

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

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	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>
<u>Net Capacity Factors</u>					
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	<u>56.75</u>	(17.2)	<u>47.01</u>	(12.6)	<u>53.81</u>
<u>KWH Distribution</u>					
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>
<u>STEAM SALES - 1000 lbs</u>	<u>190,800</u>	<u>8.8</u>	<u>207,598</u>	<u>(20.1)</u>	<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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	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
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>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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>
<u>STEAM SALES - 1000 lbs</u>					
	<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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
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	
<u>Steam Sales</u>	678,790	3.56	691,931	3.33	929,482	3.58
<u>Other Revenue</u>						
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	
<u>Operating Expense</u>						
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)	
<u>Nonoperating Revenue (Expense)</u>						
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>
<u>Sales of Electricity</u>						
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	<u>393,447</u>	<u>0.0500</u>	<u>357,565</u>	<u>0.0485</u>	<u>401,876</u>	<u>0.0478</u>
Native System Sales	20,787,655	0.0520	21,234,881	0.0518	20,460,313	0.0500
Wholesale Sales	<u>15,377,383</u>	<u>0.0364</u>	<u>11,225,606</u>	<u>0.0331</u>	<u>20,765,571</u>	<u>0.0359</u>
Energy Sales	<u>36,165,038</u>		<u>32,460,487</u>		<u>41,225,884</u>	
Steam Sales	<u>4,103,398</u>	3.43	<u>4,564,394</u>	3.49	<u>4,984,981</u>	3.84
<u>Other Revenue</u>						
Rail Car Lease	126,000		219,956		163,068	
By-Product Revenue	102,786		51,763		109,279	
Miscellaneous Revenue	<u>231,339</u>		<u>274,130</u>		<u>238,833</u>	
Total Other Revenue	<u>460,125</u>		<u>545,849</u>		<u>511,180</u>	
Operating Revenue	<u>40,728,561</u>		<u>37,570,730</u>		<u>46,722,045</u>	
<u>Operating Expense</u>						
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	<u>5,569,309</u>		<u>5,529,636</u>		<u>7,117,362</u>	
Total Operating Expense	<u>51,162,169</u>		<u>46,352,685</u>		<u>47,322,354</u>	
Operating Loss	<u>(10,433,608)</u>		<u>(8,781,955)</u>		<u>(600,309)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	774,314		674,387		753,192	
Interest Expense	<u>(386,852)</u>		<u>(380,909)</u>		<u>(748,673)</u>	
Total Nonoperating Revenue (Expense)	<u>387,462</u>		<u>293,478</u>		<u>4,519</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(10,046,146)</u>		<u>(8,488,477)</u>		<u>(595,790)</u>	
Capital Contributions	—		8,873		—	
Revenue Adjustment-Extraordinary O & M	<u>—</u>		<u>17,155,162</u>		<u>5,100,000</u>	
Change in Net Assets	<u>(10,046,146)</u>		<u>8,675,558</u>		<u>4,504,210</u>	
Beginning Net Assets	<u>163,842,312</u>		<u>163,842,312</u>		<u>162,798,658</u>	
Ending Net Assets	<u>\$153,796,166</u>		<u>\$172,517,870</u>		<u>\$167,302,868</u>	
Net Income (Loss) before Rev Adj to Total Income	(24.2)		(22.2)		(1.3)	
Net Income (Loss) after Rev Adj to Total Income	<u>(24.2)</u>		<u>22.7</u>		<u>9.5</u>	
Debt Service Coverage Before Transfers	(0.59)		(0.36)		1.06	
Debt Service Coverage After Transfers	<u>(0.59)</u>		<u>2.09</u>		<u>1.79</u>	

