

**Muscatine Power and Water**

**Electric Utility**

**Operating Statements and Balance Sheets**

**February 2011**

**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 Assets..... | 3 - 4   |
| Balance Sheets.....  | 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      |

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - February 2011**

|   | <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                                    | 91,260,320             | (4.4)                                    | 87,280,739            | (33.7)                                    | 131,671,492           |
| Less: Plant Use                                     | <u>8,112,320</u>       | 14.4                                     | <u>9,282,218</u>      | (21.1)                                    | <u>11,762,718</u>     |
| Net Generation/Wholesale Sales                      | <u>83,148,000</u>      | (6.2)                                    | <u>77,998,521</u>     | (35.0)                                    | <u>119,908,774</u>    |
| <b><u>Capacity Factors</u></b>                      |                        |  |                       |   |                       |
| Unit 9  | 88.15                  | (37.7)                                   | 54.94                 | (31.7)                                    | 80.42                 |
| Unit 8  | ---                    | --                                       | 23.78                 | (60.5)                                    | 60.17                 |
| Unit 8A   | 95.29                  | (1.7)                                    | 93.68                 | (2.0)                                     | 95.61                 |
| Unit 7  | 52.27                  | (56.1)                                   | 22.96                 | (61.3)                                    | 59.38                 |
| Total Plant   | 52.84                  | (4.4)                                    | 50.53                 | (33.7)                                    | 76.24                 |
| <b><u>KWH Distribution</u></b>                      |                        |  |                       |   |                       |
| Residential   | 8,275,769              | 6.0                                      | 8,776,216             | (1.9)                                     | 8,943,959             |
| Commercial I  | 3,117,708              | 2.4                                      | 3,194,072             | (2.2)                                     | 3,267,447             |
| Commercial II                                       | 7,803,035              | (2.5)                                    | 7,607,138             | (11.5)                                    | 8,598,409             |
| Industrial I  | 8,117,532              | 1.4                                      | 8,230,000             | (1.8)                                     | 8,383,550             |
| Industrial II                                       | 35,722,909             | (2.8)                                    | 34,721,294            | 5.6                                       | 32,893,420            |
| City Enterprise Funds                               | 491,933                | (0.9)                                    | 487,656               | (3.8)                                     | 506,775               |
| Water & Communications Utilities                    | <u>1,240,420</u>       | (11.9)                                   | <u>1,092,704</u>      | (11.7)                                    | <u>1,237,193</u>      |
| Native System Sales                                 | 64,769,306             | (1.0)                                    | 64,109,080            | 0.4                                       | 63,830,753            |
| City Lighting                                       | 162,987                | (4.4)                                    | 155,897               | (9.6)                                     | 172,465               |
| City Buildings                                      | 585,979                | 4.9                                      | 614,511               | (6.8)                                     | 659,605               |
| Offline Power Plant Usage                           | ---                    | --                                       | 95,382                | --  | --                    |
| MAPP Trans Loss-Net                                 | ---                    | --                                       | --                    | --  | --                    |
| Losses & Cycle Billing                              | <u>1,143,946</u>       | (40.1)                                   | <u>684,735</u>        | --  | <u>(803,138)</u>      |
| Total Native System KWH Distributed/Purchased Power | <u>66,662,218</u>      | (1.5)                                    | <u>65,659,605</u>     | 2.8                                       | <u>63,859,685</u>     |
| <b><u>STEAM SALES - 1000 lbs</u></b>                | <b><u>231,840</u></b>  | <b>2.2</b>                               | <b><u>237,030</u></b> | <b>3.5</b>                                | <b><u>229,086</u></b> |

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - February 2011**

Page 2

|                                      | <b>Budget<br/>Estimate</b> | <b>% Increase<br/>(Decrease)<br/>From Budget</b> | <b>This<br/>Year</b> | <b>% Increase<br/>(Decrease)<br/>Fr. Last Yr.</b> | <b>Last<br/>Year</b> |
|--------------------------------------|----------------------------|--|----------------------|---|----------------------|
| <b><u>KWH Generated and Sold</u></b> |                            |  |                      |   |                      |
| Gross Generation                     | 197,908,630                | 12.5   | 222,567,463          | (15.8)  | 264,481,218          |
| Less: Plant Use                      | <u>17,557,030</u>          | 23.6   | <u>21,705,650</u>    | (10.8)  | <u>24,324,403</u>    |
| Net Generation/Wholesale Sales:      | <u>180,351,600</u>         | 11.4   | <u>200,861,813</u>   | (16.4)  | <u>240,156,815</u>   |
| <b><u>Capacity Factors</u></b>       |                            |  |                      |   |                      |
| Unit 9                               | 88.30                      | (26.4)   | 65.02                | 7.1   | 60.70                |
| Unit 8                               | ---                        | ---  | 39.78                | 39.5  | 28.51                |
| Unit 8A                              | 95.29                      | 0.5  | 95.77                | 14.7  | 83.47                |
| Unit 7                               | 52.27                      | (29.3)   | 36.95                | (1.2)   | 37.40                |
| Total Plant                          | 92.69                      | (34.0)   | 61.15                | (15.9)  | 72.67                |
| <b><u>KWH Distribution</u></b>       |                            |  |                      |   |                      |
| Residential                          | 17,182,242                 | 8.0  | 18,555,485           | (1.9)   | 18,918,408           |
| Commercial I                         | 6,405,623                  | 5.0  | 6,725,626            | 0.5   | 6,691,156            |
| Commercial II                        | 16,285,479                 | 2.4  | 16,672,655           | (0.1)   | 16,686,423           |
| Industrial I                         | 16,973,481                 | 8.9  | 18,480,420           | 8.6   | 17,024,717           |
| Industrial II                        | 73,990,124                 | (1.1)  | 73,212,169           | 5.1   | 69,638,823           |
| City Enterprise Funds                | 1,020,361                  | (5.0)  | 968,923              | (9.2)   | 1,067,586            |
| Water & Communications Utilities     | <u>2,588,433</u>           | (5.8)  | <u>2,439,524</u>     | (10.1)  | <u>2,714,740</u>     |
| Native System Sales                  | 134,445,743                | 1.9  | 137,054,802          | 3.2   | 132,741,853          |
| City Lighting                        | 328,385                    | (3.6)  | 316,453              | (7.0)   | 340,256              |
| City Buildings                       | 1,196,559                  | 9.4  | 1,309,030            | (0.8)   | 1,319,212            |
| Offline Power Plant Usage            | ---                        | ---  | 116,166              | ---   | 21,341               |
| MAPP Trans Loss-Net                  | ---                        | ---  | ---                  | ---   | ---                  |
| Losses & Cycle Billing               | <u>3,445,752</u>           | (29.8)   | <u>2,420,446</u>     | 81.7  | <u>1,332,369</u>     |
| Total Native System KWH Distributed  | <u>139,416,439</u>         | 1.3  | <u>141,216,897</u>   | 4.0   | <u>135,755,031</u>   |
| Purchased Power                      | <u>139,416,439</u>         | 1.3  | <u>141,216,897</u>   | 4.0   | <u>135,755,031</u>   |
| <br><b>STEAM SALES - 1000 lbs</b>    | <br><u>488,520</u>         | <br>4.4  | <br><u>509,937</u>   | <br>5.7   | <br><u>482,261</u>   |

