

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
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	8.50
YTD SO ² CASPR	0.00	2.00	63.16
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	10.00	147.50
NO _x seasonal	288.00	205.00	302.50
YTD NO _x annual	160.00	45.32	153.81
YTD NO _x seasonal	288.00	226.72	214.23

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

