

**Muscatine Power and Water**

**Electric Utility**

**Operating Statements and Balance Sheets**

**June 2011**

**Muscatine Power and Water  
Electric Utility**

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

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	103,208,040	(14.9)	87,819,048	(12.1)	99,857,548
Less: Plant Use	<u>9,140,040</u>	5.9	<u>9,680,164</u>	(9.6)	<u>10,705,616</u>
Net Generation/Wholesale Sales	<u>94,068,000</u>	(16.9)	<u>78,138,884</u>	(12.4)	<u>89,151,932</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	59.49	(13.5)	51.45	(17.2)	62.17
Unit 8/8A	50.34	(7.5)	46.54	42.6	32.63
Unit 7	49.79	(68.4)	15.71	(55.6)	35.41
Total Plant	56.75	(17.2)	47.01	(12.6)	53.81
<b><u>KWH Distribution</u></b>					
Residential	8,403,178	10.7	9,298,808	(5.5)	9,843,427
Commercial I	3,325,475	(0.6)	3,306,002	(5.4)	3,494,407
Commercial II	8,691,161	(0.8)	8,617,996	2.4	8,417,772
Industrial I	10,336,859	7.3	11,090,600	(7.4)	11,980,060
Industrial II	34,745,709	5.6	36,700,368	(3.4)	37,976,665
City Enterprise Funds	465,789	(10.3)	417,738	(28.6)	585,129
Water & Communications Utilities	<u>1,326,562</u>	(3.8)	<u>1,275,891</u>	(11.6)	<u>1,442,667</u>
Native System Sales	67,294,733	5.1	70,707,403	(4.1)	73,740,127
City Lighting	179,609	(10.8)	160,293	(3.8)	166,596
City Buildings	541,173	4.1	563,170	7.1	526,047
Offline Power Plant Usage	---	---	127,178	---	55,779
Losses & Cycle Billing	<u>3,579,905</u>	34.6	<u>4,816,840</u>	16.1	<u>4,150,383</u>
Total Native System KWH Distributed/Purchased Power	<u>71,595,420</u>	6.7	<u>76,374,884</u>	(2.9)	<u>78,638,932</u>
 <b><u>STEAM SALES - 1000 lbs</u></b>					
	<u>190,800</u>	8.8	<u>207,598</u>	(20.1)	<u>259,916</u>