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - February 2011**

|  | <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                                  | \$617,124              | 0.0746             | \$652,244             | 0.0743             | \$637,860             | 0.0713             |
| Commercial I                                 | 245,114                | 0.0786             | 249,255               | 0.0780             | 244,638               | 0.0749             |
| Commercial II                                | 465,810                | 0.0597             | 456,748               | 0.0600             | 469,439               | 0.0546             |
| Industrial I                                 | 432,335                | 0.0533             | 431,270               | 0.0524             | 429,306               | 0.0512             |
| Industrial II                                | 1,584,863              | 0.0444             | 1,557,199             | 0.0448             | 1,443,557             | 0.0439             |
| City Enterprise Funds                        | 25,245                 | 0.0513             | 26,543                | 0.0544             | 25,111                | 0.0496             |
| Water & Communication Utilities              | 61,631                 | 0.0497             | 55,317                | 0.0506             | 61,531                | 0.0497             |
| Native System Sales                          | 3,432,122              | 0.0530             | 3,428,576             | 0.0535             | 3,311,442             | 0.0519             |
| Wholesale Sales                              | 2,961,939              | 0.0356             | 2,474,403             | 0.0317             | 4,308,107             | 0.0359             |
| Energy Sales                                 | <u>6,394,061</u>       |                    | <u>5,902,979</u>      |                    | <u>7,619,549</u>      |                    |
| <b><u>Steam Sales</u></b>                    | <b><u>774,140</u></b>  | <b><u>3.34</u></b> | <b><u>836,953</u></b> | <b><u>3.53</u></b> | <b><u>897,692</u></b> | <b><u>3.92</u></b> |
| <b><u>Other Revenue</u></b>                  |                        |                    |                       |                    |                       |                    |
| Rail Car Lease                               | —                      |                    | 46,494                |                    | 17,625                |                    |
| By-Product Revenue                           | 10,367                 |                    | 8,668                 |                    | 2,695                 |                    |
| Miscellaneous Revenue                        | 36,693                 |                    | 33,467                |                    | 29,843                |                    |
| Total Other Revenue                          | <u>47,060</u>          |                    | <u>88,629</u>         |                    | <u>50,163</u>         |                    |
| Operating Revenue                            | <u>7,215,261</u>       |                    | <u>6,828,561</u>      |                    | <u>8,567,404</u>      |                    |
| <b><u>Operating Expense</u></b>              |                        |                    |                       |                    |                       |                    |
| Purchased Power                              | 2,441,180              | 0.0366             | 1,848,450             | 0.0282             | 2,280,184             | 0.0357             |
| Production Fuel                              | 2,009,542              |                    | 1,886,861             |                    | 2,080,584             |                    |
| Emissions Allowance                          | 45,945                 |                    | 134,543               |                    | 107,592               |                    |
| Operation                                    | 1,795,393              |                    | 1,675,577             |                    | 1,576,668             |                    |
| Maintenance                                  | 978,308                |                    | 858,377               |                    | 590,367               |                    |
| Depreciation                                 | 928,219                |                    | 921,606               |                    | 1,186,227             |                    |
| Total Operating Expense                      | <u>8,198,587</u>       |                    | <u>7,325,414</u>      |                    | <u>7,821,622</u>      |                    |
| Operating Income (Loss)                      | <u>(983,326)</u>       |                    | <u>(496,853)</u>      |                    | <u>745,782</u>        |                    |
| <b><u>Nonoperating Revenue (Expense)</u></b> |                        |                    |                       |                    |                       |                    |
| Interest Income                              | 131,261                |                    | 111,997               |                    | 122,399               |                    |
| Interest Expense                             | (64,475)               |                    | (63,243)              |                    | (124,713)             |                    |
| Total Nonoperating Revenue (Expense)         | <u>66,786</u>          |                    | <u>48,754</u>         |                    | <u>(2,314)</u>        |                    |
| Change in Net Assets                         | (916,540)              |                    | (448,099)             |                    | 743,468               |                    |
| Beginning Net Assets                         | <u>163,428,326</u>     |                    | <u>166,180,001</u>    |                    | <u>168,559,180</u>    |                    |
| Ending Net Assets                            | <u>\$162,511,786</u>   |                    | <u>\$165,731,902</u>  |                    | <u>\$169,302,648</u>  |                    |
| Net Income (Loss) to Total Income            | (12.5)                 |                    | (6.5)                 |                    | 8.6                   |                    |
| Debt Service Coverage                        | 0.06                   |                    | 0.47                  |                    | 1.78                  |                    |

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - February 2011**

Page 4

|   | <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   | \$1,277,539            | 0.0744            | \$1,370,417      | 0.0739            | \$1,338,398      | 0.0707            |
| Commercial I  | 500,191                | 0.0781            | 521,793          | 0.0776            | 498,895          | 0.0746            |
| Commercial II   | 960,710                | 0.0590            | 961,232          | 0.0577            | 927,713          | 0.0556            |
| Industrial I  | 886,632                | 0.0522            | 925,999          | 0.0501            | 865,101          | 0.0508            |
| Industrial II   | 3,244,340              | 0.0438            | 3,205,021        | 0.0438            | 2,954,801        | 0.0424            |
| City Enterprise Funds   | 51,200                 | 0.0502            | 54,436           | 0.0562            | 53,089           | 0.0497            |
| Water & Communications Utilities                                      | 129,232                | 0.0499            | 119,877          | 0.0491            | 131,867          | 0.0486            |
| Native System Sales   | 7,049,844              | 0.0524            | 7,158,775        | 0.0522            | 6,769,864        | 0.0510            |
| Wholesale Sales   | 6,708,618              | 0.0372            | 6,800,404        | 0.0339            | 8,982,802        | 0.0374            |
| Energy Sales  | 13,758,462             |                   | 13,959,179       |                   | 15,752,666       |                   |
| <b><u>Steam Sales</u></b>   | <b>1,631,227</b>       | <b>3.34</b>       | <b>1,796,234</b> | <b>3.52</b>       | <b>1,895,712</b> | <b>3.93</b>       |
| <b><u>Other Revenue</u></b>   |                        |                   |                  |                   |                  |                   |
| Rail Car Lease  | ---                    |                   | 121,905          |                   | 17,625           |                   |
| By-Product Revenue  | 20,734                 |                   | 11,840           |                   | 11,607           |                   |
| Miscellaneous Revenue   | 70,261                 |                   | 75,999           |                   | 65,942           |                   |
| Total Other Revenue   | 90,995                 |                   | 209,744          |                   | 95,174           |                   |
| Operating Revenue   | 15,480,684             |                   | 15,965,157       |                   | 17,743,552       |                   |
| <b><u>Operating Expense</u></b>                                       |                        |                   |                  |                   |                  |                   |
| Purchased Power   | 5,223,107              | 0.0375            | 4,327,205        | 0.0306            | 4,960,656        | 0.0365            |
| Production Fuel   | 4,251,987              |                   | 4,619,050        |                   | 4,214,152        |                   |
| Emissions Allowance   | 96,779                 |                   | 213,360          |                   | 236,939          |                   |
| Operation   | 3,610,826              |                   | 3,352,074        |                   | 3,369,391        |                   |
| Maintenance   | 1,907,896              |                   | 1,816,869        |                   | 1,210,357        |                   |
| Depreciation  | 1,856,437              |                   | 1,843,212        |                   | 2,372,454        |                   |
| Total Operating Expense   | 16,947,032             |                   | 16,171,770       |                   | 16,363,949       |                   |
| Operating Income (Loss)   | (1,466,348)            |                   | (206,613)        |                   | 1,379,603        |                   |
| <b><u>Nonoperating Revenue (Expense)</u></b>                          |                        |                   |                  |                   |                  |                   |
| Interest Income   | 264,772                |                   | 223,622          |                   | 273,739          |                   |
| Interest Expense  | (128,950)              |                   | (127,419)        |                   | (249,352)        |                   |
| Total Nonoperating Revenue (Expense)                                  | 135,822                |                   | 96,203           |                   | 24,387           |                   |
| Net Income (Loss) Before Revenue Adjustment and Capital Contributions | (1,330,526)            |                   | (110,410)        |                   | 1,403,990        |                   |
| Revenue Adjustment-Extraordinary O & M                                | ---                    |                   | 2,000,000        |                   | 5,100,000        |                   |
| Change in Net Assets  | (1,330,526)            |                   | 1,889,590        |                   | 6,503,990        |                   |
| Beginning Net Assets  | 163,842,312            |                   | 163,842,312      |                   | 162,798,658      |                   |
| Ending Net Assets   | \$162,511,786          |                   | \$165,731,902    |                   | \$169,302,648    |                   |
| Net Income (Loss) before Rev Adj to Total Income                      | (8.5)                  |                   | (0.7)            |                   | 7.8              |                   |
| Net Income (Loss) after Rev Adj to Total Income                       | (8.5)                  |                   | 11.7             |                   | 36.1             |                   |
| Debt Service Coverage Before Transfers                                | 0.28                   |                   | 0.81             |                   | 1.73             |                   |
| Debt Service Coverage After Transfers                                 | 0.28                   |                   | 1.11             |                   | 3.91             |                   |

