

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

June 2017

**Muscatine Power and Water
Electric Utility**

Table of Contents

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Position.....	3 - 4
Statements of Net Position.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17
Wind Sales Analysis.....	18

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - June 2017

	<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	73,163,520	6.2	77,665,404	(9.5)	85,836,085
Less: Plant Use	<u>6,723,360</u>	16.6	<u>7,842,255</u>	(17.5)	<u>9,500,581</u>
Net Generation/Wholesale Sales	66,440,160	5.1	69,823,149	(8.5)	76,335,504
Wholesale Sales - Wind	<u>3,896,403</u>	(5.8)	<u>3,669,753</u>	---	---
Total Wholesales Sales	<u><u>70,336,563</u></u>	4.5	<u><u>73,492,902</u></u>	(3.7)	<u><u>76,335,504</u></u>
<u>Net Capacity Factors</u>					
Unit 9	58.00	0.4	58.22	7.2	54.33
Unit 8/8A	---	---	---	---	33.13
Unit 7	---	---	24.39	2.4	23.82
Total Plant	47.41	(8.2)	43.54	(7.9)	47.30
<u>KWH Distribution</u>					
Residential	8,885,435	3.9	9,230,215	(4.4)	9,652,840
Commercial I	3,104,404	6.9	3,317,485	0.3	3,308,029
Commercial II	7,936,030	2.3	8,116,680	(3.9)	8,446,620
Industrial I	12,141,766	4.6	12,702,400	15.4	11,008,900
Industrial II	36,900,000	(2.1)	36,113,760	2.3	35,300,950
City Enterprise Funds	418,333	3.8	434,129	17.1	370,655
Water & Communications Utilities	<u>1,544,855</u>	(15.1)	<u>1,311,749</u>	(17.7)	<u>1,594,050</u>
Native System Sales	70,930,823	0.4	71,226,418	2.2	69,682,044
City Lighting	120,203	33.3	160,272	(7.0)	172,408
City Buildings	590,456	13.6	670,685	19.8	559,626
Offline Power Plant Usage	387,360	(19.5)	311,800	(1.5)	316,648
Losses & Cycle Billing	<u>4,022,329</u>	(10.0)	<u>3,618,974</u>	(18.5)	<u>4,441,778</u>
Total Native System KWH					
Distributed	76,051,171	(0.1)	75,988,149	1.1	75,172,504
Wind KWH Purchases	<u>3,896,403</u>	(5.8)	<u>3,669,753</u>	---	---
Total Purchased Power KWH	<u><u>79,947,574</u></u>	(0.4)	<u><u>79,657,902</u></u>	6.0	<u><u>75,172,504</u></u>
<u>STEAM SALES - 1,000 lbs</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u><u>246,464</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - June 2017

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	448,376,947	(6.1)	421,134,191	(0.3)	422,445,743
Less: Plant Use	<u>48,026,064</u>	(4.5)	<u>45,874,234</u>	(11.4)	<u>51,788,902</u>
Net Generation/Wholesale Sales	400,350,883	(6.3)	375,259,957	1.2	370,656,841
Wholesale Sales - Wind	<u>26,623,684</u>	7.3	<u>28,554,401</u>	---	---
Total Wholesale Sales	<u><u>426,974,567</u></u>	(5.4)	<u><u>403,814,358</u></u>	8.9	<u><u>370,656,841</u></u>
<u>Net Capacity Factors</u>					
Unit 9	52.59	(14.5)	44.96	1.0	44.51
Unit 8/8A	58.85	(51.9)	28.29	(2.9)	29.14
Unit 7	---	---	14.29	1.5X	5.80
Total Plant	47.35	(18.1)	38.77	2.4	37.86
<u>KWH Distribution</u>					
Residential	48,801,510	(5.9)	45,943,035	(3.3)	47,491,053
Commercial I	17,714,994	0.8	17,852,432	2.7	17,376,088
Commercial II	45,514,506	(2.7)	44,276,640	(6.8)	47,495,400
Industrial I	62,218,412	2.7	63,888,780	13.2	56,431,800
Industrial II	229,650,000	(0.8)	227,725,756	1.4	224,535,612
City Enterprise Funds	2,755,132	(4.0)	2,645,407	4.4	2,534,749
Water & Communications Utilities	<u>8,724,707</u>	(2.4)	<u>8,514,438</u>	(1.3)	<u>8,629,992</u>
Native System Sales	415,379,261	(1.1)	410,846,488	1.6	404,494,694
City Lighting	690,848	42.1	981,842	2.2	960,511
City Buildings	3,296,343	7.8	3,555,086	8.9	3,263,688
Offline Power Plant Usage	1,062,000	1.9X	3,070,173	43.7	2,136,748
Losses & Cycle Billing	<u>13,538,858</u>	(13.8)	<u>11,671,873</u>	(14.5)	<u>13,657,453</u>
Total Native System KWH					
Distributed	433,967,310	(0.9)	430,125,462	1.3	424,513,094
Wind KWH Purchases	<u>26,623,684</u>	7.3	<u>28,554,401</u>	---	---
Total Purchased Power KWH	<u><u>460,590,994</u></u>	(0.4)	<u><u>458,679,863</u></u>	8.0	<u><u>424,513,094</u></u>
<u>STEAM SALES - 1,000 lbs</u>	<u><u>997,619</u></u>	5.0	<u><u>1,047,098</u></u>	(23.7)	<u><u>1,372,287</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - June 2017

