

**Muscatine Power and Water  
Electric Utility  
Operating Statements and Balance Sheets  
August 2012**

**Muscatine Power and Water  
Electric Utility**

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**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - August 2012**

	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	120,115,378	(10.7)	107,310,324	(16.5)	128,517,227
Less: Plant Use	<u>12,210,082</u>	(5.7)	<u>11,517,213</u>	(4.7)	<u>12,083,366</u>
Net Generation/Wholesale Sales	<u><b>107,905,296</b></u>	<u>(11.2)</u>	<u><b>95,793,111</b></u>	<u>(17.7)</u>	<u><b>116,433,861</b></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	73.00	(18.0)	59.87	(10.7)	67.05
Unit 8/8A	32.90	0.8X	57.66	(27.5)	79.52
Unit 7	50.00	(47.7)	26.17	(48.1)	50.47
Total Plant	63.01	(11.2)	55.93	(17.5)	67.79
<b><u>KWH Distribution</u></b>					
Residential	11,210,890	12.3	12,587,153	(4.2)	13,139,193
Commercial I	3,909,939	3.1	4,032,937	(2.3)	4,127,405
Commercial II	9,934,598	(4.8)	9,459,726	1.0	9,362,726
Industrial I	11,376,676	4.8	11,920,940	(3.9)	12,410,360
Industrial II	37,179,261	(5.9)	34,978,311	(0.6)	35,197,909
City Enterprise Funds	448,966	(29.1)	318,230	(18.2)	388,885
Water & Communications Utilities	<u>1,407,241</u>	<u>(3.9)</u>	<u>1,352,065</u>	<u>(0.1)</u>	<u>1,353,910</u>
Native System Sales	75,467,571	(1.1)	74,649,362	(1.8)	75,980,388
City Lighting	166,599	(2.4)	162,581	3.5	157,125
City Buildings	559,414	12.2	627,852	11.6	562,489
Offline Power Plant Usage	---	---	48,068	(65.2)	138,282
Losses & Cycle Billing	<u>2,446,334</u>	<u>(84.9)</u>	<u>368,248</u>	<u>(83.5)</u>	<u>2,226,458</u>
Total Native System KWH					
Distributed/Purchased Power	<u><b>78,639,918</b></u>	<u>(3.5)</u>	<u><b>75,856,111</b></u>	<u>(4.1)</u>	<u><b>79,064,742</b></u>
 <b>STEAM SALES - 1000 lbs</b>	 <u><b>222,770</b></u>	 13.8	 <u><b>253,564</b></u>	 (4.1)	 <u><b>264,407</b></u>