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

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	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	463,254,020	(18.1)	379,326,297	(41.0)	642,609,746
Less: Plant Use	<u>41,258,420</u>	(2.1)	<u>40,374,472</u>	(37.3)	<u>64,354,509</u>
Net Generation/Wholesale Sales	<u>421,995,600</u>	(19.7)	<u>338,951,825</u>	(41.4)	<u>578,255,237</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	41.08	(25.5)	30.60	(51.7)	63.30
Unit 8/8A	42.28	9.5	46.31	(6.3)	49.43
Unit 7	49.79	(34.4)	32.68	(5.6)	34.62
Total Plant	42.20	(19.9)	33.79	(41.5)	57.74
<b><u>KWH Distribution</u></b>					
Residential	46,264,400	7.1	49,552,989	(0.9)	49,996,284
Commercial I	18,340,383	2.1	18,718,619	0.4	18,651,726
Commercial II	49,237,921	0.5	49,486,789	0.5	49,243,302
Industrial I	54,551,938	6.0	57,848,240	0.5	57,542,342
Industrial II	220,161,604	1.7	223,814,097	0.7	222,242,078
City Enterprise Funds	2,951,515	(3.5)	2,848,156	(11.4)	3,216,204
Water & Communications Utilities	<u>7,873,667</u>	(6.4)	<u>7,368,756</u>	(12.4)	<u>8,408,229</u>
Native System Sales	399,381,428	2.6	409,637,646	0.1	409,300,165
City Lighting	1,020,610	(4.9)	970,203	(3.5)	1,005,393
City Buildings	3,159,768	5.2	3,322,925	1.5	3,272,621
Offline Power Plant Usage	---	---	388,474	8.5	358,189
Losses & Cycle Billing	<u>13,298,812</u>	22.3	<u>16,259,184</u>	40.5	<u>11,569,099</u>
Total Native System KWH Distributed/Purchased Power	<u>416,860,618</u>	3.3	<u>430,578,432</u>	1.2	<u>425,505,467</u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u>1,197,120</u>	9.4	<u>1,309,721</u>	0.8	<u>1,299,120</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - June 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	\$636,205	0.0757	\$695,023	0.0747	\$701,362	0.0713
Commercial I	259,720	0.0781	259,073	0.0784	261,283	0.0748
Commercial II	511,596	0.0589	508,483	0.0590	477,953	0.0568
Industrial I	523,837	0.0507	541,233	0.0488	555,906	0.0464
Industrial II	1,520,841	0.0438	1,600,592	0.0436	1,586,367	0.0418
City Enterprise Funds	22,591	0.0485	24,131	0.0578	29,707	0.0508
Water & Communication Utilities	66,527	0.0501	60,394	0.0473	66,709	0.0462
Native System Sales	3,541,317	0.0526	3,688,929	0.0522	3,679,287	0.0499
Wholesale Sales	3,593,156	0.0382	2,709,580	0.0347	3,434,599	0.0385
Energy Sales	7,134,473		6,398,509		7,113,886	
<b><u>Steam Sales</u></b>	678,790	3.56	691,931	3.33	929,482	3.58
<b><u>Other Revenue</u></b>						
Rail Car Lease	31,500		---		72,263	
By-Product Revenue	39,133		13,625		30,417	
Miscellaneous Revenue	36,676		41,132		44,548	
Total Other Revenue	107,309		54,757		147,228	
Operating Revenue	7,920,572		7,145,197		8,190,596	
<b><u>Operating Expense</u></b>						
Purchased Power	2,460,602	0.0344	2,249,769	0.0295	2,635,220	0.0335
Production Fuel	2,226,183		1,961,333		1,925,756	
Emissions Allowance	43,027		28,995		58,312	
Operation	2,140,549		1,974,012		1,800,002	
Maintenance	839,222		794,554		649,388	
Depreciation	928,218		921,606		1,186,227	
Total Operating Expense	8,637,801		7,930,269		8,254,905	
Operating Loss	(717,229)		(785,072)		(64,309)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	123,685		111,523		315,238	
Interest Expense	(64,475)		(63,270)		(124,743)	
Total Nonoperating Revenue (Expense)	59,210		48,253		190,495	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(658,019)		(736,819)		126,186	
Revenue Adjustment-Extraordinary O & M	---		15,155,162		---	
Change in Net Assets	(658,019)		14,418,343		126,186	
Beginning Net Assets	154,454,183		158,099,527		167,176,682	
Ending Net Assets	\$153,796,164		\$172,517,870		\$167,302,868	
Net Income (Loss) before Rev Adj to Total Income	(8.2)		(10.2)		1.5	
Net Income (Loss) after Rev Adj to Total Income	(8.2)		198.7		1.5	
Debt Service Coverage Before Transfers	0.29		0.22		1.09	
Debt Service Coverage After Transfers	0.29		13.21		1.09	

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

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	<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	\$3,517,363	0.0760	\$3,737,052	0.0754	\$3,618,795	0.0724
Commercial I	1,439,771	0.0785	1,466,075	0.0783	1,405,634	0.0754
Commercial II	2,899,015	0.0589	2,897,609	0.0586	2,777,654	0.0564
Industrial I	2,806,911	0.0515	2,869,339	0.0496	2,800,586	0.0487
Industrial II	9,582,609	0.0435	9,746,888	0.0435	9,291,781	0.0418
City Enterprise Funds	148,539	0.0503	160,353	0.0563	163,987	0.0510
Water & Communications Utilities	393,447	0.0500	357,565	0.0485	401,876	0.0478
Native System Sales	20,787,655	0.0520	21,234,881	0.0518	20,460,313	0.0500
Wholesale Sales	15,377,383	0.0364	11,225,606	0.0331	20,765,571	0.0359
Energy Sales	36,165,038		32,460,487		41,225,884	
<b><u>Steam Sales</u></b>	4,103,398	3.43	4,564,394	3.49	4,984,981	3.84
<b><u>Other Revenue</u></b>						
Rail Car Lease	126,000		219,956		163,068	
By-Product Revenue	102,786		51,763		109,279	
Miscellaneous Revenue	231,339		274,130		238,833	
Total Other Revenue	460,125		545,849		511,180	
Operating Revenue	40,728,561		37,570,730		46,722,045	
<b><u>Operating Expense</u></b>						
Purchased Power	13,907,104	0.0334	12,350,704	0.0287	13,727,935	0.0323
Production Fuel	10,543,145		9,258,880		10,878,738	
Emissions Allowance	242,666		226,197		409,234	
Operation	11,288,706		10,328,383		10,405,188	
Maintenance	9,611,239		8,658,885		4,783,897	
Depreciation	5,569,309		5,529,636		7,117,362	
Total Operating Expense	51,162,169		46,352,685		47,322,354	
Operating Loss	(10,433,608)		(8,781,955)		(600,309)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	774,314		674,387		753,192	
Interest Expense	(386,852)		(380,909)		(748,673)	
Total Nonoperating Revenue (Expense)	387,462		293,478		4,519	
Net Loss Before Revenue Adjustment and Capital Contributions	(10,046,146)		(8,488,477)		(595,790)	
Capital Contributions	—		8,873		—	
Revenue Adjustment-Extraordinary O & M	—		17,155,162		5,100,000	
Change in Net Assets	(10,046,146)		8,675,558		4,504,210	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
Ending Net Assets	\$153,796,166		\$172,517,870		\$167,302,868	
Net Income (Loss) before Rev Adj to Total Income	(24.2)		(22.2)		(1.3)	
Net Income (Loss) after Rev Adj to Total Income	(24.2)		22.7		9.5	
Debt Service Coverage Before Transfers	(0.59)		(0.36)		1.06	
Debt Service Coverage After Transfers	(0.59)		2.09		1.79	