	Budget		% Increase (Decrease) from Budget			% Increase (Decrease) from Last Year		
	Estimate	Avg. Price		This Year	Avg. Price		Last Year	Avg. Price
Sales of Electricity								
Residential	\$947,349	\$ 0.10662	8.6	\$1,028,715	\$ 0.11145	2.6	\$1,002,561	\$ 0.10386
Commercial I	316,645	0.10200	10.5	349,830	0.10545	7.9	324,253	0.09802
Commercial II	646,546	0.08147	2.4	661,842	0.08154	2.8	643,626	0.07620
Industrial I	758,959	0.06251	9.3	829,645	0.06531	24.2	667,856	0.06067
Industrial II	1,927,290	0.05223	5.3	2,028,949	0.05618	16.1	1,747,482	0.04950
City Enterprise Funds	32,891	0.07862	7.0	35,201	0.08108	15.5	30,489	0.08226
Water & Communication Utilities	98,616	0.06384	(8.3)	90,431	0.06894	(5.6)	95,773	0.06008
Native System Sales	4,728,296	0.06666	6.3	5,024,613	0.07054	11.4	4,512,040	0.06475
Wholesale Sales	2,516,223	0.03577	(6.8)	2,346,191	0.03192	(13.1)	2,698,766	0.03535
Energy Sales	7,244,519		1.7	7,370,804		2.2	7,210,806	
Steam Sales	---	---	---	---	---	---	978,516	3.97
Other Revenue								
By-Product Revenue	45,116		(35.6)	29,049		(34.6)	44,412	
Miscellaneous Revenue	53,081		5.2	55,850		(56.4)	128,028	
Total Other Revenue	98,197		(13.5)	84,899		(50.8)	172,440	
Operating Revenue	7,342,716		1.5	7,455,703		(10.8)	8,361,762	
Operating Expense								
Purchased Power	2,320,156	0.02902	0.6	2,333,503	0.02929	5.1	2,220,954	0.02954
Production Fuel	1,389,247		2.5	1,424,368		(30.2)	2,039,564	
Emissions Allowance	---		---	14		(100.0)	32,677	
Operation	2,177,047		(13.0)	1,893,451		9.3	1,731,684	
Maintenance	800,948		20.8	967,788		45.3	666,243	
Depreciation	957,140		(6.0)	900,004		7.5	837,341	
Total Operating Expense	7,644,538		(1.6)	7,519,128		(0.1)	7,528,463	
Operating Income (Loss)	(301,822)		(79.0)	(63,425)		-1.1X	833,299	
Nonoperating Revenue (Expense)								
Interest Income	8,856		2.4X	30,292		98.4	15,268	
Interest Expense	(400)		13.3	(453)		70.9	(265)	
Total Nonoperating Revenue (Expense)	8,456		2.5X	29,839		98.9	15,003	
Net Income (Loss) Before Revenue Adjustment	(293,366)		(88.6)	(33,586)		-1.0X	848,302	
Capital Contributions	---		---	---		---	---	
Change in Net Position	(293,366)		(88.6)	(33,586)		-1.0X	848,302	
Beginning Net Position	124,468,477			126,275,164			122,018,429	
Ending Net Position	\$124,175,111			\$126,241,578			\$122,866,731	
Net Loss Before Rev Adj to Op Revenue	(4.0)			(0.5)			10.2	
Change in Net Position to Operating Revenue	(4.0)			(0.5)			10.2	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - June 2017