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

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</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>Unrestricted</u>		
Cash - interest bearing	6,782,607	4,750,765
Investments	<u>5,216,354</u>	<u>8,757,188</u>
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>
Property and Equipment:		
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>
Other Assets:		
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>
TOTAL ASSETS	<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>
Current Liabilities:		
<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	<u>364,925</u>	<u>711,012</u>
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	<u>52,850</u>	<u>86,050</u>
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>
Non-Current Liabilities:		
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	--	<u>13,275,287</u>
Total Non-Current Liabilities	<u>2,011,481</u>	<u>15,159,605</u>
Deferred Revenue - Extraordinary O & M	<u>--</u>	<u>12,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	96,854,341	94,090,871
Restricted	7,467,508	20,475,564
Unrestricted	<u>68,196,021</u>	<u>52,736,433</u>
Total Net Assets	<u>172,517,870</u>	<u>167,302,868</u>
TOTAL LIABILITIES AND NET ASSETS	<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</u> <u>Month</u>	<u>Year-</u> <u>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	<u>(2,197,690)</u>	<u>(10,340,519)</u>
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	<u>(11,011)</u>	<u>(71,813)</u>
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>\$19,831,394</u>	<u>\$19,831,394</u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
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><u>(\$5,166,499)</u></u>	<u><u>(\$3,451,501)</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,467,508	\$7,449,708
Bond Sinking Fund	364,925	711,013
Extraordinary Operation & Maintenance Account	---	13,025,855
 Total Cash and Investments Appropriated for Specific Purposes	 <u>\$7,832,433</u>	 <u>\$21,186,576</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>
Purchased Power	\$2,460,602	31.1	\$2,249,769
Average price per kWh	\$0.0344	\$0.0295	\$0.0335
Generation			
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>
Total Generation Expense	<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

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	Budget		This Year	Last Year
	Estimate	 		
Purchased Power	\$13,907,104	34.1	\$12,350,704	32.9
Average price per kWh	\$0.0334		\$0.0287	\$0.0323
Generation				
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	<u>3,731,162</u>		<u>3,722,250</u>	<u>5,311,434</u>
Total Generation Expense	\$26,917,770	66.1	\$24,419,111	65.0
				\$24,115,787
				51.6

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>
<u>Transmission</u>			
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	<u>5,560</u>	<u>5,822</u>	<u>5,942</u>
Total Transmission Expense	<u>110,253</u>	<u>1.4</u>	<u>73,068</u>
	1.0	76,928	0.9
<u>Distribution</u>			
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	<u>1,661</u>	<u>1,739</u>	<u>1,775</u>
Total Distribution Expense	<u>\$446,183</u>	<u>5.6</u>	<u>\$419,017</u>
	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>			
<u>Transmission</u>						
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	<u>33,360</u>	<u>33,701</u>	<u>35,793</u>			
Total Transmission Expense	<u>584,923</u>	1.4	<u>492,679</u>	1.3	<u>559,811</u>	1.2
<u>Distribution</u>						
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	<u>373,661</u>	<u>322,631</u>	<u>368,261</u>			
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	<u>9,966</u>	<u>10,083</u>	<u>10,679</u>			
Total Distribution Expense	<u>\$2,650,739</u>	6.5	<u>\$2,447,837</u>	6.5	<u>\$2,556,702</u>	5.5

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>
<u>Customer Service Expense</u>			
Customer Information Expense	\$66,657	\$23,948	\$27,899
Electric Ranges/Dryers-Maint/Promotion	1,327	789	684
Electric Water Heaters-Maint/Promotion	<u>850</u>	<u>859</u>	<u>1,454</u>
Total Customer Service Expense	<u>68,834</u>	<u>0.9</u>	<u>25,596</u>
	<u>0.4</u>	<u>0.4</u>	<u>30,037</u>
	<u>0.4</u>		
<u>Consumer Accounts</u>			
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	<u>2,651</u>	<u>3,237</u>	<u>2,707</u>
Total Consumer Accounts Expense	<u>45,918</u>	<u>0.6</u>	<u>45,967</u>
	<u>0.6</u>		
<u>Administrative and General</u>			
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	<u>125,036</u>	<u>121,760</u>	<u>123,936</u>
Total Administrative and General	<u>1,041,943</u>	<u>13.2</u>	<u>1,032,125</u>
	<u>14.4</u>		
Total Operating Expense	<u><u>\$8,637,801</u></u>	<u><u>\$7,930,269</u></u>	<u><u>\$8,254,905</u></u>
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