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - August 2012**

Page 2

	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	797,611,595	(36.1)	509,949,934	(20.9)	644,760,202
Less: Plant Use	<u>77,976,779</u>	(19.2)	<u>63,012,134</u>	(3.2)	<u>65,080,862</u>
Net Generation/Wholesale Sales	<u>719,634,816</u>	(37.9)	<u>446,937,800</u>	(22.9)	<u>579,679,340</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	64.93	(45.9)	35.10	(13.8)	40.71
Unit 8/8A	20.50	81.0	37.10	(32.4)	54.90
Unit 7	34.84	(63.5)	12.73	(65.6)	37.04
Total Plant	<u>53.39</u>	(37.9)	<u>33.15</u>	(23.0)	<u>43.05</u>
<b><u>KWH Distribution</u></b>					
Residential	68,788,397	8.6	74,688,022	(1.0)	75,444,633
Commercial I	26,211,103	0.8	26,424,062	(1.9)	26,930,515
Commercial II	69,563,925	(2.2)	68,044,585	(2.0)	69,461,601
Industrial I	77,750,705	2.0	79,277,700	(4.1)	82,652,680
Industrial II	294,322,590	1.4	298,430,118	0.5	296,973,797
City Enterprise Funds	3,851,092	(25.4)	2,872,846	(21.5)	3,659,246
Water & Communications Utilities	<u>10,725,770</u>	(6.5)	<u>10,025,685</u>	(1.8)	<u>10,207,288</u>
Native System Sales	551,213,582	1.6	559,763,018	(1.0)	565,329,760
City Lighting	1,366,881	(1.6)	1,344,669	2.5	1,311,836
City Buildings	4,292,563	3.3	4,433,572	(1.5)	4,502,768
Offline Power Plant Usage	638,400	4.7X	3,652,714	(19.9)	4,560,095
Losses & Cycle Billing	<u>19,462,095</u>	(12.6)	<u>17,000,154</u>	(2.5)	<u>17,436,614</u>
Total Native System KWH Distributed/Purchased Power	<u>576,973,521</u>	1.6	<u>586,194,127</u>	(1.2)	<u>593,141,073</u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u>1,201,824</u>	50.8	<u>1,812,232</u>	(1.4)	<u>1,837,421</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - August 2012**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$990,270	0.0883	\$1,102,091	0.0876	\$1,048,780	0.0798
Commercial I	316,710	0.0810	326,203	0.0809	326,903	0.0792
Commercial II	583,612	0.0587	555,382	0.0587	552,748	0.0590
Industrial I	613,902	0.0540	608,151	0.0510	610,479	0.0492
Industrial II	1,742,970	0.0469	1,636,590	0.0468	1,604,822	0.0456
City Enterprise Funds	26,121	0.0582	20,049	0.0630	21,806	0.0561
Water & Communication Utilities	68,035	0.0483	67,582	0.0500	65,761	0.0486
Native System Sales	4,341,620	0.0575	4,316,048	0.0578	4,231,299	0.0557
Wholesale Sales	4,269,579	0.0396	2,629,578	0.0275	4,175,822	0.0359
Energy Sales	8,611,199		6,945,626		8,407,121	
<b><u>Steam Sales</u></b>	<b>1,220,018</b>	<b>5.48</b>	<b>880,110</b>	<b>3.47</b>	<b>896,969</b>	<b>3.39</b>
<b><u>Other Revenue</u></b>						
Rail Car Lease	33,333		59,443		48,033	
By-Product Revenue	39,134		28,357		43,044	
Miscellaneous Revenue	40,118		55,200		105,167	
Total Other Revenue	112,585		143,000		196,244	
Operating Revenue	9,943,802		7,968,736		9,500,334	
<b><u>Operating Expense</u></b>						
Purchased Power	3,047,470	0.0388	1,804,341	0.0238	2,691,395	0.0340
Production Fuel	2,950,838		2,483,730		2,911,705	
Emissions Allowance	---		11,574		20,296	
Operation	1,805,856		1,808,773		1,686,950	
Maintenance	849,903		800,629		880,609	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	9,590,088		7,838,409		9,112,561	
Operating Income	353,714		130,327		387,773	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	122,777		104,336		110,461	
Interest Expense	(93,913)		(115)		(63,195)	
Total Nonoperating Revenue (Expense)	28,864		104,221		47,266	
<b>Net Income Before Revenue Adjustment and Capital Contributions</b>	<b>382,578</b>		<b>234,548</b>		<b>435,039</b>	
Capital Contributions	---		1,500		---	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Assets	382,578		236,048		435,039	
Beginning Net Assets	157,118,993		164,669,623		173,551,896	
<b>Ending Net Assets</b>	<b>\$157,501,571</b>		<b>\$164,905,671</b>		<b>\$173,986,935</b>	
Net Income (Loss) to Total Income Before Revenue Adj	3.8		2.9		4.5	
Net Income (Loss) to Total Income After Revenue Adj	3.8		2.9		4.5	
Debt Service Coverage Before Revenue Adj	15.64		N/A		1.22	
Debt Service Coverage After Revenue Adj	15.64		N/A		1.22	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - August 2012**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$5,775,231	0.0840	\$6,240,273	0.0836	\$5,699,878	0.0756
Commercial I	2,095,863	0.0800	2,115,393	0.0801	2,105,500	0.0782
Commercial II	4,155,165	0.0597	4,053,927	0.0596	4,032,536	0.0581
Industrial I	4,151,600	0.0534	4,079,970	0.0515	4,065,257	0.0492
Industrial II	13,375,629	0.0454	13,543,620	0.0454	12,984,624	0.0437
City Enterprise Funds	216,658	0.0563	173,913	0.0605	206,650	0.0565
Water & Communications Utilities	507,678	0.0473	495,381	0.0494	490,316	0.0480
Native System Sales	30,277,824	0.0549	30,702,477	0.0548	29,584,761	0.0523
Wholesale Sales	27,082,445	0.0376	13,117,497	0.0293	20,756,375	0.0358
Energy Sales	57,360,269		43,819,974		50,341,136	
<b><u>Steam Sales</u></b>	<b>5,938,167</b>	<b>4.94</b>	<b>6,575,560</b>	<b>3.63</b>	<b>6,371,507</b>	<b>3.47</b>
<b><u>Other Revenue</u></b>						
Rail Car Lease	266,667		539,420		295,056	
By-Product Revenue	181,053		433,827		115,812	
Miscellaneous Revenue	346,930		423,691		417,452	
Total Other Revenue	794,650		1,396,938		828,320	
Operating Revenue	64,093,086		51,792,472		57,540,963	
<b><u>Operating Expense</u></b>						
Purchased Power	20,425,740	0.0354	13,133,634	0.0224	18,464,326	0.0311
Production Fuel	18,047,755		13,323,705		15,157,136	
Emissions Allowance	---		52,490		272,226	
Operation	15,155,384		14,139,465		13,637,984	
Maintenance	8,080,084		6,029,113		10,040,291	
Depreciation	7,488,177		7,434,896		7,372,848	
Total Operating Expense	69,197,140		54,113,303		64,944,811	
Operating Loss	(5,104,054)		(2,320,831)		(7,403,848)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	979,671		838,315		891,424	
Interest Expense	(751,307)		(1,016)		(507,300)	
Total Nonoperating Revenue (Expense)	228,364		837,299		384,124	
<b>Net Loss Before Revenue Adjustment and Capital Contributions</b>	<b>(4,875,690)</b>		<b>(1,483,532)</b>		<b>(7,019,724)</b>	
Capital Contributions	---		11,943		9,185	
Revenue Adjustment-Extraordinary O & M	---		4,000,000		17,155,162	
Change in Net Assets	(4,875,690)		2,528,411		10,144,623	
<b>Beginning Net Assets</b>	<b>162,377,260</b>		<b>162,377,260</b>		<b>163,842,312</b>	
<b>Ending Net Assets</b>	<b>\$157,501,570</b>		<b>\$164,905,671</b>		<b>\$173,986,935</b>	
Net Income (Loss) to Total Income Before Revenue Adj	(7.5)		(2.8)		(12.0)	
Net Income (Loss) to Total Income After Revenue Adj	(7.5)		4.8		17.4	
Debt Service Coverage Before Revenue Adj	4.65		N/A		0.10	
Debt Service Coverage After Revenue Adj	4.65		N/A		1.94	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**August 2012**