	Budget		% Increase (Decrease) from Budget	This Year	Avg. Price		% Increase (Decrease) from Last Year	Last Year	Avg. Price
	Estimate	Avg. Price			Avg. Price	Year			
Sales of Electricity									
Residential	\$5,257,871	\$ 0.10774	(1.2)	\$5,193,274	\$ 0.11304	2.1	\$5,086,257	\$ 0.10710	
Commercial I	1,802,985	0.10178	2.7	1,850,828	0.10367	8.3	1,709,639	0.09839	
Commercial II	3,722,007	0.08178	(3.7)	3,584,955	0.08097	(1.9)	3,652,782	0.07691	
Industrial I	3,907,110	0.06280	6.3	4,154,339	0.06502	19.0	3,490,699	0.06186	
Industrial II	11,857,385	0.05163	3.2	12,233,516	0.05372	9.6	11,163,152	0.04972	
City Enterprise Funds	207,576	0.07534	(2.7)	202,070	0.07639	8.3	186,515	0.07358	
Water & Communications Utilities	556,350	0.06377	(0.2)	555,304	0.06522	4.9	529,596	0.06137	
Native System Sales	27,311,284	0.06575	1.7	27,774,286	0.06760	7.6	25,818,640	0.06383	
Wholesale Sales	13,663,958	0.03200	4.9	14,337,569	0.03551	47.9	9,693,796	0.02615	
Energy Sales	40,975,242		2.8	42,111,855		18.6	35,512,436		
Steam Sales	4,095,826	4.11	(2.2)	4,005,118	3.82	(26.7)	5,463,212	3.98	
Other Revenue									
By-Product Revenue	130,841		(24.5)	98,757		(21.0)	125,064		
Miscellaneous Revenue	313,180		25.3	392,406		5.5	371,929		
Total Other Revenue	444,021		10.6	491,163		(1.2)	496,993		
Operating Revenue	45,515,089		2.4	46,608,136		12.4	41,472,641		
Operating Expense									
Purchased Power	12,196,359	0.02648	14.4	13,952,723	0.03042	46.1	9,550,657	0.02250	
Production Fuel	9,907,073		(0.7)	9,834,336		(6.2)	10,484,960		
Emissions Allowance	298,102		(98.2)	5,350		(94.2)	91,835		
Operation	13,511,055		(10.9)	12,040,081		(1.9)	12,276,449		
Maintenance	7,622,101		(5.3)	7,220,030		60.9	4,487,358		
Depreciation	5,742,837		(6.0)	5,400,028		7.5	5,024,046		
Total Operating Expense	49,277,527		(1.7)	48,452,548		15.6	41,915,305		
Operating Loss	(3,762,438)		(51.0)	(1,844,412)		3.2X	(442,664)		
Nonoperating Revenue (Expense)									
Interest Income	51,985		1.6X	137,434		76.1	78,041		
Interest Expense	(2,400)		20.5	(2,891)		77.3	(1,631)		
Total Nonoperating Revenue (Expense)	49,585		1.7X	134,543		76.1	76,410		
Net Loss Before Revenue Adjustment and Capital Contributions	(3,712,853)		(53.9)	(1,709,869)		3.7X	(366,254)		
Capital Contributions	---		---	63,483		(52.5)	133,577		
Change in Net Position	(3,712,853)		(55.7)	(1,646,386)		6.1X	(232,677)		
Beginning Net Position	127,887,964			127,887,964			123,099,408		
Ending Net Position	\$124,175,111			\$126,241,578			\$122,866,731		
Net Income (Loss) Before Rev Adj to Op Revenue	(8.2)			(3.7)			(0.9)		
Change in Net Position to Operating Revenue	(8.2)			(3.5)			(0.6)		

Muscatine Power and Water - Electric Utility
Statements of Net Position
June 2017

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash - interest bearing	\$35,869,227	\$13,259,190
Investments	14,550,000	16,252,942
Receivables:		
Consumer Accounts	5,956,032	5,851,510
Refined Coal	2,426,609	3,489,103
Wholesale	48,342	542,212
Steam Sales	---	997,572
Interest	67,174	41,658
Inventories	5,292,273	5,640,791
Fuel	7,954,822	14,867,056
Prepaid Expenses	1,033,886	1,176,762
	<hr/>	<hr/>
Total Current Assets	73,198,365	62,118,796
	<hr/>	<hr/>
Property and Equipment:		
At Cost	428,599,632	422,895,557
Less Accumulated Depreciation	355,043,111	345,564,885
	<hr/>	<hr/>
Net Property and Equipment	73,556,521	77,330,672
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	9,044,287	9,523,335
Note Receivable - Water Utility	---	2,900,000
Joint Venture Rights	86,677	102,174
	<hr/>	<hr/>
Total Other Assets	9,130,964	12,525,509
	<hr/>	<hr/>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	2,764,049
Difference between projected and actual earnings on pension plan	3,171,557	575,136
Contributions subsequent to measurement date	2,241,817	2,742,269
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	8,177,423	6,081,454
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$164,063,273</u>	<u>\$158,056,431</u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
June 2017

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2017</u>	<u>2016</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,648,009	\$5,383,220
Health & Dental Insurance Provision	271,040	295,620
Accrued Payroll	611,886	553,271
Accrued Vacation	1,232,583	1,240,560
Accrued Emission Allowance Expense	5,350	91,835
Consumers' Deposits	770,319	752,341
Retained Percentage on Contracts	80,179	2,030
Accrued Property Taxes	97,470	103,173
Miscellaneous Accrued Expenses	867,758	867,640
Unearned Revenue	26,744	253,448
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	8,611,338	9,543,138
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	946,310	896,720
Post-Employment Health Benefit Provision	423,433	395,822
Net Pension Liability	14,174,589	10,662,234
	<hr/>	<hr/>
Total Non-Current Liabilities	15,544,332	11,954,776
	<hr/>	<hr/>
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	633,159	658,920
	<hr/>	<hr/>
Total Deferred Inflows of Resources	13,666,025	13,691,786
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	73,556,521	77,330,672
Unrestricted	52,685,057	45,536,059
	<hr/>	<hr/>
Total Net Position	126,241,578	122,866,731
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$164,063,273</u>	<u>\$158,056,431</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
June 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,566,251	\$27,575,927
MISO sales	2,324,668	15,389,983
Steam sales	---	7,357,805
Coal sales	2,410,910	18,141,970
Railcar/facilities leasing	5,624	33,746
By-product sales	16,351	158,583
Miscellaneous sources	109,935	356,947
Cash paid to/for:		
Suppliers	(1,228,375)	(6,928,737)
MISO purchases/administration fees	(2,010,470)	(13,537,829)
South Fork Wind purchases	(121,704)	(728,339)
Coal purchases	(5,065,541)	(22,336,079)
Employees payroll, taxes and benefits	(1,616,799)	(10,843,601)
Net cash flows from operating activities	<u>(609,150)</u>	<u>14,640,376</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	28,829	28,829
Principal received on note receivable from water utility	6,000,000	6,000,000
Loan to Water Utility	<u>(500,000)</u>	<u>(3,100,000)</u>
Net cash flows from noncapital financing activities	<u>5,528,829</u>	<u>2,928,829</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(740,994)</u>	<u>(3,301,673)</u>
Net cash flows from capital and related financing activities	<u>(740,994)</u>	<u>(372,844)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(43,950)
Interest received on investments	13,472	113,270
Amortization/accretion of investments	---	(210)
Mark to Market	<u>---</u>	<u>(37)</u>
Net cash flows from investing activities	<u>13,472</u>	<u>69,073</u>
Net increase in cash and investments	<u>4,192,157</u>	<u>14,336,605</u>
Cash and investments at beginning of period	<u>46,227,070</u>	<u>36,082,622</u>
Cash and investments at end of period	<u><u>\$50,419,227</u></u>	<u><u>\$50,419,227</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
June 2017

