

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

August 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 - August 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	106,648,310	20.5	128,517,227	(4.4)	134,367,229
Less: Plant Use	<u>9,444,710</u>	27.9	<u>12,083,366</u>	(3.2)	<u>12,481,247</u>
Net Generation/Wholesale Sales	<u>97,203,600</u>	19.8	<u>116,433,861</u>	(4.5)	<u>121,885,982</u>
<u>Net Capacity Factors</u>					
Unit 9	59.49	12.7	67.05	(2.6)	68.82
Unit 8/8A	50.34	58.0	79.52	(9.8)	88.13
Unit 7	49.79	1.4	50.47	(9.9)	56.03
Total Plant	56.75	19.5	67.79	(4.8)	71.20
<u>KWH Distribution</u>					
Residential	11,118,531	18.2	13,139,193	0.2	13,114,240
Commercial I	3,880,162	6.4	4,127,405	3.4	3,990,217
Commercial II	9,765,545	(4.1)	9,362,726	(6.3)	9,987,236
Industrial I	11,196,659	10.8	12,410,360	(3.5)	12,856,220
Industrial II	37,179,555	(5.3)	35,197,909	(4.8)	36,977,507
City Enterprise Funds	448,081	(13.2)	388,885	(36.9)	615,814
Water & Communications Utilities	<u>1,401,819</u>	(3.4)	<u>1,353,910</u>	(11.5)	<u>1,530,189</u>
Native System Sales	74,990,352	1.3	75,980,388	(3.9)	79,071,423
City Lighting	166,077	(5.4)	157,125	1.9	154,158
City Buildings	554,623	1.4	562,489	1.1	556,439
Offline Power Plant Usage	---	---	138,282	---	---
Losses & Cycle Billing	<u>2,432,371</u>	(8.5)	<u>2,226,458</u>	38.4	<u>1,608,962</u>
Total Native System KWH Distributed/Purchased Power	<u>78,143,423</u>	1.2	<u>79,064,742</u>	(2.9)	<u>81,390,982</u>
<u>STEAM SALES - 1000 lbs</u>	<u>197,160</u>	34.1	<u>264,407</u>	17.5	<u>225,067</u>