**ASSETS**

	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Current Assets:</b>		
<b><u>Restricted</u></b>		
Cash - interest bearing	\$6,032,610	\$3,270,224
Investments	---	<u>4,193,091</u>
Total Restricted Current Assets	<u>6,032,610</u>	<u>7,463,315</u>
<b><u>Unrestricted</u></b>		
Cash - interest bearing	9,257,001	12,665,969
Investments	---	<u>1,872,488</u>
Receivables:		
Consumer Accounts	5,703,571	5,097,038
Wholesale	420,531	1,571,612
Steam Sales	1,141,578	1,488,830
Interest	207,901	233,842
Intercompanies	22,806	22,445
Inventories	6,587,798	6,543,297
Fuel	13,870,455	12,796,468
Prepaid Expenses	<u>724,934</u>	<u>677,119</u>
Total Unrestricted Current Assets	<u>37,936,575</u>	<u>42,969,108</u>
Total Current Assets	<u>43,969,185</u>	<u>50,432,423</u>
<b>Property and Equipment:</b>		
At Cost	409,307,354	407,397,306
Less Accumulated Depreciation	<u>308,621,339</u>	<u>298,735,284</u>
Net Property and Equipment	<u>100,686,015</u>	<u>108,662,022</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>116,918</u>	<u>136,585</u>
Total Other Assets	<u>35,443,918</u>	<u>35,463,585</u>
<b>TOTAL ASSETS</b>	<b><u>\$180,099,118</u></b>	<b><u>\$194,558,030</u></b>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**August 2012**

**LIABILITIES AND NET ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current Liabilities:</b>		
<b><u>Restricted</u></b>		
2001 Revenue Bonds - Plus Unamortized Premium of \$30,697 in 2011 and Less Deferred Amount on Refunding of \$30,153 in 2011	---	\$13,270,435
Accrued Interest	---	121,642
Total Restricted Current Liabilities	---	<u>13,392,077</u>
<b><u>Unrestricted</u></b>		
Accounts Payable	2,086,297	1,491,030
Pension Provision	1,482,916	309,410
Health & Dental Insurance Provision	196,533	233,632
Accrued Payroll	586,578	443,194
Accrued Vacation	1,054,139	1,097,858
Accrued Emission Allowance Expense	334,298	254,408
Consumers' Deposits	583,603	597,133
Retained Percentage on Contracts	15,298	---
Accrued Property Taxes	122,442	114,691
Miscellaneous Accrued Expenses	649,773	627,015
Miscellaneous Deferred Credits	13,850	52,850
Total Unrestricted Current Liabilities	<u>7,125,727</u>	<u>5,221,221</u>
Total Current Liabilities	<u>7,125,727</u>	<u>18,613,298</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,699,013	1,819,935
Post-Employment Health Benefit Provision	155,471	137,862
Consumer Advances for Construction	180,370	---
Total Non-Current Liabilities	<u>2,034,854</u>	<u>1,957,797</u>
<b>Deferred Revenue - Extraordinary O &amp; M</b>	<u>6,032,866</u>	---
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	100,686,015	95,400,681
Restricted	6,032,610	7,341,673
Unrestricted	58,187,046	71,244,581
Total Net Assets	<u>164,905,671</u>	<u>173,986,935</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$180,099,118</u></u>	<u><u>\$194,558,030</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**August 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Retail electric sales	\$4,220,961	\$29,983,007
MISO sales	3,583,207	12,663,698
Steam sales	950,058	6,592,277
Coal & transportation allowances	---	280,234
Railcar leasing	59,443	514,493
By-product sales	1,389	196,941
Miscellaneous sources	23,440	578,146
Cash paid to/for:		
Suppliers	(821,214)	(5,975,864)
MISO purchases/administration fees	(2,305,606)	(13,037,261)
Coal	(1,697,024)	(11,386,696)
Employees payroll, taxes and benefits	<u>(1,505,895)</u>	<u>(13,166,015)</u>
Net cash flows from operating activities	<u>2,508,759</u>	<u>7,242,960</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(815,869)</u>	<u>(2,639,924)</u>
Net cash flows from capital and related financing activities	<u>(815,869)</u>	<u>(2,639,924)</u>
<b>Cash flows from investing activities:</b>		
Purchase of joint venture rights	---	(64,183)
Interest received on investments and note receivable	416	652,112
Amortization/accretion of investments	---	424
Mark to market	<u>0</u>	<u>(18,126)</u>
Net cash flows from investing activities	<u>416</u>	<u>570,227</u>
Net increase in cash and investments	<u>1,693,306</u>	<u>5,173,263</u>
Cash and investments at beginning of period	<u>13,596,305</u>	<u>10,116,348</u>
Cash and investments at end of period	<u><u>\$15,289,611</u></u>	<u><u>\$15,289,611</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**August 2012**