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$63,425)	(\$1,844,412)
Noncash items in operating income:		
Depreciation of electric utility plant	900,004	5,400,028
Amortization of joint venture rights	8,613	52,696
Changes in assets and liabilities:		
Consumer accounts receivable	(387,382)	1,161,543
Refined coal	(10,075)	1,604,860
Wholesale receivable	266,489	984,481
Steam sales receivable	---	2,276,369
Inventories	56,857	375,021
Fuel	(393,214)	5,942,643
Prepaid expenses	134,178	(187,988)
Accounts payable	(1,496,607)	(1,951,867)
Net pension liability	195,654	1,173,920
Health & dental insurance provision	(21,630)	(64,967)
Other post-employment benefit provision	2,285	13,715
Accrued payroll	128,331	(69,213)
Accrued vacation	(42,771)	46,379
Accrued emission allowance expense	14	(219,048)
Consumers' deposits	2,477	8,719
Retained Percentage	29,153	28,893
Accrued property taxes	7,985	(4,564)
Unearned revenue	22,104	(82,048)
Miscellaneous accrued expenses	51,810	(4,784)
	<u> </u>	<u> </u>
Net cash flows from operating activities	<u>(\$609,150)</u>	<u>\$14,640,376</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
June 2017**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,143,183</u>	<u>\$13,082,587</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,143,183</u></u>	<u><u>\$13,082,587</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,320,156</u>	31.6	<u>\$2,333,503</u>	31.3	<u>\$2,220,954</u>	26.6
Average price per kWh	\$0.0305		\$0.0307		\$0.0295	
<u>Generation</u>						
Operation Supervision (500)	85,021		76,667		77,432	
Fuel: (501)						
Coal	1,297,328		1,367,818		1,964,299	
Fuel Oil	5,000		119		16,685	
Gas	2,000		4,639		10,815	
Coal Handling Expense (501-003)	57,521		23,181		39,573	
Landfill Operation Expense (501-925)	27,398		28,611		8,192	
Emissions Allowance Expense (509)	---		14		32,677	
Steam Expense:						
Boiler (502-004)	95,417		74,961		98,318	
Pollution Control (502-005)	59,478		74,146		70,350	
Electric Expense (505)	104,012		80,532		96,583	
Miscellaneous Steam Power Expense (506)	272,802		121,590		29,117	
Maintenance:						
Supervision (510)	67,830		69,319		67,287	
Structures (511)	77,449		243,948		61,158	
Boiler Plant:						
Boiler (512-006)	142,517		177,894		76,048	
Pollution Control (512-007)	42,851		51,424		65,792	
Electric Plant (513-008)	63,510		1,714		21,372	
System Control (513-009)	20,819		17,695		18,084	
Miscellaneous Steam Plant (514)	72,999		47,524		55,223	
Coal Handling Equipment (516)	80,474		110,090		111,744	
System Control and Load Dispatch (556)	27,842		23,681		22,026	
Vacation, Holiday, Sick Leave (557)	76,873		66,778		64,587	
Depreciation (558)	643,473		648,814		637,587	
Total Generation Expense	<u>\$3,322,614</u>	45.3	<u>\$3,311,159</u>	44.4	<u>\$3,644,949</u>	43.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$12,196,359</u>	26.8	<u>\$13,952,723</u>	29.9	<u>\$9,550,657</u>	23.0
Average price per kWh	\$0.0281		\$0.0324		\$0.0225	
 <u>Generation</u>						
Operation Supervision (500)	543,204		466,594		492,859	
Fuel: (501)						
Coal	9,450,353		9,332,716		10,043,390	
Fuel Oil	54,135		28,540		50,997	
Gas	6,000		116,369		69,226	
Coal Handling Expense (501-003)	330,639		256,560		272,413	
Landfill Operation Expense (501-925)	65,946		100,151		48,934	
Emissions Allowance Expense (509)	298,102		5,350		91,835	
Steam Expense:						
Boiler (502-004)	618,422		507,306		629,876	
Pollution Control (502-005)	459,899		240,725		401,918	
Electric Expense (505)	597,985		531,766		603,230	
Miscellaneous Steam Power Expense (506)	1,396,756		1,104,254		1,138,731	
Maintenance:						
Supervision (510)	402,632		471,467		423,846	
Structures (511)	666,472		429,760		262,522	
Boiler Plant:						
Boiler (512-006)	1,510,853		1,270,198		955,189	
Pollution Control (512-007)	363,586		434,574		388,066	
Electric Plant (513-008)	2,238,019		2,322,942		235,541	
System Control (513-009)	126,007		106,285		136,272	
Miscellaneous Steam Plant (514)	468,185		309,714		341,189	
Coal Handling Equipment (516)	484,715		412,612		511,933	
System Control and Load Dispatch (556)	172,406		146,500		141,498	
Vacation, Holiday, Sick Leave (557)	561,172		512,835		551,494	
Depreciation (558)	<u>3,860,837</u>		<u>3,892,886</u>		<u>3,825,524</u>	
 Total Generation Expense	 <u>\$24,676,325</u>	 54.2	 <u>\$23,000,104</u>	 49.3	 <u>\$21,616,483</u>	 52.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2017