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

**ASSETS**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Current Assets:</b>		
<u><b>Restricted</b></u>		
Cash - interest bearing	\$2,101,286	\$2,718,945
Investments	<u>5,731,147</u>	<u>18,467,631</u>
Total Restricted Current Assets	<u>7,832,433</u>	<u>21,186,576</u>
<u><b>Unrestricted</b></u>		
Cash - interest bearing	6,782,607	4,750,765
Investments	5,216,354	8,757,188
Receivables:		
Consumer Accounts	4,472,111	4,590,935
Wholesale	461,685	875,253
Steam Sales	1,236,329	1,232,198
Interest	633,516	764,856
Intercompanies	24,630	15,570
Inventories	6,517,356	6,544,315
Fuel	14,494,813	9,957,556
Prepaid Expenses	<u>766,185</u>	<u>767,430</u>
Total Unrestricted Current Assets	<u>40,605,586</u>	<u>38,256,066</u>
Total Current Assets	<u>48,438,019</u>	<u>59,442,642</u>
<b>Property and Equipment:</b>		
At Cost	407,089,521	404,615,552
Less Accumulated Depreciation	<u>296,978,169</u>	<u>284,714,468</u>
Net Property and Equipment	<u>110,111,352</u>	<u>119,901,084</u>
<b>Other Assets:</b>		
Unamortized Cost of Issuing Bonds	---	13,641
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>137,694</u>	<u>185,587</u>
Total Other Assets	<u>35,464,694</u>	<u>35,526,228</u>
<b>TOTAL ASSETS</b>	<u><u>\$194,014,065</u></u>	<u><u>\$214,869,954</u></u>

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

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current Liabilities:</b>		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$46,836 in 2011 and \$38,104 in 2010; and Less Deferred Amount on Refund of \$36,184 in 2011 and \$34,316 in 2010	\$13,270,652	\$12,588,788
Accrued Interest	364,925	711,012
Total Restricted Current Liabilities	<u>13,635,577</u>	<u>13,299,800</u>
<u>Unrestricted</u>		
Accounts Payable	1,592,427	2,080,472
Pension Provision	956,256	807,612
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	217,446	167,686
Accrued Vacation	1,148,112	1,102,384
Accrued Emission Allowance Expense	208,380	409,234
Consumers' Deposits	595,609	605,221
Accrued Property Taxes	96,793	100,468
Miscellaneous Accrued Expenses	747,632	728,732
Miscellaneous Deferred Credits	52,850	86,050
Total Unrestricted Current Liabilities	<u>5,849,137</u>	<u>6,304,519</u>
Total Current Liabilities	<u>19,484,714</u>	<u>19,604,319</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,878,543	1,884,318
Post-Employment Health Benefit Provision	132,938	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$113,845 in 2010 and less Deferred Amount on Refunding of \$108,558 in 2010	---	13,275,287
Total Non-Current Liabilities	<u>2,011,481</u>	<u>15,159,605</u>
<b>Deferred Revenue - Extraordinary O &amp; M</b>	<u>---</u>	<u>12,803,162</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	96,854,341	94,090,871
Restricted	7,467,508	20,475,564
Unrestricted	68,196,021	52,736,433
Total Net Assets	<u>172,517,870</u>	<u>167,302,868</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$194,014,065</u></u>	<u><u>\$214,869,954</u></u>