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**February 2011**

**ASSETS**

|  | <b><u>2011</u></b>          | <b><u>2010</u></b>          |
|--|-----------------------------|-----------------------------|
| <b>Current Assets:</b>                   |                             |                             |
| <b><u>Restricted</u></b>                 |                             |                             |
| Cash - interest bearing                  | \$9,411,707                 | \$5,684,694                 |
| Investments                              | <u>13,283,106</u>           | <u>14,898,111</u>           |
| Total Restricted Current Assets          | <u>22,694,813</u>           | <u>20,582,805</u>           |
| <b><u>Unrestricted</u></b>               |                             |                             |
| Cash - interest bearing                  | 8,096,754                   | 10,374,969                  |
| Investments                              | --                          | 3,499                       |
| Receivables:                             |                             |                             |
| Consumer Accounts                        | 4,924,745                   | 5,348,712                   |
| Wholesale                                | 755,843                     | 2,170,796                   |
| Steam Sales                              | 1,657,372                   | 989,229                     |
| Interest                                 | 252,025                     | 311,055                     |
| Intercompanies                           | 24,079                      | 24,299                      |
| Inventories                              | 6,978,210                   | 8,303,374                   |
| Fuel                                     | 8,771,970                   | 7,820,693                   |
| Prepaid Expenses                         | 573,486                     | 582,480                     |
| Hedge Asset <sup>fn1</sup>               | <u>2,196,100</u>            | <u>--</u>                   |
| Total Unrestricted Current Assets        | <u>34,230,584</u>           | <u>35,929,106</u>           |
| Total Current Assets                     | <u>56,925,397</u>           | <u>56,511,911</u>           |
| <b>Property and Equipment:</b>           |                             |                             |
| At Cost                                  | 405,480,122                 | 404,290,002                 |
| Less Accumulated Depreciation            | <u>293,402,079</u>          | <u>280,160,692</u>          |
| Net Property and Equipment               | <u>112,078,043</u>          | <u>124,129,310</u>          |
| <b>Other Assets:</b>                     |                             |                             |
| Unamortized Cost of Issuing Bonds        | --                          | 22,735                      |
| Note Receivable - Communications Utility | 35,327,000                  | 35,327,000                  |
| Joint Venture Rights                     | <u>159,793</u>              | <u>183,266</u>              |
| Total Other Assets                       | <u>35,486,793</u>           | <u>35,533,001</u>           |
| <b>TOTAL ASSETS</b>                      | <b><u>\$204,490,233</u></b> | <b><u>\$216,174,222</u></b> |

<sup>fn1</sup> The hedge asset and liability is a result of a financial swap with Tenaska based on 73,200 MWH at an average price of \$30/MWH for Unit 9's scheduled maintenance outage in March and April 2011.

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**February 2011**

**LIABILITIES AND NET ASSETS**

|   | <u>2011</u>          | <u>2010</u>          |
|---|----------------------|----------------------|
| <b>Current Liabilities:</b>   |                      |                      |
| <b><u>Restricted</u></b>  |                      |                      |
| 2001 Revenue Bonds - Plus Unamortized Premium of \$61,393<br>in 2011 and \$63,504 in 2010; and Less Deferred Amount on<br>Refund of \$60,308 in 2011 and \$62,916 in 2010 | \$13,271,085         | \$12,585,588         |
| Accrued Interest  | <u>121,642</u>       | <u>237,004</u>       |
| Total Restricted Current Liabilities  | <u>13,392,727</u>    | <u>12,822,592</u>    |
| <b><u>Unrestricted</u></b>  |                      |                      |
| Accounts Payable  | 1,857,829            | 899,087              |
| Pension Provision   | 318,752              | 284,070              |
| Health & Dental Insurance Provision   | 233,632              | 216,660              |
| Accrued Payroll   | 387,984              | 301,326              |
| Accrued Vacation  | 1,091,591            | 1,103,097            |
| Accrued Emission Allowance Expense  | 733,060              | 1,936,069            |
| Consumers' Deposits   | 597,272              | 615,003              |
| Accrued Property Taxes  | 108,568              | 112,933              |
| Miscellaneous Accrued Expenses  | 624,069              | 514,769              |
| Miscellaneous Deferred Credits  | 52,850               | 86,050               |
| Hedge Liability <sup>fn1</sup>  | <u>2,196,100</u>     | ---                  |
| Total Unrestricted Current Liabilities  | <u>8,201,707</u>     | <u>6,069,064</u>     |
| Total Current Liabilities   | <u>21,594,434</u>    | <u>18,891,656</u>    |
| <b>Non-Current Liabilities:</b>   |                      |                      |
| Health & Dental Insurance Provision   | 1,885,645            | 1,893,087            |
| Post-Employment Health Benefit Provision  | 123,090              | ---                  |
| Long-Term Debt - Less Current Portion:  |                      |                      |
| 2001 Revenue Bonds - Plus Unamortized Premium of \$140,630 in 2010<br>and less Deferred Amount on Refunding of \$126,961 in 2010  | ---                  | 13,283,669           |
| Total Non-Current Liabilities   | <u>2,008,735</u>     | <u>15,176,756</u>    |
| <b>Deferred Revenue - Extraordinary O &amp; M</b>   | <u>15,155,162</u>    | <u>12,803,162</u>    |
| <b>Net Assets:</b>  |                      |                      |
| Invested in capital assets, net of related debt   | 98,829,693           | 98,331,634           |
| Restricted  | 22,573,171           | 20,345,801           |
| Unrestricted  | <u>44,329,038</u>    | <u>50,625,213</u>    |
| Total Net Assets  | <u>165,731,902</u>   | <u>169,302,648</u>   |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <u>\$204,490,233</u> | <u>\$216,174,222</u> |

<sup>fn1</sup> The hedge asset and liability is a result of a financial swap with Tenaska based on 73,200 MWH at an average price of \$30/MWH for Unit 9's scheduled maintenance outage in March and April 2011.