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$7,476		\$8,129		\$8,927	
Load Dispatching (561)	66,264		74,313		56,275	
Station Expense (562)	7,766		9,543		10,775	
Overhead Line Expense (563)	142		597		---	
Transmission of Electricity by Others (565)	113,017		97,766		76,138	
Miscellaneous Transmission Expense (566)	15,037		11,904		17,585	
Maintenance:						
Supervision (568)	2,837		2,877		3,371	
Structures (569)	188		---		---	
Station Equipment (570)	4,191		8,689		7,412	
Overhead Lines (571)	15,196		4,896		14,396	
Vacation, Holiday, Sick Leave (575)	8,257		5,793		6,762	
Depreciation (576)	40,936		31,072		31,072	
Tax on Rural Property (577)	5,677		5,690		5,685	
Total Transmission Expense	<u>286,984</u>	3.9	<u>261,269</u>	3.5	<u>238,398</u>	2.9
<u>Distribution</u>						
Operation Supervision (580)	15,245		16,648		19,522	
Load Dispatching (581)	27,871		26,174		32,671	
Station Expense (582)	10,036		6,803		12,989	
Overhead Line Expense (583)	6,153		3,594		3,922	
Vehicle Expense (589)	16,623		14,266		11,222	
Underground Line Expense (584)	9,902		4,449		5,514	
Street Lighting (585-418)	2,597		59		273	
Signal Expense (585-419)	806		121		65	
Meter Expense (586)	8,890		10,441		10,557	
Consumer Installation Expense (587)	526		279		779	
Miscellaneous Distribution Expense (588)	55,553		61,458		52,638	
Maintenance:						
Supervision (590)	11,834		11,995		14,159	
Structures (591)	2,355		---		---	
Station Equipment (592)	7,196		8,516		8,563	
Overhead Lines (593)	47,568		87,110		51,392	
Underground Lines (594)	14,956		10,411		11,266	
Line Transformers (595)	4,180		7,441		1,698	
Street Lighting (596-418)	10,202		10,767		10,135	
Signal System (596-419)	3,809		15,058		2,539	
Meters (597)	2,629		2,170		2,104	
Miscellaneous Distribution Plant (598)	2,708		2,056		3,147	
Vacation, Holiday, Sick Leave (599)	25,760		20,210		23,580	
Depreciation (578)	172,687		172,352		168,481	
Tax on Rural Property (579)	1,696		1,700		1,698	
Total Distribution Expense	<u>\$461,782</u>	6.3	<u>\$494,078</u>	6.6	<u>\$448,914</u>	5.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$44,853		\$44,409		\$38,091	
Load Dispatching (561)	398,220		399,092		351,744	
Station Expense (562)	64,207		52,400		64,439	
Overhead Line Expense (563)	505		1,705		4,766	
Transmission of Electricity by Others (565)	678,102		472,977		460,128	
Miscellaneous Transmission Expense (566)	206,847		73,153		103,355	
Maintenance:						
Supervision (568)	17,089		16,546		20,320	
Structures (569)	815		---		---	
Station Equipment (570)	41,853		93,535		64,656	
Overhead Lines (571)	123,893		29,221		139,908	
Vacation, Holiday, Sick Leave (575)	60,250		53,025		47,290	
Depreciation (576)	245,615		186,431		186,432	
Tax on Rural Property (577)	34,063		34,231		34,198	
	<u>1,916,312</u>	4.2	<u>1,456,725</u>	3.1	<u>1,515,327</u>	3.7
<u>Distribution</u>						
Operation Supervision (580)	89,740		91,856		102,949	
Load Dispatching (581)	167,218		189,022		198,526	
Station Expense (582)	60,013		51,500		45,672	
Overhead Line Expense (583)	27,441		11,577		15,833	
Vehicle Expense (589)	99,717		87,996		70,754	
Underground Line Expense (584)	43,232		22,934		21,219	
Street Lighting (585-418)	15,584		2,398		6,277	
Signal Expense (585-419)	4,680		857		807	
Meter Expense (586)	56,131		61,259		61,745	
Consumer Installation Expense (587)	3,257		3,834		4,445	
Miscellaneous Distribution Expense (588)	340,039		413,033		321,013	
Maintenance:						
Supervision (590)	69,117		66,663		86,862	
Structures (591)	5,622		---		17	
Station Equipment (592)	62,323		92,576		57,852	
Overhead Lines (593)	316,362		499,253		296,811	
Underground Lines (594)	96,228		97,288		76,140	
Line Transformers (595)	37,197		31,420		13,554	
Street Lighting (596-418)	62,363		73,246		61,054	
Signal System (596-419)	21,413		27,375		19,309	
Meters (597)	15,576		14,602		14,167	
Miscellaneous Distribution Plant (598)	16,250		17,418		15,033	
Vacation, Holiday, Sick Leave (599)	188,735		207,330		192,376	
Depreciation (578)	1,036,119		1,034,113		1,010,886	
Tax on Rural Property (579)	10,174		10,225		10,215	
	<u>\$2,844,531</u>	6.2	<u>\$3,107,775</u>	6.7	<u>\$2,703,516</u>	6.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - June 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$4,438		\$2,446		\$2,818	
Energy Efficiency Rebates (910)	17,859		8,361		7,337	
Electric Ranges/Dryers Maintenance (911)	451		122		220	
Electric Water Heaters Maintenance (912)	129		153		31	
	<u>22,877</u>	0.3	<u>11,082</u>	0.1	<u>10,406</u>	0.1
<u>Consumer Accounts</u>						
Supervision (901)	3,207		2,697		3,756	
Meter Reading Expense (902)	9,397		9,314		9,100	
Consumer Records and Collection (903)	40,215		43,251		39,373	
Uncollectible Accounts Expense (904)	5,623		5,623		4,769	
Vacation, Holiday, Sick Leave (906)	4,016		3,555		3,070	
	<u>62,458</u>	0.9	<u>64,440</u>	0.9	<u>60,068</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries (920)	186,756		173,924		174,307	
Office Supplies and Expenses (921)	14,147		19,948		12,924	
Outside Services Employed (923)	55,665		17,138		27,208	
Property Insurance (924)	57,271		55,721		53,778	
Casualty Ins, Injuries & Damages (925)	51,170		69,901		23,767	
Employee Pensions and Benefits (926)	557,296		543,096		515,664	
Fringe Benefits Charged to Constr. (927)	(37,633)		(23,967)		(24,591)	
Regulatory Commission (928)	6,231		9,250		7,663	
Miscellaneous General Expense (930)	50,069		30,941		34,674	
Maintenance of General Plant (932)	56,341		41,241		21,421	
Maintenance of A/O Center (934)	46,309		34,953		37,932	
Vacation, Holiday, Sick Leave (936)	24,001		23,685		19,826	
Depreciation (933)	100,044		47,766		201	
	<u>1,167,667</u>	15.9	<u>1,043,597</u>	14.0	<u>904,774</u>	10.8
Total Operating Expense	<u>\$7,644,538</u>		<u>\$7,519,128</u>		<u>\$7,528,463</u>	
Percent to Operating Revenue		104.1		100.9		90.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - June 2017