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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,474,531	\$21,298,666
MISO sales	571,825	12,165,156
Steam sales	267,588	5,107,827
Coal & transportation allowances	92,541	318,887
Railcar leasing	---	122,486
By-product sales	8,548	73,948
Miscellaneous sources	53,737	272,034
Cash paid to/for:		
Suppliers	(1,673,082)	(8,077,402)
MISO purchases/administration fees	(1,853,965)	(12,111,996)
Coal	(3,910,532)	(12,280,588)
Employees payroll, taxes and benefits	(2,197,690)	(10,340,519)
Net cash flows from operating activities	<u>(5,166,499)</u>	<u>(3,451,501)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(439,591)	(2,118,587)
Bond principal payments	---	(12,585,000)
Bond interest payments	---	(711,013)
Net cash flows from capital and related financing activities	<u>(439,591)</u>	<u>(15,414,600)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(25,050)
Interest received on investments and note receivable	86,515	770,771
Accrued Interest Purchased	---	---
Amortization/accretion of investments	4,475	10,294
Mark to market	(11,011)	(71,813)
Net cash flows from investing activities	<u>79,979</u>	<u>684,202</u>
Net decrease in cash and investments	<u>(5,526,111)</u>	<u>(18,181,899)</u>
Cash and investments at beginning of period	<u>25,357,505</u>	<u>38,013,293</u>
Cash and investments at end of period	<u><u>\$19,831,394</u></u>	<u><u>\$19,831,394</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$785,072)	(\$8,781,955)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	5,529,636
Amortization of joint venture rights	9,897	49,888
Changes in assets and liabilities:		
Consumer accounts receivable	(134,508)	474,973
Wholesale receivable	(380,865)	830,914
Steam sales receivable	(428,866)	1,129,416
Intercompany receivable	(4,459)	(2,430)
Inventories	(143,293)	142,464
Fuel	(822,025)	(3,376,226)
Prepaid expenses	120,400	(242,310)
Hedge Asset	---	2,196,100
Accounts payable	(3,231,487)	111,556
Pension provision	159,376	956,256
Health & dental insurance provision	86,523	19,661
Other post-employment benefit provision	2,462	14,772
Accrued payroll	(552,078)	(76,881)
Accrued vacation	(26,735)	132,055
Accrued emission allowance expense	28,995	(428,056)
Consumers' deposits	(4,667)	(2,183)
Retained percentage	(2,483)	---
Accrued property taxes	9,775	7,373
Miscellaneous accrued expenses	11,005	59,576
Hedge Liability	---	(2,196,100)
Net cash flows from operating activities	<u>(\$5,166,499)</u>	<u>(\$3,451,501)</u>

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

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Bond Reserve Fund	\$7,467,508	\$7,449,708
Bond Sinking Fund	364,925	711,013
Extraordinary Operation & Maintenance Account	<u>---</u>	<u>13,025,855</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u><u>\$7,832,433</u></u>	 <u><u>\$21,186,576</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$2,460,602</u>	31.1	<u>\$2,249,769</u>	31.5	<u>\$2,635,220</u>	32.2
Average price per kWh	\$0.0344		\$0.0295		\$0.0335	
<b><u>Generation</u></b>						
Operation Supervision	77,826		77,588		76,020	
Fuel:						
Coal	2,109,948		1,860,627		1,838,475	
Fuel Oil	10,000		20,905		281	
Gas	28,000		15,093		15,384	
Coal Handling Expense	63,308		59,233		68,770	
Landfill Operation Expense	14,927		5,475		2,846	
Emissions Allowance Expense	43,027		28,995		58,312	
Steam Expense:						
Boiler	99,053		90,568		95,443	
Pollution Control	61,085		32,427		37,223	
Electric Expense	95,171		89,607		95,019	
Miscellaneous Steam Power Expense	509,865		444,130		389,272	
Maintenance:						
Supervision	75,990		84,502		85,141	
Structures	96,659		85,637		58,331	
Boiler Plant:						
Boiler	169,107		108,399		164,563	
Pollution Control	20,974		83,739		59,057	
Electric Plant	55,786		123,657		29,063	
System Control	27,685		18,974		16,001	
Miscellaneous Steam Plant	55,931		42,603		45,458	
Coal Handling Equipment	96,659		52,118		34,639	
System Control and Load Dispatch	57,542		67,042		51,732	
Vacation, Holiday, Sick Leave	73,665		73,764		69,438	
Depreciation	<u>621,860</u>		<u>620,375</u>		<u>885,239</u>	
<b>Total Generation Expense</b>	<u>\$4,464,068</u>	56.4	<u>\$4,085,458</u>	57.2	<u>\$4,175,707</u>	51.0