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**February 2011**

|  | <u>Current</u><br><u>Month</u> | <u>Year-</u><br><u>To-Date</u> |
|--|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities:</b>                     |                                |                                |
| Cash received from:  |                                |                                |
| Retail electric sales  | \$3,242,273                    | \$6,953,252                    |
| MISO, net sales/purchases  | 1,724,193                      | 3,018,505                      |
| Steam sales  | 999,740                        | 1,919,995                      |
| Coal & transportation allowances                                 | 12,231                         | 94,582                         |
| Railcar leasing  | 23,423                         | 23,423                         |
| By-product sales   | 1,669                          | 50,908                         |
| Miscellaneous sources  | 35,912                         | 73,291                         |
| Cash paid to/for:  |                                |                                |
| Suppliers  | (814,074)                      | (1,384,071)                    |
| Coal   | (881,943)                      | (1,755,159)                    |
| Employees payroll, taxes and benefits                            | <u>(1,494,169)</u>             | <u>(3,100,957)</u>             |
| Net cash flows from operating activities                         | <u>2,849,255</u>               | <u>5,893,769</u>               |
| <b>Cash flows from capital and related financing activities:</b> |                                |                                |
| Capital expenditures, net  | (277,987)                      | (446,935)                      |
| Bond principal payments  | ---                            | (12,585,000)                   |
| Bond interest payments   | ---                            | (711,013)                      |
| Net cash flows from capital and related financing activities     | <u>(277,987)</u>               | <u>(13,742,948)</u>            |
| <b>Cash flows from investing activities:</b>                     |                                |                                |
| Purchase of joint venture rights                                 | ---                            | (12,525)                       |
| Interest received on investments and note receivable             | 32,975                         | 663,285                        |
| Accrued Interest Purchased                                       | ---                            | ---                            |
| Amortization/accretion of investments                            | 262                            | 1,414                          |
| Mark to market   | <u>(12,528)</u>                | <u>(24,721)</u>                |
| Net cash flows from investing activities                         | <u>20,709</u>                  | <u>627,453</u>                 |
| Net increase (decrease) in cash and investments                  | <u>2,591,977</u>               | <u>(7,221,726)</u>             |
| Cash and investments at beginning of period                      | <u>28,199,589</u>              | <u>38,013,293</u>              |
| Cash and investments at end of period                            | <u><u>\$30,791,566</u></u>     | <u><u>\$30,791,567</u></u>     |

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**February 2011**

|   | <u>Current</u><br><u>Month</u> | <u>Year-</u><br><u>To-Date</u> |
|---|--------------------------------|--------------------------------|
| <b>Reconciliation of operating loss to net cash flows from operating activities</b> |                                |                                |
| Operating loss  | (\$496,853)                    | (\$206,613)                    |
| <b>Noncash items in operating income:</b>   |                                |                                |
| Depreciation of electric utility plant  | 921,606                        | 1,843,212                      |
| Amortization of joint venture rights  | 8,420                          | 15,264                         |
| <b>Changes in assets and liabilities:</b>   |                                |                                |
| Consumer accounts receivable  | (287,593)                      | 22,339                         |
| Wholesale receivable  | 1,095,951                      | 536,756                        |
| Steam sales receivable  | 843,327                        | 708,373                        |
| Intercompany receivable   | (6,680)                        | (1,879)                        |
| Inventories   | (392,179)                      | (318,390)                      |
| Fuel  | 582,513                        | 2,346,617                      |
| Prepaid expenses  | (154,874)                      | (40,517)                       |
| Accounts payable  | 409,758                        | 416,166                        |
| Pension provision   | 159,376                        | 318,752                        |
| Health & dental insurance provision   | 17,114                         | 26,763                         |
| Other post-employment benefit provision   | 2,462                          | 4,924                          |
| Accrued payroll   | 45,514                         | 93,657                         |
| Accrued vacation  | 23,636                         | 75,534                         |
| Accrued emission allowance expense  | 17,807                         | 96,624                         |
| Consumers' deposits   | 4,266                          | (520)                          |
| Retained percentage   | ---                            | ---                            |
| Accrued property taxes  | 11,335                         | 19,148                         |
| Miscellaneous accrued expenses  | 44,349                         | (62,441)                       |
| Miscellaneous deferred credits  | ---                            | ---                            |
| <br>Net cash flows from operating activities  | <br><u><u>\$2,849,255</u></u>  | <br><u><u>\$5,893,769</u></u>  |

**Muscatine Power and Water - Electric Utility**  
**Funds Appropriated for Specific Purposes**  
**February 2011**

|  | <u>This Year</u>           | <u>Last Year</u>           |
|--|----------------------------|----------------------------|
| Bond Reserve Fund  | \$7,494,474                | \$7,475,585                |
| Extraordinary Operation & Maintenance Account                            | <u>15,200,339</u>          | <u>13,107,220</u>          |
| <b>Total Cash and Investments Appropriated<br/>for Specific Purposes</b> | <b><u>\$22,694,813</u></b> | <b><u>\$20,582,805</u></b> |

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - February 2011**

|                                   | <u>Budget</u>          |          | <u>This Year</u>       |          | <u>Last Year</u>       |
|-----------------------------------|------------------------|----------|------------------------|----------|------------------------|
|                                   | <u>Estimate</u>        |          | <u></u>                |          | <u></u>                |
| <b>Purchased Power</b>            | <b>\$2,441,180</b>     | 33.8     | <b>\$1,848,450</b>     | 27.1     | <b>\$2,280,184</b>     |
| Average price per kWh             | \$0.0366               |          | \$0.0282               |          | \$0.0357               |
| <b>Generation</b>                 |                        |          |                        |          |                        |
| Operation Supervision             | 73,846                 |          | 76,733                 |          | 82,406                 |
| Fuel:                             |                        |          |                        |          |                        |
| Coal                              | 1,899,340              |          | 1,792,703              |          | 2,009,256              |
| Fuel Oil                          | 10,000                 |          | 6,874                  |          | 4,554                  |
| Gas                               | 31,600                 |          | 24,808                 |          | 7,305                  |
| Coal Handling Expense             | 65,003                 |          | 60,675                 |          | 58,117                 |
| Landfill Operation Expense        | 3,599                  |          | 1,801                  |          | 1,352                  |
| Emissions Allowance Expense       | 45,945                 |          | 134,543                |          | 107,592                |
| Steam Expense:                    |                        |          |                        |          |                        |
| Boiler                            | 113,512                |          | 90,732                 |          | 93,037                 |
| Pollution Control                 | 52,038                 |          | 33,738                 |          | 37,593                 |
| Electric Expense                  | 100,506                |          | 85,281                 |          | 87,301                 |
| Miscellaneous Steam Power Expense | 111,593                |          | 129,507                |          | 108,689                |
| Maintenance:                      |                        |          |                        |          |                        |
| Supervision                       | 75,987                 |          | 79,955                 |          | 81,137                 |
| Structures                        | 61,325                 |          | 45,560                 |          | 48,578                 |
| Boiler Plant:                     |                        |          |                        |          |                        |
| Boiler                            | 190,667                |          | 287,914                |          | 113,081                |
| Pollution Control                 | 223,206                |          | 48,478                 |          | 14,941                 |
| Electric Plant                    | 70,085                 |          | 108,441                |          | 41,848                 |
| System Control                    | 19,961                 |          | 19,025                 |          | 17,839                 |
| Miscellaneous Steam Plant         | 72,077                 |          | 48,742                 |          | 51,863                 |
| Coal Handling Equipment           | 91,409                 |          | 57,227                 |          | 43,522                 |
| Wholesale Sales Commission        | ---                    |          | ---                    |          | ---                    |
| System Control and Load Dispatch  | 62,852                 |          | 47,115                 |          | 70,579                 |
| Vacation, Holiday, Sick Leave     | 73,703                 |          | 75,492                 |          | 79,053                 |
| Depreciation                      | <u>621,861</u>         |          | <u>620,375</u>         |          | <u>885,239</u>         |
| <br>Total Generation Expense      | <br><u>\$4,070,115</u> | <br>56.4 | <br><u>\$3,875,719</u> | <br>56.8 | <br><u>\$4,044,882</u> |
|                                   |                        |          |                        |          | 47.2                   |