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$45,715		\$32,823		\$34,067	
Energy Efficiency Rebates (910)	107,148		112,427		33,201	
Electric Ranges/Dryers Maintenance (911)	2,808		732		1,183	
Electric Water Heaters Maintenance (912)	<u>1,035</u>		<u>380</u>		<u>329</u>	
Total Customer Service Expense	<u>\$156,706</u>	0.3	<u>\$146,362</u>	0.3	<u>\$68,780</u>	0.2
<u>Consumer Accounts</u>						
Supervision (901)	19,243		19,013		19,220	
Meter Reading Expense (902)	54,538		58,194		54,398	
Consumer Records and Collection (903)	240,826		233,975		222,796	
Uncollectible Accounts Expense (904)	33,738		33,738		28,614	
Vacation, Holiday, Sick Leave (906)	<u>30,014</u>		<u>29,471</u>		<u>30,391</u>	
Total Consumer Accounts Expense	<u>378,359</u>	0.8	<u>374,391</u>	0.8	<u>355,419</u>	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	1,121,476		1,055,757		1,058,615	
Office Supplies and Expenses (921)	98,927		85,061		76,717	
Outside Services Employed (923)	336,460		206,685		178,922	
Property Insurance (924)	333,147		328,498		337,680	
Casualty Ins, Injuries & Damages (925)	309,418		339,335		582,737	
Employee Pensions and Benefits (926)	3,404,554		3,385,666		3,195,646	
Fringe Benefits Charged to Constr. (927)	(168,571)		(139,694)		(146,974)	
Regulatory Commission (928)	37,388		45,756		43,222	
Miscellaneous General Expense (930)	383,353		240,528		230,089	
Maintenance of General Plant (932)	263,429		207,758		159,310	
Maintenance of A/O Center (934)	212,102		195,577		207,807	
Vacation, Holiday, Sick Leave (936)	176,986		176,943		180,148	
Depreciation (933)	<u>600,266</u>		<u>286,598</u>		<u>1,204</u>	
Total Administrative and General	<u>7,108,935</u>	15.6	<u>6,414,468</u>	13.8	<u>6,105,123</u>	14.7
Total Operating Expense	<u><u>\$49,277,527</u></u>		<u><u>\$48,452,548</u></u>		<u><u>\$41,915,305</u></u>	
Percent to Operating Revenue		108.3		104.0		101.1

Muscatine Power and Water - Electric Utility
Statistical Data
June 2017

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.773	\$1.834
Per Net MW Generated	\$20.55	\$19.74
Net Peak Monthly Demand-KW	135,210	132,030
Date of Peak	6/12	6/15
Hour of Peak	1600	1700