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

Page 11

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					
<b>Purchased Power</b>	<b>\$13,907,104</b>	<b>34.1</b>	<b>\$12,350,704</b>	<b>32.9</b>	<b>\$13,727,935</b>	<b>29.4</b>
Average price per kWh	\$0.0334		\$0.0287		\$0.0323	
 <b><u>Generation</u></b>						
Operation Supervision	456,965		484,416		493,158	
Fuel:						
Coal	9,889,631		8,543,258		10,382,982	
Fuel Oil	61,313		223,023		30,879	
Gas	183,400		115,072		59,013	
Coal Handling Expense	363,147		347,750		385,701	
Landfill Operation Expense	45,654		29,777		20,163	
Emissions Allowance Expense	242,666		226,197		409,234	
Steam Expense:						
Boiler	593,423		594,012		668,220	
Pollution Control	338,782		166,077		226,125	
Electric Expense	577,876		507,706		550,624	
Miscellaneous Steam Power Expense	1,176,829		1,038,297		924,824	
Maintenance:						
Supervision	478,929		535,718		510,588	
Structures	617,578		432,237		335,331	
Boiler Plant:						
Boiler	2,817,170		2,610,325		1,459,769	
Pollution Control	863,618		862,235		254,996	
Electric Plant	2,421,773		2,237,314		275,066	
System Control	137,016		128,702		85,204	
Miscellaneous Steam Plant	351,370		353,530		318,047	
Coal Handling Equipment	701,424		498,802		525,804	
System Control and Load Dispatch	360,827		260,010		340,190	
Vacation, Holiday, Sick Leave	507,217		502,403		548,435	
Depreciation	3,731,162		3,722,250		5,311,434	
 <b>Total Generation Expense</b>	<b>\$26,917,770</b>	<b>66.1</b>	<b>\$24,419,111</b>	<b>65.0</b>	<b>\$24,115,787</b>	<b>51.6</b>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$3,833		\$1,178		\$3,751	
Load Dispatching	10,636		7,702		8,569	
Station Expense	7,960		9,133		8,262	
Overhead Line Expense	118		---		---	
Miscellaneous Transmission Expense	13,349		7,029		6,613	
Maintenance:						
Supervision	1,998		1,379		1,866	
Structures	2,967		---		---	
Station Equipment	7,990		5,282		4,106	
Overhead Lines	20,514		1,540		3,243	
Vacation, Holiday, Sick Leave	4,720		3,411		4,008	
Depreciation	30,608		30,592		30,568	
Tax on Rural Property	5,560		5,822		5,942	
Total Transmission Expense	110,253	1.4	73,068	1.0	76,928	0.9
<b><u>Distribution</u></b>						
Operation Supervision	11,293		8,567		12,039	
Load Dispatching	39,817		29,377		29,111	
Station Expense	8,768		7,154		6,943	
Overhead Line Expense	5,592		9,408		1,136	
Vehicle Expense	15,144		20,981		13,170	
Underground Line Expense	3,232		4,659		3,231	
Street Lighting	1,570		2,417		2,392	
Signal Expense	783		75		252	
Meter Expense	9,553		8,431		8,209	
Consumer Installation Expense	1,473		1,905		1,231	
Miscellaneous Distribution Expense	61,416		63,982		56,544	
Maintenance:						
Supervision	10,441		8,498		10,817	
Structures	3,131		1,691		---	
Station Equipment	11,229		7,295		11,763	
Overhead Lines	67,153		50,705		53,039	
Underground Lines	8,145		5,238		5,903	
Line Transformers	3,145		4,130		14,461	
Street Lighting	4,924		9,461		1,708	
Signal System	1,505		5,723		5,028	
Meters	676		(693)		1,840	
Miscellaneous Distribution Plant	2,917		1,225		1,438	
Vacation, Holiday, Sick Leave	21,901		18,170		20,397	
Depreciation	150,714		148,879		146,484	
Tax on Rural Property	1,661		1,739		1,775	
Total Distribution Expense	\$446,183	5.6	\$419,017	5.9	\$408,911	5.0