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2011**

Page 11

|                                   | <u>Budget</u>             |             | <u>This Year</u>          |             | <u>Last Year</u>          |
|-----------------------------------|---------------------------|-------------|---------------------------|-------------|---------------------------|
|                                   | <u>Estimate</u>           |             | <u> </u>                  |             | <u> </u>                  |
| <b>Purchased Power</b>            | <b>\$5,223,107</b>        | 33.7        | <b>\$4,327,205</b>        | 27.1        | <b>\$4,960,656</b>        |
| Average price per kWh             | \$0.0375                  |             | \$0.0306                  |             | \$0.0365                  |
| <b><u>Generation</u></b>          |                           |             |                           |             |                           |
| Operation Supervision             | 147,424                   |             | 155,260                   |             | 170,166                   |
| Fuel:                             |                           |             |                           |             |                           |
| Coal                              | 4,026,874                 |             | 4,419,181                 |             | 4,060,339                 |
| Fuel Oil                          | 20,000                    |             | 8,280                     |             | 6,148                     |
| Gas                               | 63,200                    |             | 53,913                    |             | 19,226                    |
| Coal Handling Expense             | 134,260                   |             | 134,241                   |             | 125,923                   |
| Landfill Operation Expense        | 7,653                     |             | 3,435                     |             | 2,516                     |
| Emissions Allowance Expense       | 96,779                    |             | 213,360                   |             | 236,939                   |
| Steam Expense:                    |                           |             |                           |             |                           |
| Boiler                            | 214,560                   |             | 240,247                   |             | 239,346                   |
| Pollution Control                 | 105,221                   |             | 68,922                    |             | 71,470                    |
| Electric Expense                  | 207,008                   |             | 179,186                   |             | 183,959                   |
| Miscellaneous Steam Power Expense | 233,291                   |             | 238,349                   |             | 228,951                   |
| Maintenance:                      |                           |             |                           |             |                           |
| Supervision                       | 152,157                   |             | 165,203                   |             | 164,382                   |
| Structures                        | 216,948                   |             | 108,285                   |             | 90,113                    |
| Boiler Plant:                     |                           |             |                           |             |                           |
| Boiler                            | 455,597                   |             | 595,256                   |             | 181,188                   |
| Pollution Control                 | 240,412                   |             | 85,051                    |             | 62,344                    |
| Electric Plant                    | 109,202                   |             | 256,988                   |             | 87,004                    |
| System Control                    | 42,483                    |             | 44,525                    |             | 35,825                    |
| Miscellaneous Steam Plant         | 128,575                   |             | 109,419                   |             | 112,687                   |
| Coal Handling Equipment           | 191,935                   |             | 121,766                   |             | 127,026                   |
| Wholesale Sales Commission        | ---                       |             | ---                       |             | ---                       |
| System Control and Load Dispatch  | 122,126                   |             | 92,178                    |             | 156,527                   |
| Vacation, Holiday, Sick Leave     | 147,178                   |             | 151,126                   |             | 189,484                   |
| Depreciation                      | <u>1,243,721</u>          |             | <u>1,240,750</u>          |             | <u>1,770,478</u>          |
| <b>Total Generation Expense</b>   | <b><u>\$8,306,604</u></b> | <b>53.7</b> | <b><u>\$8,684,921</u></b> | <b>54.4</b> | <b><u>\$8,322,041</u></b> |
|                                   |                           |             |                           |             | 46.9                      |

## Muscatine Power and Water - Electric Utility

## Summary of Expenses

Current Month - February 2011

|                                    | <u>Budget</u><br><u>Estimate</u> | <u>This Year</u> | <u>Last Year</u> |
|------------------------------------|----------------------------------|------------------|------------------|
| <b><u>Transmission</u></b>         |                                  |                  |                  |
| Operation Supervision              | \$3,773                          | \$3,924          | \$3,928          |
| Load Dispatching                   | 10,316                           | 7,951            | 7,306            |
| Station Expense                    | 7,213                            | 4,996            | 9,013            |
| Overhead Line Expense              | 118                              | 185              | 66               |
| Miscellaneous Transmission Expense | 12,686                           | 8,865            | 7,310            |
| Maintenance:                       |                                  |                  |                  |
| Supervision                        | 1,949                            | 1,905            | 1,735            |
| Structures                         | 28                               | ---              | 47               |
| Station Equipment                  | 7,965                            | 6,351            | 8,568            |
| Overhead Lines                     | 5,514                            | 8,897            | 14,878           |
| Vacation, Holiday, Sick Leave      | 4,720                            | 4,989            | 4,801            |
| Depreciation                       | 30,608                           | 30,592           | 30,568           |
| Tax on Rural Property              | <u>5,560</u>                     | <u>5,560</u>     | <u>5,942</u>     |
| Total Transmission Expense         | <u>90,450</u>                    | <u>1.3</u>       | <u>84,215</u>    |
|                                    |                                  | 1.2              | <u>94,162</u>    |
|                                    |                                  |                  | 1.1              |
| <b><u>Distribution</u></b>         |                                  |                  |                  |
| Operation Supervision              | 10,470                           | 11,188           | 11,951           |
| Load Dispatching                   | 38,375                           | 30,827           | 7,210            |
| Station Expense                    | 6,675                            | 8,111            | 6,427            |
| Overhead Line Expense              | 2,667                            | 7,057            | 2,818            |
| Vehicle Expense                    | 15,144                           | 11,656           | 13,151           |
| Underground Line Expense           | 3,189                            | 1,135            | 933              |
| Street Lighting                    | 1,470                            | 2,052            | 1,977            |
| Signal Expense                     | 485                              | ---              | 210              |
| Meter Expense                      | 8,995                            | 6,924            | 9,629            |
| Consumer Installation Expense      | 1,354                            | 1,588            | 1,484            |
| Miscellaneous Distribution Expense | 72,248                           | 53,007           | 61,384           |
| Maintenance:                       |                                  |                  |                  |
| Supervision                        | 9,626                            | 10,130           | 10,721           |
| Structures                         | 331                              | ---              | ---              |
| Station Equipment                  | 11,208                           | 12,088           | 13,330           |
| Overhead Lines                     | 59,174                           | 47,962           | 60,760           |
| Underground Lines                  | 8,127                            | 5,510            | 2,920            |
| Line Transformers                  | 3,607                            | 8,335            | 7,063            |
| Street Lighting                    | 4,904                            | 3,480            | 3,196            |
| Signal System                      | 1,741                            | 5,731            | 1,690            |
| Meters                             | 676                              | 4,666            | ---              |
| Miscellaneous Distribution Plant   | 2,917                            | 1,369            | 1,350            |
| Vacation, Holiday, Sick Leave      | 21,901                           | 25,384           | 25,141           |
| Depreciation                       | 150,714                          | 148,879          | 146,484          |
| Tax on Rural Property              | <u>1,661</u>                     | <u>1,661</u>     | <u>1,775</u>     |
| Total Distribution Expense         | <u>\$437,659</u>                 | <u>6.1</u>       | <u>\$408,740</u> |
|                                    |                                  | 6.0              | <u>\$391,604</u> |
|                                    |                                  |                  | 4.6              |