	<u>Calendar Year-To-Date</u>	
	<u>2017</u>	<u>2016</u>
Per Million Btu.	\$1.811	\$1.847
Per Net MW Generated	\$20.41	\$20.22
Net Peak Monthly Demand-KW	135,210	132,030
Date of Peak	6/12	6/15
Hour of Peak	1600	1700
Average Temperature	72.4°	72.2°

<u>Services</u>	<u>2017</u>	<u>2016</u>
Residential	9,858	9,837
Commercial I	1,386	1,377
Commercial II	110	118
Industrial I	11	10
Industrial II	2	2
City Enterprise Funds	23	22
Water & Communications Utility	35	35
	<hr/>	<hr/>
Total	<u>11,425</u>	<u>11,401</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis - Excluding Wind
Current Month - June 2017

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>66,440,160</u>		<u>69,823,149</u>		<u>76,335,504</u>	
Wholesale Sales*	<u>\$2,438,061</u>	<u>\$0.03670</u>	<u>\$2,293,801</u>	<u>\$0.03285</u>	<u>\$2,698,766</u>	<u>\$0.03535</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,300,535	0.01957	1,366,017	0.01956	1,444,997	0.01893
Emissions:						
SO ² Allowances-ARP ^{fn1}	---	---	3	---	25	0.00000
SO ² Allowances-CSAPR ^{fn2}	---	---	8	---	62	0.00000
NO _x Allowances ^{fn3}	---	---	37,076	---	22,200	0.00029
Other ^{fn4}	<u>159,224</u>	<u>0.00240</u>	<u>178,138</u>	<u>0.00255</u>	<u>193,885</u>	<u>0.00254</u>
Total Variable Costs	<u>1,459,759</u>	<u>0.02197</u>	<u>1,581,242</u>	<u>0.02265</u>	<u>1,661,169</u>	<u>0.02176</u>
Gross Margin	<u>\$978,302</u>	<u>\$0.01472</u>	<u>\$712,559</u>	<u>\$0.01021</u>	<u>\$1,037,597</u>	<u>\$0.01359</u>
Percent Gross Margin	40.1%		31.1%		38.4%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales*	<u>400,350,883</u>		<u>375,259,957</u>		<u>370,656,841</u>	
Wholesale Sales*	<u>\$13,118,278</u>	<u>\$0.03277</u>	<u>\$13,971,202</u>	<u>\$0.03723</u>	<u>\$9,693,796</u>	<u>\$0.02615</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	7,421,678	0.01854	7,226,624	0.01926	7,085,833	0.01912
Emissions:						
SO ² Allowances-ARP ^{fn1}	882	0.00000	133	0.00000	124	---
SO ² Allowances-CSAPR ^{fn2}	882	0.00000	339	0.00000	308	---
NO _x Allowances ^{fn3}	296,337	0.00074	79,237	0.00021	98,398	0.00027
Other ^{fn4}	<u>955,343</u>	<u>0.00239</u>	<u>1,014,068</u>	<u>0.00270</u>	<u>1,156,040</u>	<u>0.00312</u>
Total Variable Costs	<u>8,675,122</u>	<u>0.02167</u>	<u>8,320,401</u>	<u>0.02217</u>	<u>8,340,703</u>	<u>0.02250</u>
Gross Margin	<u>\$4,443,156</u>	<u>\$0.01110</u>	<u>\$5,650,801</u>	<u>\$0.01506</u>	<u>\$1,353,093</u>	<u>\$0.00365</u>
Percent Gross Margin	33.9%		40.4%		14.0%	

*Wholesale analysis excludes wind. (see next page)

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

	Budget	2017	2016
fn1 SO ² ARP	\$2.00	\$0.80	\$0.80
YTD SO ² ARP	2.00	0.79	0.80
fn2 SO ² CSAPR	0.00	2.00	2.00
YTD SO ² CSAPR	0.00	2.00	2.00
fn3 NO _x annual	500.00	3.25	20.00
NO _x seasonal	1,300.00	660.00	230.00
YTD NO _x annual	500.00	5.31	55.73
YTD NO _x seasonal	1,300.00	697.00	245.75