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$22,870		\$15,464		\$23,029	
Load Dispatching	64,267		47,109		59,771	
Station Expense	52,304		42,083		50,592	
Overhead Line Expense	421		870		1,452	
Miscellaneous Transmission Expense	77,457		55,064		55,754	
Maintenance:						
Supervision	11,792		10,186		10,813	
Structures	15,175		---		211	
Station Equipment	44,000		30,264		41,690	
Overhead Lines	48,084		42,629		65,268	
Vacation, Holiday, Sick Leave	31,547		31,757		32,030	
Depreciation	183,646		183,552		183,408	
Tax on Rural Property	33,360		33,701		35,793	
<b>Total Transmission Expense</b>	<b>584,923</b>	<b>1.4</b>	<b>492,679</b>	<b>1.3</b>	<b>559,811</b>	<b>1.2</b>
<b><u>Distribution</u></b>						
Operation Supervision	66,071		60,857		72,511	
Load Dispatching	241,273		181,425		187,178	
Station Expense	46,602		43,743		50,785	
Overhead Line Expense	21,401		21,946		5,152	
Vehicle Expense	90,890		92,519		85,120	
Underground Line Expense	19,480		15,947		18,706	
Street Lighting	9,120		13,238		14,840	
Signal Expense	3,788		873		7,004	
Meter Expense	57,213		52,843		52,570	
Consumer Installation Expense	8,428		9,655		7,813	
Miscellaneous Distribution Expense	373,661		322,631		368,261	
Maintenance:						
Supervision	60,862		57,458		63,635	
Structures	7,599		1,691		---	
Station Equipment	61,725		58,067		70,535	
Overhead Lines	380,974		307,930		326,210	
Underground Lines	49,011		27,419		36,073	
Line Transformers	29,342		40,955		58,361	
Street Lighting	29,474		31,302		25,644	
Signal System	11,156		29,666		17,979	
Meters	3,858		11,088		2,624	
Miscellaneous Distribution Plant	17,500		11,244		14,216	
Vacation, Holiday, Sick Leave	147,060		151,983		181,902	
Depreciation	904,285		893,274		878,904	
Tax on Rural Property	9,966		10,083		10,679	
<b>Total Distribution Expense</b>	<b>\$2,650,739</b>	<b>6.5</b>	<b>\$2,447,837</b>	<b>6.5</b>	<b>\$2,556,702</b>	<b>5.5</b>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$66,657		\$23,948		\$27,899	
Electric Ranges/Dryers-Maint/Promotion	1,327		789		684	
Electric Water Heaters-Maint/Promotion	850		859		1,454	
Total Customer Service Expense	68,834	0.9	25,596	0.4	30,037	0.4
<b><u>Consumer Accounts</u></b>						
Supervision	1,903		2,281		2,150	
Meter Reading Expense	8,108		8,228		8,754	
Consumer Records and Collection	31,314		29,548		30,522	
Uncollectible Accounts Expense	1,942		1,942		1,834	
Vacation, Holiday, Sick Leave	2,651		3,237		2,707	
Total Consumer Accounts Expense	45,918	0.6	45,236	0.6	45,967	0.6
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	170,142		160,863		173,776	
Office Supplies and Expenses	17,045		13,477		10,647	
Outside Services Employed	46,911		55,403		27,970	
Property Insurance	39,120		38,809		41,012	
Casualty Ins, Injuries & Damages	38,044		29,833		18,246	
Employee Pensions and Benefits	470,749		476,698		406,190	
Fringe Benefits Charged to Constr.	(13,239)		(20,120)		(18,599)	
Regulatory Commission	4,400		3,651		4,400	
Miscellaneous General Expense	26,565		37,883		32,941	
Maintenance of General Plant	30,276		26,705		17,018	
Maintenance of A/O Center	63,420		66,746		24,905	
Vacation, Holiday, Sick Leave	23,474		20,417		19,693	
Depreciation	125,036		121,760		123,936	
Total Administrative and General	1,041,943	13.2	1,032,125	14.4	882,135	10.8
Total Operating Expense	\$8,637,801		\$7,930,269		\$8,254,905	
Percent to Operating Revenue		109.1		111.0		100.8