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>		
Operating income (loss)	\$130,327	(\$2,320,831)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	7,434,896
Amortization of joint venture rights	9,795	70,485
Changes in assets and liabilities:		
Consumer accounts receivable	(331,292)	(708,051)
Wholesale receivable	684,864	(225,094)
Steam sales receivable	69,641	14,431
Intercompany receivable	(5,523)	3,016
Inventories	12,244	153,326
Fuel	954,050	1,748,315
Prepaid expenses	106,954	(227,163)
Accounts payable	(482,365)	(450,021)
Pension provision	187,322	1,482,916
Health & dental insurance provision	10,325	(172,404)
Other post-employment benefit provision	1,935	15,480
Accrued payroll	188,477	280,899
Accrued vacation	(28,358)	(6,582)
Accrued emission allowance expense	11,574	52,491
Consumers' deposits	(1,987)	(7,662)
Retained percentage	(4,067)	15,298
Accrued property taxes	8,461	15,616
Miscellaneous accrued expenses	57,020	112,599
Miscellaneous deferred credits	---	(39,000)
Net cash flows from operating activities	<u>\$2,508,759</u>	<u>\$7,242,960</u>

**Muscatine Power and Water - Electric Utility**  
**Funds Appropriated for Specific Purposes**  
**August 2012**

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	---	\$7,463,315
Extraordinary Operation & Maintenance Account	<u>6,032,610</u>	---
Total Cash and Investments Appropriated for Specific Purposes	<u>\$6,032,610</u>	<u>\$7,463,315</u>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - August 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b>Purchased Power</b>	<b>\$3,047,470</b>	30.6	<b>\$1,804,341</b>
Average price per kWh	\$0.0388	\$0.0238	\$0.0340
<b>Generation</b>			
Operation Supervision	82,981	84,153	84,016
Fuel:			
Coal	2,842,887	2,397,000	2,789,765
Fuel Oil	17,500	295	21,291
Gas	10,800	9,844	10,714
Coal Handling Expense	71,055	74,304	69,966
Landfill Operation Expense	8,596	2,287	19,969
Emissions Allowance Expense	---	11,574	20,296
Steam Expense:			
Boiler	110,243	100,184	104,596
Pollution Control	47,444	98,107	42,237
Electric Expense	109,342	106,019	97,435
Miscellaneous Steam Power Expense	145,719	139,804	161,935
Maintenance:			
Supervision	82,465	84,478	85,573
Structures	131,612	26,892	41,746
Boiler Plant:			
Boiler	188,122	142,364	115,405
Pollution Control	25,827	233,787	46,234
Electric Plant	43,526	33,592	96,872
System Control	40,508	17,581	22,309
Miscellaneous Steam Plant	56,494	51,725	48,839
Coal Handling Equipment	84,911	36,950	147,757
System Control and Load Dispatch	52,457	30,626	55,446
Vacation, Holiday, Sick Leave	77,430	70,239	69,870
Depreciation	<u>623,299</u>	<u>622,359</u>	<u>620,375</u>
Total Generation Expense	<u>\$4,853,218</u>	48.8	<u>\$4,374,164</u>
		54.9	<u>\$4,772,646</u>
		50.2	