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2011**

|                                    | <b>Budget</b><br><b>Estimate</b> | <b>This Year</b>  | <b>Last Year</b>        |
|------------------------------------|----------------------------------|-------------------|-------------------------|
| <b><u>Transmission</u></b>         |                                  |                   |                         |
| Operation Supervision              | \$7,636                          | \$7,865           | \$7,589                 |
| Load Dispatching                   | 21,189                           | 16,043            | 15,353                  |
| Station Expense                    | 15,382                           | 11,349            | 19,959                  |
| Overhead Line Expense              | 118                              | 738               | 343                     |
| Miscellaneous Transmission Expense | 25,880                           | 17,496            | 15,938                  |
| Maintenance:                       |                                  |                   |                         |
| Supervision                        | 3,898                            | 3,824             | 3,481                   |
| Structures                         | 140                              | ---               | 211                     |
| Station Equipment                  | 15,742                           | 11,078            | 19,236                  |
| Overhead Lines                     | 11,028                           | 22,678            | 22,471                  |
| Vacation, Holiday, Sick Leave      | 9,441                            | 10,156            | 11,431                  |
| Depreciation                       | 61,216                           | 61,184            | 61,136                  |
| Tax on Rural Property              | <u>11,120</u>                    | <u>11,120</u>     | <u>11,926</u>           |
| <b>Total Transmission Expense</b>  | <b><u>182,790</u></b>            | <b><u>1.2</u></b> | <b><u>189,074</u></b>   |
|                                    | <b><u>173,531</u></b>            | <b><u>1.1</u></b> | <b><u>1.1</u></b>       |
| <b><u>Distribution</u></b>         |                                  |                   |                         |
| Operation Supervision              | 21,618                           | 22,581            | 22,721                  |
| Load Dispatching                   | 79,442                           | 62,513            | 15,156                  |
| Station Expense                    | 14,787                           | 18,738            | 15,197                  |
| Overhead Line Expense              | 6,534                            | 7,772             | 3,286                   |
| Vehicle Expense                    | 30,277                           | 24,420            | 30,095                  |
| Underground Line Expense           | 6,483                            | 2,111             | 1,680                   |
| Street Lighting                    | 2,940                            | 3,920             | 3,381                   |
| Signal Expense                     | 1,269                            | ---               | 629                     |
| Meter Expense                      | 18,487                           | 15,236            | 17,458                  |
| Consumer Installation Expense      | 2,851                            | 2,756             | 3,203                   |
| Miscellaneous Distribution Expense | <u>131,487</u>                   | <u>105,920</u>    | <u>122,948</u>          |
| Maintenance:                       |                                  |                   |                         |
| Supervision                        | 19,816                           | 20,463            | 20,584                  |
| Structures                         | 635                              | ---               | ---                     |
| Station Equipment                  | 23,568                           | 25,628            | 21,466                  |
| Overhead Lines                     | 120,595                          | 101,597           | 132,824                 |
| Underground Lines                  | 16,445                           | 9,211             | 4,346                   |
| Line Transformers                  | 7,246                            | 14,669            | 13,711                  |
| Street Lighting                    | 9,808                            | 9,684             | 6,732                   |
| Signal System                      | 3,876                            | 6,580             | 3,095                   |
| Meters                             | 1,453                            | 5,916             | ---                     |
| Miscellaneous Distribution Plant   | 5,833                            | 2,754             | 2,768                   |
| Vacation, Holiday, Sick Leave      | 43,791                           | 51,027            | 59,299                  |
| Depreciation                       | 301,428                          | 297,758           | 292,968                 |
| Tax on Rural Property              | <u>3,322</u>                     | <u>3,322</u>      | <u>3,550</u>            |
| <b>Total Distribution Expense</b>  | <b><u>\$873,991</u></b>          | <b><u>5.6</u></b> | <b><u>\$797,097</u></b> |
|                                    | <b><u>\$814,576</u></b>          | <b><u>5.1</u></b> | <b><u>4.5</u></b>       |

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - February 2011**

|  | <u>Budget Estimate</u> | <u>This Year</u>   | <u>Last Year</u>   |
|--|------------------------|--------------------|--------------------|
| <b><u>Customer Service Expense</u></b>   |                        |                    |                    |
| Customer Information Expense             | \$55,753               | \$34,031           | \$11,578           |
| Electric Ranges/Dryers-Maint/Promotion   | 1,327                  | 1,056              | 533                |
| Electric Water Heaters-Maint/Promotion   | <u>877</u>             | <u>1,198</u>       | <u>150</u>         |
| Total Customer Service Expense           | <u>57,957</u>          | 0.8                | 36,285             |
|  |                        | 0.5                | 12,261             |
|  |                        | 0.1                |                    |
| <b><u>Consumer Accounts</u></b>          |                        |                    |                    |
| Supervision                              | 1,903                  | 1,363              | 1,363              |
| Meter Reading Expense                    | 7,936                  | 7,562              | 8,425              |
| Consumer Records and Collection          | 30,460                 | 25,916             | 32,498             |
| Uncollectible Accounts Expense           | 1,942                  | 1,834              | 1,834              |
| Vacation, Holiday, Sick Leave            | <u>2,668</u>           | <u>3,437</u>       | <u>3,358</u>       |
| Total Consumer Accounts Expense          | <u>44,909</u>          | 0.6                | 40,112             |
|  |                        | 0.6                | 47,478             |
|  |                        | 0.6                |                    |
| <b><u>Administrative and General</u></b> |                        |                    |                    |
| Administrative and General Salaries      | 170,550                | 155,812            | 152,033            |
| Office Supplies and Expenses             | 16,106                 | 13,417             | 11,714             |
| Outside Services Employed                | 69,659                 | 74,397             | 36,903             |
| Property Insurance                       | 41,012                 | 41,013             | 41,006             |
| Casualty Ins, Injuries & Damages         | 38,044                 | 30,843             | 36,795             |
| Employee Pensions and Benefits           | 476,599                | 488,783            | 456,328            |
| Fringe Benefits Charged to Constr.       | (12,815)               | (10,864)           | (7,768)            |
| Regulatory Commission                    | 4,400                  | 4,400              | 4,561              |
| Miscellaneous General Expense            | 47,787                 | 41,817             | 23,911             |
| Maintenance of General Plant             | 29,653                 | 20,513             | 25,359             |
| Maintenance of A/O Center                | 26,171                 | 26,098             | 25,941             |
| Vacation, Holiday, Sick Leave            | 24,115                 | 23,904             | 20,332             |
| Depreciation                             | <u>125,036</u>         | <u>121,760</u>     | <u>123,936</u>     |
| Total Administrative and General         | <u>1,056,317</u>       | 14.6               | <u>1,031,893</u>   |
|  |                        | 15.1               | <u>951,051</u>     |
|  |                        | 11.1               |                    |
| Total Operating Expense                  | <u>\$8,198,587</u>     | <u>\$7,325,414</u> | <u>\$7,821,622</u> |
| Percent to Operating Revenue             |                        | 113.6              | 107.3              |
|  |                        | 91.3               |                    |