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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$353,397		\$159,610		\$121,318	
Electric Ranges/Dryers-Maint/Promotion	8,461		5,732		7,257	
Electric Water Heaters-Maint/Promotion	5,204		5,238		8,619	
Total Customer Service Expense	<u>\$367,062</u>	0.9	<u>\$170,580</u>	0.5	<u>\$137,194</u>	0.3
<b><u>Consumer Accounts</u></b>						
Supervision	11,460		12,244		12,218	
Meter Reading Expense	49,216		48,766		50,488	
Consumer Records and Collection	183,776		168,316		179,886	
Uncollectible Accounts Expense	11,650		11,650		11,004	
Vacation, Holiday, Sick Leave	18,195		21,897		22,076	
Total Consumer Accounts Expense	<u>274,297</u>	0.7	<u>262,873</u>	0.7	<u>275,672</u>	0.6
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	1,022,361		1,001,507		970,159	
Office Supplies and Expenses	109,535		83,056		83,619	
Outside Services Employed	346,451		378,166		371,085	
Property Insurance	240,396		239,463		246,055	
Casualty Ins, Injuries & Damages	228,262		278,726		191,435	
Employee Pensions and Benefits	2,940,897		2,919,332		2,768,730	
Fringe Benefits Charged to Constr.	(95,420)		(122,623)		(81,908)	
Regulatory Commission	26,400		21,906		40,399	
Miscellaneous General Expense	281,582		188,333		169,060	
Maintenance of General Plant	187,617		147,076		132,744	
Maintenance of A/O Center	264,192		193,047		153,089	
Vacation, Holiday, Sick Leave	157,785		150,352		161,170	
Depreciation	750,216		730,560		743,616	
Total Administrative and General	<u>6,460,274</u>	15.9	<u>6,208,901</u>	16.5	<u>5,949,253</u>	12.7
Total Operating Expense	<u>\$51,162,169</u>		<u>\$46,352,685</u>		<u>\$47,322,354</u>	
Percent to Operating Revenue		125.6		123.4		101.3

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

**Per KWH Delivered to Wholesale Customers**

	Current Month <u>2011 Budget</u>	Current Month <u>2011 Actual</u>	Current Month <u>2010 Actual</u>	Year-To-Date <u>2011 Budget</u>	Year-To-Date <u>2011 Actual</u>	Year-To-Date <u>2010 Actual</u>
Wholesale Sales KWHs	94,068,000	78,138,884	89,151,932	421,995,600	338,951,825	578,255,237
Wholesale Sales	\$0.03820	\$0.03468	\$0.03853	\$0.03644	\$0.03312	\$0.03591
Less:						
Generation	0.04235	0.04557	0.03991	0.05689	0.06287	0.03625
Transmission	0.00117	0.00094	0.00086	0.00139	0.00145	0.00097
Subtotal	0.04352	0.04651	0.04077	0.05828	0.06432	0.03722
Wholesale Margin	(\$0.00532)	(\$0.01183)	(\$0.00224)	(\$0.02184)	(\$0.03120)	(\$0.00131)

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

	Current Month <u>2011 Budget</u>	Current Month <u>2011 Actual</u>	Current Month <u>2010 Actual</u>	Year-To-Date <u>2011 Budget</u>	Year-To-Date <u>2011 Actual</u>	Year-To-Date <u>2010 Actual</u>
Native System Sales KWHs	67,294,733	70,707,403	73,740,127	399,381,428	409,637,646	409,300,165
Native System Sales	\$0.05262	\$0.05217	\$0.04990	\$0.05205	\$0.05184	\$0.04999
Less:						
Purchased Power	0.03656	0.03182	0.03574	0.03482	0.03015	0.03354
Distribution	0.00663	0.00593	0.00555	0.00664	0.00598	0.00625
Customer Service	0.00102	0.00036	0.00041	0.00092	0.00042	0.00034
Consumers Accounts	0.00068	0.00064	0.00062	0.00069	0.00064	0.00067
Administrative & General	0.01548	0.01460	0.01196	0.01618	0.01516	0.01454
Subtotal	0.06038	0.05334	0.05428	0.05924	0.05234	0.05533
Native System Margin	(0.00776)	(0.00117)	(0.00438)	(0.00719)	(0.00050)	(0.00534)
Wholesale Margin	(0.00744)	(0.01307)	(0.00271)	(0.02307)	(0.02582)	(0.00185)
Net Electric Margin before Steam Sales	(\$0.01520)	(\$0.01424)	(\$0.00709)	(\$0.03026)	(\$0.02632)	(\$0.00719)
Net Electric Margin after Steam Sales	(\$0.01225)	(\$0.01188)	(\$0.00287)	(\$0.02728)	(\$0.02277)	(\$0.00272)