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - August 2012**

Page 11

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>				
<b>Purchased Power</b>	<b>\$20,425,740</b>	31.9	<b>\$13,133,634</b>	25.4	<b>\$18,464,326</b>
Average price per kWh	\$0.0354		\$0.0224		\$0.0311
<b><u>Generation</u></b>					
Operation Supervision	659,046		603,518		640,378
Fuel:					
Coal	17,181,077		12,578,305		14,179,057
Fuel Oil	141,617		121,610		246,455
Gas	135,000		97,572		153,306
Coal Handling Expense	539,146		483,910		486,944
Landfill Operation Expense	50,915		42,308		91,374
Emissions Allowance Expense	---		52,490		272,226
Steam Expense:					
Boiler	911,808		794,426		799,272
Pollution Control	427,831		295,556		249,142
Electric Expense	807,777		763,497		705,871
Miscellaneous Steam Power Expense	1,405,963		1,349,205		1,311,016
Maintenance:					
Supervision	652,333		633,159		696,780
Structures	654,560		422,654		526,174
Boiler Plant:					
Boiler	2,503,340		1,532,728		2,797,572
Pollution Control	505,086		628,080		948,297
Electric Plant	613,961		288,433		2,274,615
System Control	184,313		125,218		165,672
Miscellaneous Steam Plant	501,244		497,232		446,972
Coal Handling Equipment	861,617		643,540		742,399
System Control and Load Dispatch	567,964		256,368		373,172
Vacation, Holiday, Sick Leave	745,429		741,508		683,768
Depreciation	4,986,395		4,978,872		4,963,000
<b>Total Generation Expense</b>	<b>\$35,036,422</b>	54.7	<b>\$27,930,189</b>	53.9	<b>\$33,753,462</b>
					58.7

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - August 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>			
<b><u>Transmission</u></b>						
Operation Supervision	\$4,089	\$4,308	\$1,393			
Load Dispatching	7,506	53,058	7,439			
Station Expense	8,993	7,507	13,526			
Overhead Line Expense	124	---	7,701			
Transmission of Electricity by Others	---	2,947	---			
Miscellaneous Transmission Expense	11,567	6,492	11,694			
Maintenance:						
Supervision	2,112	2,132	1,640			
Structures	886	---	10,682			
Station Equipment	6,508	5,596	4,440			
Overhead Lines	6,261	65	121,662			
Vacation, Holiday, Sick Leave	4,792	3,783	3,432			
Depreciation	30,643	30,625	30,592			
Tax on Rural Property	<u>5,606</u>	<u>5,627</u>	<u>5,822</u>			
Total Transmission Expense	<u>89,087</u>	0.9	<u>122,140</u>	1.5	<u>220,023</u>	2.3
<b><u>Distribution</u></b>						
Operation Supervision	11,969	12,625	10,014			
Load Dispatching	33,311	30,075	27,767			
Station Expense	7,366	7,987	7,138			
Overhead Line Expense	2,684	2,151	2,057			
Vehicle Expense	16,506	20,989	15,205			
Underground Line Expense	3,186	5,163	3,532			
Street Lighting	1,614	2,482	1,450			
Signal Expense	667	268	80			
Meter Expense	8,782	10,394	9,592			
Consumer Installation Expense	1,231	1,668	1,823			
Miscellaneous Distribution Expense	58,826	65,144	57,985			
Maintenance:						
Supervision	11,347	11,483	9,935			
Structures	795	---	---			
Station Equipment	10,523	4,787	7,437			
Overhead Lines	62,430	68,174	41,229			
Underground Lines	8,325	6,468	6,071			
Line Transformers	12,384	4,259	1,316			
Street Lighting	5,369	2,810	3,765			
Signal System	2,103	7,054	4,534			
Meters	2,811	522	702			
Miscellaneous Distribution Plant	3,007	1,837	1,042			
Vacation, Holiday, Sick Leave	21,748	19,542	15,217			
Depreciation	152,683	152,158	148,879			
Tax on Rural Property	<u>1,674</u>	<u>1,681</u>	<u>1,739</u>			
Total Distribution Expense	<u>\$441,341</u>	4.4	<u>\$439,721</u>	5.5	<u>\$378,509</u>	4.0