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

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	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	676,550,640	(4.7)	644,760,202	(28.6)	902,470,651
Less: Plant Use	<u>60,147,840</u>	8.2	<u>65,080,862</u>	(26.8)	<u>88,915,762</u>
Net Generation/Wholesale Sales	<u>616,402,800</u>	(6.0)	<u>579,679,340</u>	(28.7)	<u>813,554,889</u>
<u>Net Capacity Factors</u>					
Unit 9	45.78	(11.1)	40.71	(36.9)	64.56
Unit 8/8A	44.33	23.8	54.90	(3.0)	56.62
Unit 7	49.79	(25.6)	37.04	(7.2)	39.93
Total Plant	45.91	(6.2)	43.05	(28.9)	60.54
<u>KWH Distribution</u>					
Residential	68,221,684	10.6	75,444,633	0.1	75,406,482
Commercial I	26,011,480	3.5	26,930,515	1.4	26,548,102
Commercial II	68,380,177	1.6	69,461,601	1.7	68,322,891
Industrial I	76,524,690	8.0	82,652,680	1.3	81,598,702
Industrial II	294,313,149	0.9	296,973,797	(0.2)	297,586,727
City Enterprise Funds	3,843,505	(4.8)	3,659,246	(17.7)	4,445,906
Water & Communications Utilities	<u>10,684,497</u>	(4.5)	<u>10,207,288</u>	(9.2)	<u>11,247,671</u>
Native System Sales	547,979,182	3.2	565,329,760	0.0	565,156,481
City Lighting	1,362,598	(3.7)	1,311,836	(1.5)	1,331,442
City Buildings	4,255,805	5.8	4,502,768	3.4	4,353,350
Offline Power Plant Usage	--	---	4,560,095	---	1,009,343
Losses & Cycle Billing	<u>19,351,011</u>	(9.9)	<u>17,436,614</u>	7.7	<u>16,192,504</u>
Total Native System KWH Distributed/Purchased Power	<u>572,948,596</u>	3.5	<u>593,141,073</u>	0.9	<u>588,043,120</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,591,440</u>	15.5	<u>1,837,421</u>	3.8	<u>1,769,490</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>Avg.</u> <u>Price</u>	<u>This</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>	<u>Last</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>
<u>Sales of Electricity</u>						
Residential	\$846,281	0.0761	\$1,048,780	0.0798	\$936,475	0.0714
Commercial I	313,548	0.0808	326,903	0.0792	306,092	0.0767
Commercial II	586,519	0.0601	552,748	0.0590	561,102	0.0562
Industrial I	584,807	0.0522	610,479	0.0492	602,330	0.0469
Industrial II	1,687,882	0.0454	1,604,822	0.0456	1,611,749	0.0436
City Enterprise Funds	23,642	0.0528	21,806	0.0561	33,068	0.0537
Water & Communication Utilities	70,961	0.0506	65,761	0.0486	70,252	0.0459
Native System Sales	4,113,640	0.0549	4,231,299	0.0557	4,121,068	0.0521
Wholesale Sales	4,066,418	0.0418	4,175,822	0.0359	5,142,740	0.0422
Energy Sales	8,180,058		8,407,121		9,263,808	
Steam Sales	713,542	3.62	896,969	3.39	855,972	3.80
<u>Other Revenue</u>						
Rail Car Lease	31,500		48,033		21,658	
By-Product Revenue	39,134		43,044		56,697	
Miscellaneous Revenue	35,358		105,167		75,996	
Total Other Revenue	105,992		196,244		154,351	
Operating Revenue	8,999,592		9,500,334		10,274,131	
<u>Operating Expense</u>						
Purchased Power	3,033,196	0.0388	2,691,395	0.0340	3,080,401	0.0378
Production Fuel	2,311,791		2,911,705		2,589,543	
Emissions Allowance	44,451		20,296		104,639	
Operation	1,789,380		1,686,950		1,650,415	
Maintenance	746,941		880,609		598,765	
Depreciation	928,218		921,606		1,186,227	
Total Operating Expense	8,853,977		9,112,561		9,209,990	
Operating Income	145,615		387,773		1,064,141	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	121,064		110,461		116,184	
Interest Expense	(64,475)		(63,195)		(123,655)	
Total Nonoperating Revenue (Expense)	56,589		47,266		(7,471)	
Net Income Before Revenue Adjustment and Capital Contributions	202,204		435,039		1,056,670	
Capital Contributions	---		---		26,902	
Change in Net Assets	202,204		435,039		1,083,572	
Beginning Net Assets	153,925,618		173,551,896		168,317,055	
Ending Net Assets	\$154,127,822		\$173,986,935		\$169,400,627	
Net Income (Loss) to Total Income	2.2		4.5		10.2	
Debt Service Coverage	1.02		1.22		2.08	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - August 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	\$5,195,686	0.0762	\$5,699,878	0.0756	\$5,440,022	0.0721
Commercial I	2,060,055	0.0792	2,105,500	0.0782	2,012,183	0.0758
Commercial II	4,063,241	0.0594	4,032,536	0.0581	3,864,248	0.0566
Industrial I	3,958,917	0.0517	4,065,257	0.0492	3,956,040	0.0485
Industrial II	12,943,593	0.0440	12,984,624	0.0437	12,561,874	0.0422
City Enterprise Funds	195,892	0.0510	206,650	0.0565	229,826	0.0517
Water & Communications Utilities	538,106	0.0504	490,316	0.0480	537,030	0.0477
Native System Sales	28,955,490	0.0528	29,584,761	0.0523	28,601,223	0.0506
Wholesale Sales	23,756,278	0.0385	20,756,375	0.0358	30,983,134	0.0381
Energy Sales	52,711,768		50,341,136		59,584,357	
<u>Steam Sales</u>	5,525,632	3.47	6,371,507	3.47	6,744,911	3.81
<u>Other Revenue</u>						
Rail Car Lease	189,000		295,056		186,606	
By-Product Revenue	181,053		115,812		194,336	
Miscellaneous Revenue	302,012		417,452		364,823	
Total Other Revenue	672,065		828,320		745,765	
Operating Revenue	58,909,465		57,540,963		67,075,033	
<u>Operating Expense</u>						
Purchased Power	20,062,081	0.0350	18,464,326	0.0311	19,977,250	0.0340
Production Fuel	15,150,607		15,157,136		15,882,291	
Emissions Allowance	331,569		272,226		571,443	
Operation	14,935,433		13,637,984		13,660,463	
Maintenance	11,219,830		10,040,291		6,044,198	
Depreciation	7,425,747		7,372,848		9,489,816	
Total Operating Expense	69,125,267		64,944,811		65,625,461	
Operating Income (Loss)	(10,215,802)		(7,403,848)		1,449,572	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,017,116		891,424		995,330	
Interest Expense	(515,804)		(507,300)		(997,155)	
Total Nonoperating Revenue (Expense)	501,312		384,124		(1,825)	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(9,714,490)		(7,019,724)		1,447,747	
Capital Contributions	---		9,185		54,222	
Revenue Adjustment-Extraordinary O & M	---		17,155,162		5,100,000	
Change in Net Assets	(9,714,490)		10,144,623		6,601,969	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
Ending Net Assets	\$154,127,822		\$173,986,935		\$169,400,627	
Net Income (Loss) before Rev Adj to Total Income	(16.2)		(12.0)		2.1	
Net Income (Loss) after Rev Adj to Total Income	(16.2)		17.4		9.7	
Debt Service Coverage Before Transfers	(0.19)		0.10		1.31	
Debt Service Coverage After Transfers	(0.19)		1.94		1.86	

