

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>
<u>KWH Generated and Sold</u>					
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>107,905,296</u>	(11.2)	<u>95,793,111</u>	(17.7)	<u>116,433,861</u>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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>	(3.9)	<u>1,352,065</u>	(0.1)	<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>	(84.9)	<u>368,248</u>	(83.5)	<u>2,226,458</u>
Total Native System KWH Distributed/Purchased Power	<u>78,639,918</u>	(3.5)	<u>75,856,111</u>	(4.1)	<u>79,064,742</u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u>222,770</u>	13.8	<u>253,564</u>	(4.1)	<u>264,407</u>

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

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	<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	797,611,595	(36.1)	509,949,934	(20.9)	644,760,202
Less: Plant Use	<u>77,976,779</u>	<u>(19.2)</u>	<u>63,012,134</u>	<u>(3.2)</u>	<u>65,080,862</u>
Net Generation/Wholesale Sales	<u>719,634,816</u>	<u>(37.9)</u>	<u>446,937,800</u>	<u>(22.9)</u>	<u>579,679,340</u>
<u>Net Capacity Factors</u>					
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	53.39	(37.9)	33.15	(23.0)	43.05
<u>KWH Distribution</u>					
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>	<u>(6.5)</u>	<u>10,025,685</u>	<u>(1.8)</u>	<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>	<u>(12.6)</u>	<u>17,000,154</u>	<u>(2.5)</u>	<u>17,436,614</u>
Total Native System KWH Distributed/Purchased Power	<u>576,973,521</u>	<u>1.6</u>	<u>586,194,127</u>	<u>(1.2)</u>	<u>593,141,073</u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u>1,201,824</u>	<u>50.8</u>	<u>1,812,232</u>	<u>(1.4)</u>	<u>1,837,421</u>

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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
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	
<u>Steam Sales</u>	1,220,018	5.48	880,110	3.47	896,969	3.39
<u>Other Revenue</u>						
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	
<u>Operating Expense</u>						
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	
<u>Nonoperating Revenue (Expense)</u>						
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	
Net Income Before Revenue Adjustment and Capital Contributions	382,578		234,548		435,039	
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	
Ending Net Assets	\$157,501,571		\$164,905,671		\$173,986,935	
Net Income (Loss) to Total Income Before Revenue Adj	3.8		2.9		4.5	
Net Income (Loss) to Total Income Afer 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>
<u>Sales of Electricity</u>						
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	
<u>Steam Sales</u>	5,938,167	4.94	6,575,560	3.63	6,371,507	3.47
<u>Other Revenue</u>						
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	
<u>Operating Expense</u>						
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)	
<u>Nonoperating Revenue (Expense)</u>						
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	
Net Loss Before Revenue Adjustment and Capital Contributions	(4,875,690)		(1,483,532)		(7,019,724)	
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	
Beginning Net Assets	162,377,260		162,377,260		163,842,312	
Ending Net Assets	\$157,501,570		\$164,905,671		\$173,986,935	
Net Income (Loss) to Total Income Before Revenue Adj	(7.5)		(2.8)		(12.0)	
Net Income (Loss) to Total Income Afer 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

	<u>2012</u>	<u>2011</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$3,270,224
Investments	---	4,193,091
	<hr/>	<hr/>
Total Restricted Current Assets	6,032,610	7,463,315
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	9,257,001	12,665,969
Investments	---	1,872,488
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	724,934	677,119
	<hr/>	<hr/>
Total Unrestricted Current Assets	37,936,575	42,969,108
	<hr/>	<hr/>
Total Current Assets	43,969,185	50,432,423
	<hr/>	<hr/>
Property and Equipment:		
At Cost	409,307,354	407,397,306
Less Accumulated Depreciation	308,621,339	298,735,284
	<hr/>	<hr/>
Net Property and Equipment	100,686,015	108,662,022
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	116,918	136,585
	<hr/>	<hr/>
Total Other Assets	35,443,918	35,463,585
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TOTAL ASSETS	<u><u>\$180,099,118</u></u>	<u><u>\$194,558,030</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
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	---	13,392,077
<u>Unrestricted</u>		
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	7,125,727	5,221,221
Total Current Liabilities	7,125,727	18,613,298
Non-Current Liabilities:		
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	2,034,854	1,957,797
Deferred Revenue - Extraordinary O & M	6,032,866	---
Net Assets:		
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	164,905,671	173,986,935
TOTAL LIABILITIES AND NET ASSETS	<u>\$180,099,118</u>	<u>\$194,558,030</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>
Cash flows from operating activities:		
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	(1,505,895)	(13,166,015)
Net cash flows from operating activities	<u>2,508,759</u>	<u>7,242,960</u>
Cash flows from capital and related financing activities:		
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>
Cash flows from investing activities:		
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>
Reconciliation of operating income (loss) to net cash flows from operating activities		
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)
	<hr/>	<hr/>
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>	<u>---</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$6,032,610</u></u>	<u><u>\$7,463,315</u></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>	
<u>Purchased Power</u>	<u>\$3,047,470</u>	30.6	<u>\$1,804,341</u>	22.6	<u>\$2,691,395</u>	28.3
Average price per kWh	\$0.0388		\$0.0238		\$0.0340	
<u>Generation</u>						
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

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	\$20,425,740	31.9	\$13,133,634	25.4	\$18,464,326	32.1
Average price per kWh	\$0.0354		\$0.0224		\$0.0311	
<u>Generation</u>						
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	
Total Generation Expense	\$35,036,422	54.7	\$27,930,189	53.9	\$33,753,462	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>	
<u>Transmission</u>						
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	5,606		5,627		5,822	
Total Transmission Expense	89,087	0.9	122,140	1.5	220,023	2.3
<u>Distribution</u>						
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	1,674		1,681		1,739	
Total Distribution Expense	\$441,341	4.4	\$439,721	5.5	\$378,509	4.0

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>	
<u>Transmission</u>						
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	798,411	1.4
<u>Distribution</u>						
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	\$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>	
<u>Customer Service Expense</u>						
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	18,305	0.2	33,176	0.3
<u>Consumer Accounts</u>						
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	49,782	0.6	45,354	0.5
<u>Administrative and General</u>						
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	1,029,956	12.9	971,458	10.2
Total Operating Expense	<u>\$9,590,088</u>		<u>\$7,838,409</u>		<u>\$9,112,561</u>	
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>	
<u>Customer Service Expense</u>						
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	<u>1,365</u>		<u>732</u>		<u>6,095</u>	
Total Customer Service Expense	<u>\$345,547</u>	0.5	<u>\$219,443</u>	0.4	<u>\$255,007</u>	0.4
<u>Consumer Accounts</u>						
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	<u>31,666</u>		<u>35,770</u>		<u>29,175</u>	
Total Consumer Accounts Expense	<u>383,242</u>	0.6	<u>375,612</u>	0.7	<u>355,919</u>	0.6
<u>Administrative and General</u>						
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	<u>1,035,170</u>		<u>993,760</u>		<u>974,080</u>	
Total Administrative and General	<u>8,785,003</u>	13.7	<u>8,263,451</u>	16.0	<u>8,107,411</u>	14.1
Total Operating Expense	<u>\$69,197,140</u>		<u>\$54,113,303</u>		<u>\$64,944,811</u>	
Percent to Operating Revenue		108.0		104.5		112.9

Muscatine Power and Water - Electric Utility
Statistical Data
August 2012

Per KWH Delivered to Wholesale Customers

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

Per KWH Delivered to Paying Native System Customers

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

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

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

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

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

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

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