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

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Per Million Btu.	\$1.805	\$1.486	\$1.653	\$1.369
Per Net MW Generated	\$19.48	\$16.58	\$18.05	\$15.23
Net Peak Monthly Demand-KW	136,500	133,400	136,500	133,400
Date of Peak	6/6	6/22	6/6	6/22
Hour of Peak	1600	1700	1600	1700
Average Temperature	70°	74°		
<b><u>Services</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>		
Residential	9,678	9,665		
Commercial I	1,387	1,394		
Commercial II	118	117		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	32	39		
Total	11,250	11,250		

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

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales</u></b>	<b><u>94,068,000</u></b>		<b><u>78,138,884</u></b>		<b><u>89,151,932</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$3,593,156</u></b>	<b><u>\$0.0382</u></b>	<b><u>\$2,709,580</u></b>	<b><u>\$0.0347</u></b>	<b><u>\$3,434,599</u></b>	<b><u>\$0.0385</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	1,747,109	0.0186	1,441,718	0.0185	1,388,283	0.0156
SO <sup>2</sup> Allowances <sup>fn1</sup>	319	0.0000	245	0.0000	1,687	0.0000
NO <sub>x</sub> Allowances <sup>fn2</sup>	42,708	0.0005	18,591	0.0002	46,955	0.0005
Other <sup>fn4</sup>	<u>283,062</u>	<u>0.0030</u>	<u>278,856</u>	<u>0.0036</u>	<u>284,544</u>	<u>0.0032</u>
Total Variable Costs	<u>2,073,198</u>	<u>0.0220</u>	<u>1,739,410</u>	<u>0.0223</u>	<u>1,721,469</u>	<u>0.0193</u>
Gross Margin	<u>\$1,519,958</u>	<u>\$0.0162</u>	<u>\$970,170</u>	<u>\$0.0124</u>	<u>\$1,713,130</u>	<u>\$0.0192</u>
Percent Gross Margin	42.3%		35.8%		49.9%	

**Calendar Year To Date**

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales</u></b>	<b><u>421,995,600</u></b>		<b><u>338,951,825</u></b>		<b><u>578,255,237</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$15,377,383</u></b>	<b><u>\$0.0364</u></b>	<b><u>\$11,225,606</u></b>	<b><u>\$0.0331</u></b>	<b><u>\$20,765,571</u></b>	<b><u>\$0.0359</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	7,706,730	0.0183	6,157,746	0.0182	8,294,950	0.0143
SO <sup>2</sup> Allowances <sup>fn1</sup>	1,914	0.0000	2,351	0.0000	18,720	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	199,576	0.0005	120,040	0.0004	408,635	0.0007
Other <sup>fn4</sup>	<u>1,698,372</u>	<u>0.0040</u>	<u>1,655,516</u>	<u>0.0049</u>	<u>1,765,689</u>	<u>0.0031</u>
Total Variable Costs	<u>9,606,592</u>	<u>0.0228</u>	<u>7,935,653</u>	<u>0.0234</u>	<u>10,487,994</u>	<u>0.0181</u>
Gross Margin	<u>\$5,770,791</u>	<u>\$0.0137</u>	<u>\$3,289,953</u>	<u>\$0.0097</u>	<u>\$10,277,577</u>	<u>\$0.0178</u>
Percent Gross Margin	37.5%		29.3%		49.5%	

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

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
<b>fn1</b> SO <sup>2</sup>	\$30.00	\$4.00	\$56.00
YTD SO <sup>2</sup>	30.00	7.07	58.70
<b>fn2</b> NO <sub>x</sub> annual	400.00	142.50	462.50
NO <sub>x</sub> seasonal	50.00	15.00	40.00
<b>fn3</b> YTD NO <sub>x</sub> annual	400.00	247.36	513.05
YTD NO <sub>x</sub> seasonal	50.00	14.84	36.88

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