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

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$3,270,224	\$5,652,395
Investments	<u>4,193,091</u>	<u>14,759,644</u>
Total Restricted Current Assets	<u>7,463,315</u>	<u>20,412,039</u>
<u>Unrestricted</u>		
Cash - interest bearing	12,665,969	10,553,431
Investments	<u>1,872,488</u>	<u>4,925,963</u>
Receivables:		
Consumer Accounts	5,097,038	5,340,724
Wholesale	1,571,612	2,137,859
Steam Sales	1,488,830	1,197,103
Interest	233,842	323,173
Intercompanies	22,445	16,226
Inventories	<u>6,543,297</u>	<u>6,654,362</u>
Fuel	<u>12,796,468</u>	<u>9,633,057</u>
Prepaid Pension	—	538,408
Prepaid Expenses	<u>677,119</u>	<u>722,109</u>
Total Unrestricted Current Assets	<u>42,969,108</u>	<u>42,042,415</u>
Total Current Assets	<u>50,432,423</u>	<u>62,454,454</u>
Property and Equipment:		
At Cost	407,397,306	404,810,303
Less Accumulated Depreciation	<u>298,735,284</u>	<u>287,064,808</u>
Net Property and Equipment	<u>108,662,022</u>	<u>117,745,495</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	—	9,094
Note Receivable - Communications Utility	<u>35,327,000</u>	<u>35,327,000</u>
Joint Venture Rights	<u>136,585</u>	<u>183,917</u>
Total Other Assets	<u>35,463,585</u>	<u>35,520,011</u>
TOTAL ASSETS	<u>\$194,558,030</u>	<u>\$215,719,960</u>

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

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$24,558 in 2011 and \$25,403 in 2010; and Less Deferred Amount on Refund of \$24,122 in 2011 and \$22,877 in 2010	\$13,270,435	\$12,587,526
Accrued Interest	121,642	237,004
Total Restricted Current Liabilities	<u>13,392,077</u>	<u>12,824,530</u>
<u>Unrestricted</u>		
Accounts Payable	1,491,030	1,944,402
Pension Provision	309,410	0
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	443,194	393,436
Accrued Vacation	1,097,858	1,007,647
Accrued Emission Allowance Expense	254,408	571,443
Consumers' Deposits	597,133	598,603
Accrued Property Taxes	114,691	116,240
Miscellaneous Accrued Expenses	627,015	505,497
Miscellaneous Deferred Credits	52,850	86,050
Total Unrestricted Current Liabilities	<u>5,221,221</u>	<u>5,439,978</u>
Total Current Liabilities	<u>18,613,298</u>	<u>18,264,508</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,819,935	1,977,705
Post-Employment Health Benefit Provision	137,862	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$100,453 in 2010 and less Deferred Amount on Refunding of \$260,381 in 2010	---	13,273,958
Total Non-Current Liabilities	<u>1,957,797</u>	<u>15,251,663</u>
Deferred Revenue - Extraordinary O & M	<u>---</u>	<u>12,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	95,400,681	91,929,013
Restricted	7,341,673	20,175,035
Unrestricted	71,244,581	57,296,579
Total Net Assets	<u>173,986,935</u>	<u>169,400,627</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$194,558,030</u></u>	<u><u>\$215,719,960</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
August 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	\$5,314,323	\$29,043,057
MISO sales	6,047,161	20,801,378
Steam sales	1,761,000	6,868,826
Coal & transportation allowances	6,790	325,677
Railcar leasing	27,068	149,553
By-product sales	34,125	108,074
Miscellaneous sources	66,492	365,407
Cash paid to/for:		
Suppliers	(1,065,161)	(9,997,258)
MISO purchases/administration fees	(3,988,519)	(18,214,946)
Coal	(1,554,127)	(16,185,817)
Employees payroll, taxes and benefits	<u>(2,426,285)</u>	<u>(14,299,829)</u>
Net cash flows from operating activities	<u>4,222,867</u>	<u>(1,035,878)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(263,048)	(2,596,842)
Bond principal payments	---	(12,585,000)
Bond interest payments	---	(1,075,938)
Net cash flows from capital and related financing activities	<u>(263,048)</u>	<u>(16,257,780)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(43,825)
Interest received on investments and note receivable	4,967	1,404,611
Accrued Interest Purchased	---	---
Amortization/accretion of investments	(371)	9,807
Mark to market	<u>(5,817)</u>	<u>(88,456)</u>
Net cash flows from investing activities	<u>(1,221)</u>	<u>1,282,137</u>
Net increase (decrease) in cash and investments	<u>3,958,598</u>	<u>(16,011,521)</u>
Cash and investments at beginning of period	<u>18,043,174</u>	<u>38,013,293</u>
Cash and investments at end of period	<u><u>\$22,001,772</u></u>	<u><u>\$22,001,772</u></u>