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2011**

|  | <u>Budget</u><br><u>Estimate</u> | <u>This Year</u>           | <u>Last Year</u>           |
|--|----------------------------------|----------------------------|----------------------------|
| <b><u>Customer Service Expense</u></b>   |                                  |                            |                            |
| Customer Information Expense             | \$116,152                        | \$52,644                   | \$23,415                   |
| Electric Ranges/Dryers-Maint/Promotion   | 3,154                            | 1,869                      | 1,971                      |
| Electric Water Heaters-Maint/Promotion   | <u>1,722</u>                     | <u>2,508</u>               | <u>1,190</u>               |
| Total Customer Service Expense           | <u>\$121,028</u>                 | 0.8                        | <u>\$26,576</u> 0.1        |
| <b><u>Consumer Accounts</u></b>          |                                  |                            |                            |
| Supervision                              | 3,806                            | 3,566                      | 3,408                      |
| Meter Reading Expense                    | 15,908                           | 15,918                     | 18,323                     |
| Consumer Records and Collection          | 61,315                           | 54,950                     | 61,105                     |
| Uncollectible Accounts Expense           | 3,883                            | 3,776                      | 3,668                      |
| Vacation, Holiday, Sick Leave            | <u>5,330</u>                     | <u>6,665</u>               | <u>7,858</u>               |
| Total Consumer Accounts Expense          | <u>90,242</u>                    | 0.6                        | <u>94,362</u> 0.5          |
| <b><u>Administrative and General</u></b> |                                  |                            |                            |
| Administrative and General Salaries      | 341,293                          | 331,098                    | 300,488                    |
| Office Supplies and Expenses             | 40,679                           | 27,146                     | 26,524                     |
| Outside Services Employed                | 129,003                          | 121,749                    | 133,607                    |
| Property Insurance                       | 82,024                           | 82,025                     | 82,012                     |
| Casualty Ins, Injuries & Damages         | 76,087                           | 63,921                     | 70,018                     |
| Employee Pensions and Benefits           | 981,917                          | 965,096                    | 924,295                    |
| Fringe Benefits Charged to Constr.       | (25,541)                         | (24,146)                   | (17,367)                   |
| Regulatory Commission                    | 8,800                            | 8,800                      | 9,121                      |
| Miscellaneous General Expense            | 86,294                           | 67,765                     | 45,000                     |
| Maintenance of General Plant             | 64,736                           | 46,389                     | 46,541                     |
| Maintenance of A/O Center                | 65,768                           | 49,905                     | 52,322                     |
| Vacation, Holiday, Sick Leave            | 48,138                           | 46,373                     | 53,710                     |
| Depreciation                             | <u>250,072</u>                   | <u>243,520</u>             | <u>247,872</u>             |
| Total Administrative and General         | <u>2,149,270</u>                 | 13.9                       | <u>2,029,641</u> 12.7      |
| <b>Total Operating Expense</b>           | <b><u>\$16,947,032</u></b>       | <b><u>\$16,171,770</u></b> | <b><u>\$16,363,949</u></b> |
| Percent to Operating Revenue             |                                  | 109.5                      | 101.3                      |
|  |                                  |                            | 92.2                       |

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**February 2011**

**Per KWH Delivered to Wholesale Customers**

|                      | Current Month<br><u>2011 Budget</u> | Current Month<br><u>2011 Actual</u> | Current Month<br><u>2010 Actual</u> | Year-To-Date<br><u>2011 Budget</u> | Year-To-Date<br><u>2011 Actual</u> |
|----------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Wholesale Sales KWHs | <u>83,148,000</u>                   | <u>77,998,521</u>                   | <u>119,908,774</u>                  | <u>180,351,600</u>                 | <u>#REF!</u>                       |
| Wholesale Sales      | <b>\$0.03562</b>                    | <b>\$0.03172</b>                    | <b>\$0.03593</b>                    | <b>\$0.03720</b>                   | <b>#REF!</b>                       |
| Less:                |                                     |                                     |                                     |                                    |                                    |
| Generation           | <b>0.04165</b>                      | <b>0.03001</b>                      | <b>0.02232</b>                      | <b>0.03911</b>                     | <b>#REF!</b>                       |
| Transmission         | <b>0.00109</b>                      | <b>0.00108</b>                      | <b>0.00079</b>                      | <b>0.00101</b>                     | <b>#REF!</b>                       |
| Subtotal             | <b>0.04274</b>                      | <b>0.03109</b>                      | <b>0.02311</b>                      | <b>0.04012</b>                     | <b>#REF!</b>                       |
| Wholesale Margin     | <b>(\$0.00712)</b>                  | <b>\$0.00063</b>                    | <b>\$0.01282</b>                    | <b>(\$0.00292)</b>                 | <b>#REF!</b>                       |

**Per KWH Delivered to Paying Native System Customers**

|  | Current Month<br><u>2011 Budget</u> | Current Month<br><u>2011 Actual</u> | Current Month<br><u>2010 Actual</u> | Year-To-Date<br><u>2011 Budget</u> | Year-To-Date<br><u>2011 Actual</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Native System Sales KWHs               | <u>64,769,306</u>                   | <u>64,109,080</u>                   | <u>63,830,753</u>                   | <u>134,445,743</u>                 | <u>137,054,802</u>                 |
| Native System Sales                    | <b>\$0.05299</b>                    | <b>\$0.05348</b>                    | <b>\$0.05188</b>                    | <b>\$0.05244</b>                   | <b>\$0.05223</b>                   |
| Less:                                  |                                     |                                     |                                     |                                    |                                    |
| Purchased Power                        | <b>0.03769</b>                      | <b>0.02883</b>                      | <b>0.03572</b>                      | <b>0.03885</b>                     | <b>0.03157</b>                     |
| Distribution                           | <b>0.00676</b>                      | <b>0.00638</b>                      | <b>0.00614</b>                      | <b>0.00650</b>                     | <b>0.00594</b>                     |
| Customer Service                       | <b>0.00089</b>                      | <b>0.00057</b>                      | <b>0.00019</b>                      | <b>0.00090</b>                     | <b>0.00042</b>                     |
| Consumers Accounts                     | <b>0.00069</b>                      | <b>0.00063</b>                      | <b>0.00074</b>                      | <b>0.00067</b>                     | <b>0.00062</b>                     |
| Administrative & General               | <b>0.01631</b>                      | <b>0.01610</b>                      | <b>0.01490</b>                      | <b>0.01599</b>                     | <b>0.01481</b>                     |
| Subtotal                               | <b>0.06234</b>                      | <b>0.05250</b>                      | <b>0.05769</b>                      | <b>0.06291</b>                     | <b>0.05336</b>                     |
| Native System Margin                   | <b>(0.00935)</b>                    | <b>0.00098</b>                      | <b>(0.00581)</b>                    | <b>(0.01047)</b>                   | <b>(0.00113)</b>                   |
| Wholesale Margin                       | <b>(0.00913)</b>                    | <b>0.00077</b>                      | <b>0.02408</b>                      | <b>(0.00392)</b>                   | <b>0.00723</b>                     |
| Net Electric Margin before Steam Sales | <b>(\$0.01849)</b>                  | <b>\$0.00175</b>                    | <b>\$0.01827</b>                    | <b>(\$0.01440)</b>                 | <b>\$0.00610</b>                   |
| Net Electric Margin after Steam Sales  | <b>(\$0.01591)</b>                  | <b>(\$0.00913)</b>                  | <b>\$0.01090</b>                    | <b>(\$0.01158)</b>                 | <b>(\$0.00304)</b>                 |