	Budget Estimate	This Year	Last Year
<u>Customer Service Expense</u>			
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	<u>5,204</u>	<u>5,238</u>	<u>8,619</u>
 Total Customer Service Expense	 <u>\$367,062</u>	 0.9	 <u>\$137,194</u> 0.3
 <u>Consumer Accounts</u>			
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	<u>18,195</u>	<u>21,897</u>	<u>22,076</u>
 Total Consumer Accounts Expense	 <u>274,297</u>	 0.7	 <u>275,672</u> 0.6
 <u>Administrative and General</u>			
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	<u>750,216</u>	<u>730,560</u>	<u>743,616</u>
 Total Administrative and General	 <u>6,460,274</u>	 15.9	 <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	<u>(\$0.00532)</u>	<u>(\$0.01183)</u>	<u>(\$0.00224)</u>	<u>(\$0.02184)</u>	<u>(\$0.03120)</u>	<u>(\$0.00131)</u>

Per KWH Delivered to Paving 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	<u>(0.00776)</u>	<u>(0.00117)</u>	<u>(0.00438)</u>	<u>(0.00719)</u>	<u>(0.00050)</u>	<u>(0.00534)</u>
Wholesale Margin	<u>(0.00744)</u>	<u>(0.01307)</u>	<u>(0.00271)</u>	<u>(0.02307)</u>	<u>(0.02582)</u>	<u>(0.00185)</u>
Net Electric Margin before Steam Sales	<u>(\$0.01520)</u>	<u>(\$0.01424)</u>	<u>(\$0.00709)</u>	<u>(\$0.03026)</u>	<u>(\$0.02632)</u>	<u>(\$0.00719)</u>
Net Electric Margin after Steam Sales	<u>(\$0.01225)</u>	<u>(\$0.01188)</u>	<u>(\$0.00287)</u>	<u>(\$0.02728)</u>	<u>(\$0.02277)</u>	<u>(\$0.00272)</u>

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.	\$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°		
Services	<u>2011</u>	<u>2010</u>		
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	<u>11,250</u>	<u>11,250</u>		

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>
<u>Wholesale kWh Sales</u>	<u>94,068,000</u>		<u>78,138,884</u>		<u>89,151,932</u>	
<u>Wholesale Sales</u>	<u>\$3,593,156</u>	<u>\$0.0382</u>	<u>\$2,709,580</u>	<u>\$0.0347</u>	<u>\$3,434,599</u>	<u>\$0.0385</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,747,109	0.0186	1,441,718	0.0185	1,388,283	0.0156
SO ² Allowances ^{fn1}	319	0.0000	245	0.0000	1,687	0.0000
NO _x Allowances ^{fn2}	42,708	0.0005	18,591	0.0002	46,955	0.0005
Other ^{fn4}	<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>
<u>Wholesale kWh Sales</u>	<u>421,995,600</u>		<u>338,951,825</u>		<u>578,255,237</u>	
<u>Wholesale Sales</u>	<u>\$15,377,383</u>	<u>\$0.0364</u>	<u>\$11,225,606</u>	<u>\$0.0331</u>	<u>\$20,765,571</u>	<u>\$0.0359</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	7,706,730	0.0183	6,157,746	0.0182	8,294,950	0.0143
SO ² Allowances ^{fn1}	1,914	0.0000	2,351	0.0000	18,720	0.0000
NO _x Allowances ^{fn3}	199,576	0.0005	120,040	0.0004	408,635	0.0007
Other ^{fn4}	<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>
fn1 SO²	\$30.00	\$4.00	\$56.00
YTD SO ²	30.00	7.07	58.70
fn2 NO_x annual	400.00	142.50	462.50
NO _x seasonal	50.00	15.00	40.00
fn3 YTD NO_x annual	400.00	247.36	513.05
YTD NO _x seasonal	50.00	14.84	36.88

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