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - August 2012**

	<b>Budget</b> <b><u>Estimate</u></b>	<b><u>This Year</u></b>	<b><u>Last Year</u></b>
<b><u>Transmission</u></b>			
Operation Supervision	\$31,301	\$29,865	\$18,106
Load Dispatching	59,530	375,348	62,000
Station Expense	62,507	60,425	62,104
Overhead Line Expense	633	2,422	8,571
Transmission of Electricity by Others	---	21,497	---
Miscellaneous Transmission Expense	93,830	50,837	84,728
Maintenance:			
Supervision	16,219	13,178	13,298
Structures	8,265	---	10,682
Station Equipment	47,946	33,090	40,371
Overhead Lines	104,907	97,634	166,333
Vacation, Holiday, Sick Leave	45,420	38,733	41,590
Depreciation	245,145	245,000	244,736
Tax on Rural Property	44,845	44,406	45,892
 Total Transmission Expense	 760,548	 1.2	 1,012,435
	2.0	2.0	798,411
	1.4		
 <b><u>Distribution</u></b>			
Operation Supervision	90,345	78,196	79,676
Load Dispatching	259,011	231,399	237,021
Station Expense	57,778	57,033	59,908
Overhead Line Expense	31,741	12,060	28,311
Vehicle Expense	132,042	113,034	124,568
Underground Line Expense	26,541	24,462	21,640
Street Lighting	12,517	22,301	16,525
Signal Expense	8,350	2,065	1,076
Meter Expense	69,823	74,785	69,168
Consumer Installation Expense	9,467	11,666	14,023
Miscellaneous Distribution Expense	460,716	427,448	426,338
Maintenance:			
Supervision	83,134	69,953	76,118
Structures	8,187	---	3,094
Station Equipment	79,242	52,772	75,148
Overhead Lines	470,727	396,295	386,489
Underground Lines	66,941	48,376	38,664
Line Transformers	45,727	47,508	46,313
Street Lighting	42,766	25,135	38,453
Signal System	18,460	32,206	37,432
Meters	18,531	8,118	13,507
Miscellaneous Distribution Plant	24,057	17,203	13,524
Vacation, Holiday, Sick Leave	209,673	195,984	198,523
Depreciation	1,221,467	1,217,264	1,191,032
Tax on Rural Property	13,395	13,276	13,724
 Total Distribution Expense	 \$3,460,638	 5.4	 \$3,178,539
	6.1	6.1	\$3,210,275
	5.6		

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - August 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	\$17,781	\$4,816	17,114
Energy Efficiency Rebates	21,788	12,864	14,836
Electric Ranges/Dryers Maintenance	460	456	672
Electric Water Heaters Maintenance	183	169	554
 Total Customer Service Expense	 40,212	 0.4	 33,176
	 40,212	 0.4	 0.3
<b><u>Consumer Accounts</u></b>			
Supervision	2,024	2,439	2,290
Meter Reading Expense	8,404	8,997	8,323
Consumer Records and Collection	32,022	32,443	30,102
Uncollectible Accounts Expense	2,402	2,403	1,942
Vacation, Holiday, Sick Leave	3,241	3,500	2,697
 Total Consumer Accounts Expense	 48,093	 0.5	 45,354
	 48,093	 0.5	 0.5
<b><u>Administrative and General</u></b>			
Administrative and General Salaries	173,872	186,943	169,877
Office Supplies and Expenses	23,991	19,481	10,955
Outside Services Employed	57,519	18,043	36,556
Property Insurance	46,880	46,620	38,808
Casualty Ins, Injuries & Damages	37,801	64,668	51,617
Employee Pensions and Benefits	497,744	485,555	452,855
Fringe Benefits Charged to Constr.	(16,576)	(27,668)	(28,485)
Regulatory Commission	4,400	4,400	(3,363)
Miscellaneous General Expense	30,857	30,845	42,083
Maintenance of General Plant	25,422	21,551	21,433
Maintenance of A/O Center	36,155	36,522	39,986
Vacation, Holiday, Sick Leave	23,206	18,776	17,376
Depreciation	129,396	124,220	121,760
 Total Administrative and General	 1,070,667	 10.8	 971,458
	 1,070,667	 10.8	 10.2
 Total Operating Expense	 \$9,590,088	 \$7,838,409	 \$9,112,561
 Percent to Operating Revenue	 96.4	 98.4	 95.9

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - August 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	\$160,907	\$80,515	144,230
Energy Efficiency Rebates	179,307	134,652	97,670
Electric Ranges/Dryers Maintenance	3,968	3,544	7,012
Electric Water Heaters Maintenance	1,365	732	6,095
 Total Customer Service Expense	 \$345,547	 0.5	 \$255,007 0.4
 <b><u>Consumer Accounts</u></b>			
Supervision	15,822	17,006	16,622
Meter Reading Expense	68,025	69,915	65,156
Consumer Records and Collection	248,509	233,701	229,433
Uncollectible Accounts Expense	19,220	19,220	15,533
Vacation, Holiday, Sick Leave	31,666	35,770	29,175
 Total Consumer Accounts Expense	 383,242	 0.6	 355,919 0.6
 <b><u>Administrative and General</u></b>			
Administrative and General Salaries	1,359,569	1,293,453	1,318,070
Office Supplies and Expenses	158,015	133,040	106,271
Outside Services Employed	536,801	424,294	455,632
Property Insurance	350,826	349,528	317,080
Casualty Ins, Injuries & Damages	302,404	374,124	358,524
Employee Pensions and Benefits	4,062,116	3,935,784	3,796,396
Fringe Benefits Charged to Constr.	(138,276)	(153,833)	(185,524)
Regulatory Commission	35,200	45,171	22,943
Miscellaneous General Expense	292,887	249,176	259,124
Maintenance of General Plant	207,379	181,919	193,080
Maintenance of A/O Center	361,142	234,682	289,304
Vacation, Holiday, Sick Leave	221,770	202,353	202,431
Depreciation	1,035,170	993,760	974,080
 Total Administrative and General	 8,785,003	 13.7	 8,107,411 14.1
 Total Operating Expense	 \$69,197,140	 \$54,113,303	 \$64,944,811
 Percent to Operating Revenue	 108.0	 104.5	 112.9