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - June 2017

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Revenue						
Wholesale kWh Sales	<u>3,896,403</u>		<u>3,669,753</u>		<u>0</u>	
Wholesale Sales	<u>\$78,162</u>	<u>\$0.02006</u>	<u>\$52,390</u>	<u>\$0.01428</u>	<u>\$0</u>	<u>---</u>
Expense						
Purchased Power kWh	<u>3,896,403</u>		<u>3,669,753</u>		<u>0</u>	
Purchased Power	<u>\$101,306</u>	<u>0.02600</u>	<u>\$95,414</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
Gross Margin/(Loss)	<u>(\$23,144)</u>	<u>(\$0.00594)</u>	<u>(\$43,024)</u>	<u>(\$0.01172)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-29.6%		-82.1%		---	
RECs Sold	---		---		---	
REC Net Proceeds	\$0	---	\$0	---	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
Wind Net Margin/(Loss)	(\$23,144)		(\$43,024)		\$0	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Revenue						
Wholesale kWh Sales	<u>26,623,684</u>		<u>28,554,401</u>		<u>0</u>	
Wholesale Sales	<u>\$545,680</u>	<u>\$0.02050</u>	<u>\$366,367</u>	<u>\$0.01283</u>	<u>\$0</u>	<u>---</u>
Expense						
Purchased Power kWh	<u>26,623,684</u>		<u>28,554,401</u>		<u>0</u>	
Purchased Power	<u>\$692,215</u>	<u>0.02600</u>	<u>\$742,449</u>	<u>0.02600</u>	<u>\$0</u>	<u>---</u>
Gross Margin/(Loss)	<u>(\$146,535)</u>	<u>(\$0.00550)</u>	<u>(\$376,082)</u>	<u>(\$0.01317)</u>	<u>\$0</u>	<u>---</u>
Percent Gross Margin	-26.9%		-102.7%		---	
RECs Sold	---		2,500		---	
REC Net Proceeds	\$0	---	\$1,875	0.75	\$0	---
Misc Wind Revenues/Charges	\$0		\$0		\$0	
Wind Net Margin/(Loss)	(\$146,535)		(\$374,207)		\$0	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period	0	3,438	0
RECs Added This Period	0	9,525	0
RECs Sold This Period	0	2,500	0
Number of RECs on hand	0	10,463	0
Market Value per REC	\$0.00	\$0.75	\$0.00
Value of RECs on Hand	\$0.00	\$7,847.49	\$0.00

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
June 2017

Delivered to Wholesale Customers

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Wholesale Sales KWHs	70,336,563	73,492,902	76,335,504	426,974,567	403,814,358	370,656,841
Wholesale Sales	\$2,516,223	\$2,346,191	\$2,698,766	\$13,663,958	\$14,337,569	\$9,693,796
Less:						
Production Fuel	1,389,247	1,424,368	1,497,275	7,840,932	7,611,480	7,440,350
Generation-Other	1,901,885	1,836,790	1,536,391	14,342,425	12,945,083	10,838,994
Transmission	286,984	261,269	238,398	1,916,312	1,456,725	1,515,327
Subtotal	<u>3,578,116</u>	<u>3,522,427</u>	<u>3,272,064</u>	<u>24,099,669</u>	<u>22,013,288</u>	<u>19,794,671</u>
Wholesale Margin	<u>(\$1,061,893)</u>	<u>(\$1,176,236)</u>	<u>(\$573,298)</u>	<u>(\$10,435,711)</u>	<u>(\$7,675,719)</u>	<u>(\$10,100,875)</u>

Delivered to Steam Customer

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Steam Sales - 1,000 lbs.	---	---	246,464	997,619	1,047,098	1,372,287
Steam Sales	---	---	\$978,516	\$4,095,826	\$4,005,118	\$5,463,212
Less:						
Production Fuel	---	---	542,289	2,066,141	2,222,856	3,044,610
Generation-Other	31,483	50,002	68,995	426,827	220,685	292,529
Steam Sales Margin	<u>(\$31,483)</u>	<u>(\$50,002)</u>	<u>\$367,233</u>	<u>\$1,602,858</u>	<u>\$1,561,577</u>	<u>\$2,126,073</u>

Delivered to Paying Native System Customers

	Current Month 2017 Budget	Current Month 2017 Actual	Current Month 2016 Actual	Year-To-Date 2017 Budget	Year-To-Date 2017 Actual	Year-To-Date 2016 Actual
Native System Sales KWHs	70,930,823	71,226,418	69,682,044	415,379,261	410,846,488	404,494,694
Native System Sales	\$4,728,296	\$5,024,613	\$4,512,040	\$27,311,284	\$27,774,286	\$25,818,640
Less:						
Purchased Power	2,320,156	2,333,503	2,220,954	12,196,359	13,952,723	9,550,657
Distribution	461,782	494,078	448,914	2,844,531	3,107,775	2,703,516
Customer Service	22,877	11,082	10,406	156,706	146,362	68,780
Consumers Accounts	62,458	64,440	60,068	378,359	374,391	355,419
Administrative & General	1,167,667	1,043,597	904,774	7,108,935	6,414,468	6,105,123
Subtotal	<u>4,034,940</u>	<u>3,946,700</u>	<u>3,645,116</u>	<u>22,684,890</u>	<u>23,995,719</u>	<u>18,783,495</u>
Native System Margin	693,356	1,077,913	866,924	4,626,394	3,778,567	7,035,145
Steam Sales Margin	(31,483)	(50,002)	367,233	1,602,858	1,561,577	2,126,073
Wholesale Margin	<u>(1,061,893)</u>	<u>(1,176,236)</u>	<u>(573,298)</u>	<u>(10,435,711)</u>	<u>(7,675,719)</u>	<u>(10,100,875)</u>
Net Electric Margin	(400,019)	(148,324)	660,859	(4,206,459)	(2,335,575)	(939,657)
Other Revenue	98,197	84,899	172,440	444,021	491,163	496,993
Nonoperating Revenue (Expense)	<u>8,456</u>	<u>29,839</u>	<u>15,003</u>	<u>49,585</u>	<u>134,543</u>	<u>76,410</u>
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$293,366)</u>	<u>(\$33,586)</u>	<u>\$848,302</u>	<u>(\$3,712,853)</u>	<u>(\$1,709,869)</u>	<u>(\$366,254)</u>