**Total Fuel Cost**  
**(To & Including Ash Handling)**

|                                | Current Month      |                    | Calendar Year-To-Date |                |
|--------------------------------|--------------------|--------------------|-----------------------|----------------|
|                                | <u>2011</u>        | <u>2010</u>        | <u>2011</u>           | <u>2010</u>    |
| Per Million Btu.               | <u>\$1.652</u>     | <u>\$1.300</u>     | <u>\$1.458</u>        | <u>\$1.305</u> |
| Per Net MW Generated           | <u>\$18.14</u>     | <u>\$14.41</u>     | <u>\$15.47</u>        | <u>\$14.44</u> |
| Net Peak Monthly Demand - KW   | <u>113,100</u>     | <u>115,800</u>     | <u>116,470</u>        | <u>115,800</u> |
| Date of Peak                   | <u>2/3</u>         | <u>2/24</u>        | <u>1/13</u>           | <u>2/24</u>    |
| Average Temperature            | <u>24.1°</u>       | <u>22.5°</u>       |                       |                |
| <b>Services</b>                | <b><u>2011</u></b> | <b><u>2010</u></b> |                       |                |
| Residential                    | <u>9,684</u>       | <u>9,661</u>       |                       |                |
| Commercial I                   | <u>1,391</u>       | <u>1,383</u>       |                       |                |
| Commercial II                  | <u>117</u>         | <u>119</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>39</u>          |                       |                |
| Total                          | <u>11,260</u>      | <u>11,237</u>      |                       |                |

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis**  
**Current Month - February 2011**

|   | <u>Budget Estimate</u>    | <u>\$/kWh</u>          | <u>This Year</u>          | <u>\$/kWh</u>          | <u>Last Year</u>          | <u>\$/kWh</u>          |
|---|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|
| <b><u>Wholesale kWh Sales</u></b>         | <b><u>83,148,000</u></b>  |                        | <b><u>77,998,521</u></b>  |                        | <b><u>119,908,774</u></b> |                        |
| <b><u>Wholesale Sales</u></b>             | <b><u>\$2,961,939</u></b> | <b><u>\$0.0356</u></b> | <b><u>\$2,474,403</u></b> | <b><u>\$0.0317</u></b> | <b><u>\$4,308,107</u></b> | <b><u>\$0.0359</u></b> |
| <b><u>Variable Costs</u></b>              |                           |                        |                           |                        |                           |                        |
| Fuel (Coal, Gas & Fuel Oil)               | 1,479,203                 | 0.0178                 | 1,338,278                 | 0.0172                 | 1,651,383                 | 0.0138                 |
| SO <sup>2</sup> Allowances <sup>fn1</sup> | 319                       | 0.0000                 | 561                       | 0.0000                 | 4,862                     | 0.0000                 |
| NO <sub>x</sub> Allowances <sup>fn2</sup> | 45,628                    | 0.0005                 | 30,319                    | 0.0004                 | 106,126                   | 0.0009                 |
| Other <sup>fn4</sup>                      | 283,062                   | 0.0034                 | 275,332                   | 0.0035                 | 296,229                   | 0.0025                 |
| Total Variable Costs                      | <u>1,808,212</u>          | <u>0.0217</u>          | <u>1,644,490</u>          | <u>0.0211</u>          | <u>2,058,600</u>          | <u>0.0172</u>          |
| <b><u>Gross Margin</u></b>                | <b><u>\$1,153,727</u></b> | <b><u>\$0.0139</u></b> | <b><u>\$829,913</u></b>   | <b><u>\$0.0106</u></b> | <b><u>\$2,249,507</u></b> | <b><u>\$0.0188</u></b> |
| Percent Gross Margin                      | 39.0%                     |                        | 33.5%                     |                        | 52.2%                     |                        |

**Calendar Year To Date**

|   | <u>Budget Estimate</u>    | <u>\$/kWh</u>          | <u>This Year</u>          | <u>\$/kWh</u>          | <u>Last Year</u>          | <u>\$/kWh</u>          |
|---|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|
| <b><u>Wholesale kWh Sales</u></b>         | <b><u>180,351,600</u></b> |                        | <b><u>200,861,813</u></b> |                        | <b><u>240,156,815</u></b> |                        |
| <b><u>Wholesale Sales</u></b>             | <b><u>\$6,708,618</u></b> | <b><u>\$0.0372</u></b> | <b><u>\$6,800,404</u></b> | <b><u>\$0.0339</u></b> | <b><u>\$8,982,802</u></b> | <b><u>\$0.0374</u></b> |
| <b><u>Variable Costs</u></b>              |                           |                        |                           |                        |                           |                        |
| Fuel (Coal, Gas & Fuel Oil)               | 3,151,995                 | 0.0175                 | 3,427,909                 | 0.0171                 | 3,297,792                 | 0.0137                 |
| SO <sup>2</sup> Allowances <sup>fn1</sup> | 638                       | 0.0000                 | 1,454                     | 0.0000                 | 12,829                    | 0.0001                 |
| NO <sub>x</sub> Allowances <sup>fn3</sup> | 96,144                    | 0.0005                 | 91,244                    | 0.0005                 | 223,126                   | 0.0009                 |
| Other <sup>fn4</sup>                      | 566,124                   | 0.0031                 | 550,664                   | 0.0027                 | 592,458                   | 0.0025                 |
| Total Variable Costs                      | <u>3,814,901</u>          | <u>0.0212</u>          | <u>4,071,271</u>          | <u>0.0203</u>          | <u>4,126,205</u>          | <u>0.0172</u>          |
| <b><u>Gross Margin</u></b>                | <b><u>\$2,893,717</u></b> | <b><u>\$0.0160</u></b> | <b><u>\$2,729,133</u></b> | <b><u>\$0.0136</u></b> | <b><u>\$4,856,597</u></b> | <b><u>\$0.0202</u></b> |
| Percent Gross Margin                      | 43.1%                     |                        | 40.1%                     |                        | 54.1%                     |                        |

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

|                                      | <u>Budget</u> | <u>2011</u> | <u>2010</u> |
|--------------------------------------|---------------|-------------|-------------|
| <b>fn1 SO<sup>2</sup></b>            | \$30.00       | \$8.00      | \$56.00     |
| YTD SO <sup>2</sup>                  | 30.00         | 9.12        | 75.29       |
| <b>fn2 NO<sub>x</sub> annual</b>     | 400.00        | 290.00      | 600.00      |
| NO <sub>x</sub> seasonal             | 50.00         | 0.00        | 0.00        |
| <b>fn3 YTD NO<sub>x</sub> annual</b> | 400.00        | 318.57      | 612.85      |
| YTD NO <sub>x</sub> seasonal         | 50.00         | 0.00        | 0.00        |

**fn4** Other includes variable generation O&M, rail car cost, and Title V permit fees