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**August 2012**

<b><u>Per KWH Delivered to Wholesale Customers</u></b>						
	Current Month <u>2012 Budget</u>	Current Month <u>2012 Actual</u>	Current Month <u>2011 Actual</u>	Year-To-Date <u>2012 Budget</u>	Year-To-Date <u>2012 Actual</u>	Year-To-Date <u>2011 Actual</u>
Wholesale Sales KWHs	<u>107,905,296</u>	<u>95,793,111</u>	<u>116,433,861</u>	<u>719,634,816</u>	<u>446,937,800</u>	<u>579,679,340</u>
Wholesale Sales	<u>\$0.03957</u>	<u>\$0.02745</u>	<u>\$0.03586</u>	<u>\$0.03763</u>	<u>\$0.02935</u>	<u>\$0.03581</u>
Less:						
Generation	<u>0.03645</u>	<u>0.03959</u>	<u>0.03597</u>	<u>0.04274</u>	<u>0.05291</u>	<u>0.05078</u>
Transmission	<u>0.00083</u>	<u>0.00128</u>	<u>0.00189</u>	<u>0.00106</u>	<u>0.00227</u>	<u>0.00138</u>
Subtotal	<u>0.03728</u>	<u>0.04087</u>	<u>0.03786</u>	<u>0.04380</u>	<u>0.05518</u>	<u>0.05216</u>
Wholesale Margin	<u>\$0.00229</u>	<u>(\$0.01342)</u>	<u>(\$0.00200)</u>	<u>(\$0.00617)</u>	<u>(\$0.02583)</u>	<u>(\$0.01635)</u>

<b><u>Per KWH Delivered to Paying Native System Customers</u></b>						
	Current Month <u>2012 Budget</u>	Current Month <u>2012 Actual</u>	Current Month <u>2011 Actual</u>	Year-To-Date <u>2012 Budget</u>	Year-To-Date <u>2012 Actual</u>	Year-To-Date <u>2011 Actual</u>
Native System Sales KWHs	<u>75,467,571</u>	<u>74,649,362</u>	<u>75,980,388</u>	<u>551,213,582</u>	<u>559,763,018</u>	<u>565,329,760</u>
Native System Sales	<u>\$0.05753</u>	<u>\$0.05782</u>	<u>\$0.05569</u>	<u>\$0.05493</u>	<u>\$0.05485</u>	<u>\$0.05233</u>
Less:						
Purchased Power	<u>0.04038</u>	<u>0.02417</u>	<u>0.03542</u>	<u>0.03706</u>	<u>0.02346</u>	<u>0.03266</u>
Distribution	<u>0.00585</u>	<u>0.00589</u>	<u>0.00498</u>	<u>0.00628</u>	<u>0.00568</u>	<u>0.00568</u>
Customer Service	<u>0.00053</u>	<u>0.00025</u>	<u>0.00044</u>	<u>0.00063</u>	<u>0.00039</u>	<u>0.00045</u>
Consumers Accounts	<u>0.00064</u>	<u>0.00067</u>	<u>0.00060</u>	<u>0.00070</u>	<u>0.00067</u>	<u>0.00063</u>
Administrative & General	<u>0.01419</u>	<u>0.01380</u>	<u>0.01279</u>	<u>0.01594</u>	<u>0.01476</u>	<u>0.01434</u>
Subtotal	<u>0.06159</u>	<u>0.04477</u>	<u>0.05422</u>	<u>0.06059</u>	<u>0.04497</u>	<u>0.05376</u>
Native System Margin	<u>(0.00406)</u>	<u>0.01305</u>	<u>0.00147</u>	<u>(0.00566)</u>	<u>0.00988</u>	<u>(0.00143)</u>
Wholesale Margin	<u>0.00327</u>	<u>(0.01721)</u>	<u>(0.00307)</u>	<u>(0.00805)</u>	<u>(0.02062)</u>	<u>(0.01677)</u>
Net Electric Margin before Steam Sales	<u>(\$0.00079)</u>	<u>(\$0.00417)</u>	<u>(\$0.00160)</u>	<u>(\$0.01371)</u>	<u>(\$0.01074)</u>	<u>(\$0.01820)</u>
Net Electric Margin after Steam Sales	<u>\$0.00320</u>	<u>(\$0.00017)</u>	<u>\$0.00252</u>	<u>(\$0.01070)</u>	<u>(\$0.00664)</u>	<u>(\$0.01456)</u>

**Total Fuel Cost**  
 (To & Including Ash Handling, Gas & Oil)

	<b><u>Current Month</u></b>		<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Per Million Btu.	<u>\$1.793</u>	<u>\$1.773</u>	<u>\$1.861</u>	<u>\$1.690</u>
Per Net MW Generated	<u>\$20.32</u>	<u>\$20.40</u>	<u>\$20.95</u>	<u>\$18.88</u>
Net Peak Monthly Demand-KW	<u>130,300</u>	<u>138,790</u>	<u>138,450</u>	<u>140,880</u>
Date of Peak	<u>8/3</u>	<u>8/1</u>	<u>7/5</u>	<u>7/20</u>
Hour of Peak	<u>1700</u>	<u>1500</u>	<u>1500</u>	<u>1500</u>
Average Temperature	<u>70.8°</u>	<u>72°</u>		
<b><u>Services</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>		
Residential	<u>9,710</u>	<u>9,706</u>		
Commercial I	<u>1,390</u>	<u>1,397</u>		
Commercial II	<u>116</u>	<u>117</u>		
Industrial I	<u>11</u>	<u>11</u>		
Industrial II	<u>2</u>	<u>2</u>		
City Enterprise Funds	<u>22</u>	<u>22</u>		
Water & Communications Utility	<u>33</u>	<u>33</u>		
Total	<u>11,284</u>	<u>11,288</u>		

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis**  
**Current Month - August 2012**

	Modified Budget	This Year \$/kWh		Last Year		
<b>Wholesale kWh Sales</b>	<b>107,905,296</b>		<b>95,793,111</b>		<b>116,433,861</b>	
<b>Wholesale Sales</b>	<b>\$4,269,579</b>	<b>\$0.0396</b>	<b>\$2,629,578</b>	<b>\$0.0275</b>	<b>\$4,175,822</b>	<b>\$0.0359</b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	2,305,255	0.0214	1,848,517	0.0193	2,266,654	0.0195
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	151,291	0.0014	223	0.0000	107	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	463,286	0.0043	7,608	0.0001	14,209	0.0001
Other <sup>fn4</sup>	196,292	0.0018	192,761	0.0020	278,856	0.0024
Total Variable Costs	<b>3,116,124</b>	<b>0.0289</b>	<b>2,049,109</b>	<b>0.0214</b>	<b>2,559,826</b>	<b>0.0220</b>
<b>Gross Margin</b>	<b>\$1,153,455</b>	<b>\$0.0107</b>	<b>\$580,469</b>	<b>\$0.0061</b>	<b>\$1,615,996</b>	<b>\$0.0139</b>
Percent Gross Margin	27.0%		22.1%		38.7%	

**Calendar Year To Date**

	Modified Budget	This Year \$/kWh		Last Year		
<b>Wholesale kWh Sales</b>	<b>719,634,816</b>		<b>446,937,800</b>		<b>579,679,340</b>	
<b>Wholesale Sales</b>	<b>\$27,082,445</b>	<b>\$0.0376</b>	<b>\$13,117,497</b>	<b>\$0.0293</b>	<b>\$20,756,375</b>	<b>\$0.0358</b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	14,608,169	0.0203	8,742,715	0.0196	10,747,048	0.0185
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	459,518	0.0006	546	0.0000	2,947	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,352,468	0.0019	31,027	0.0001	187,165	0.0003
Other <sup>fn4</sup>	1,570,336	0.0022	1,546,003	0.0035	2,213,228	0.0038
Total Variable Costs	<b>17,990,491</b>	<b>0.0250</b>	<b>10,320,291</b>	<b>0.0231</b>	<b>13,150,388</b>	<b>0.0227</b>
<b>Gross Margin</b>	<b>\$9,091,954</b>	<b>\$0.0126</b>	<b>\$2,797,206</b>	<b>\$0.0063</b>	<b>\$7,605,987</b>	<b>\$0.0131</b>
Percent Gross Margin	33.6%		21.3%		36.6%	

**fn1** CSAPR was to be in place 1/1/12 and allowances granted were expected to meet our native system electric needs.

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

	Budget	2012	2011
<b>fn2 SO<sup>2</sup> (Acid Rain Program)</b>	\$2.00	\$2.75	\$1.00
YTD SO <sup>2</sup>	30.00	1.55	5.25
<b>fn2 SO<sup>2</sup>(CSAPR)</b>	1,000.00	---	---
<b>fn3 NO<sub>x</sub> annual</b>	500.00	37.50	65.00
NO <sub>x</sub> seasonal	1,300.00	15.00	10.00
<b>fn3 YTD NO<sub>x</sub> annual</b>	400.00	41.70	188.99
YTD NO <sub>x</sub> seasonal	50.00	8.13	13.18

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