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

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$387,773	(\$7,403,848)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	7,372,848
Amortization of joint venture rights	10,893	69,772
Changes in assets and liabilities:		
Consumer accounts receivable	1,146,875	(149,954)
Wholesale receivable	309,507	(279,013)
Steam sales receivable	628,638	876,915
Intercompany receivable	(7,498)	(245)
Inventories	52,287	116,523
Fuel	1,170,443	(1,677,881)
Prepaid expenses	71,806	(157,792)
Hedge Asset	---	2,196,100
Accounts payable	120,931	94,842
Pension provision	(773,525)	309,410
Health & dental insurance provision	19,285	(38,947)
Other post-employment benefit provision	2,462	19,696
Accrued payroll	153,283	148,867
Accrued vacation	(30,078)	81,801
Accrued emission allowance expense	20,295	(382,028)
Consumers' deposits	(3,793)	(659)
Retained percentage	---	---
Accrued property taxes	8,594	25,271
Miscellaneous accrued expenses	13,083	(61,456)
Hedge Liability	---	(2,196,100)
Net cash flows from operating activities	<u><u>\$4,222,867</u></u>	<u><u>(\$1,035,878)</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,463,315	\$7,430,514
Extraordinary Operation & Maintenance Account	—	<u>12,981,525</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$7,463,315</u>	<u>\$20,412,039</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$3,033,196	33.7	\$2,691,395
Average price per kWh	\$0.0388	\$0.0340	\$0.0378
Generation			
Operation Supervision	79,582	84,016	78,850
Fuel:			
Coal	2,193,323	2,789,765	2,511,142
Fuel Oil	12,500	21,291	368
Gas	32,000	10,714	6,923
Coal Handling Expense	64,971	69,966	65,033
Landfill Operation Expense	8,997	19,969	6,077
Emissions Allowance Expense	44,451	20,296	104,639
Steam Expense:			
Boiler	92,532	104,596	96,892
Pollution Control	58,203	42,237	94,249
Electric Expense	106,044	97,435	96,164
Miscellaneous Steam Power Expense	140,607	161,935	129,622
Maintenance:			
Supervision	77,702	85,573	80,408
Structures	93,500	41,746	65,908
Boiler Plant:			
Boiler	142,331	115,405	97,395
Pollution Control	16,771	46,234	20,224
Electric Plant	37,808	96,872	26,073
System Control	20,344	22,309	19,531
Miscellaneous Steam Plant	50,894	48,839	43,953
Coal Handling Equipment	91,739	147,757	104,722
System Control and Load Dispatch	58,264	55,446	68,382
Vacation, Holiday, Sick Leave	74,512	69,870	67,095
Depreciation	<u>621,860</u>	<u>620,375</u>	<u>885,239</u>
Total Generation Expense	<u>\$4,118,935</u>	<u>45.8</u>	<u>\$4,772,646</u>
		50.2	45.4
		<u>\$4,668,889</u>	

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

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	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
Purchased Power	\$20,062,081	34.1	\$18,464,326	32.1	\$19,977,250
Average price per kWh	\$0.0350		\$0.0311		\$0.0340
<u>Generation</u>					
Operation Supervision	614,896		640,378		645,367
Fuel:					
Coal	14,276,377		14,179,057		15,213,072
Fuel Oil	83,814		246,455		39,152
Gas	239,400		153,306		70,552
Coal Handling Expense	487,955		486,944		527,332
Landfill Operation Expense	63,061		91,374		32,183
Emissions Allowance Expense	331,569		272,226		571,443
Steam Expense:					
Boiler	791,331		799,272		868,925
Pollution Control	456,774		249,142		363,886
Electric Expense	789,397		705,871		746,962
Miscellaneous Steam Power Expense	1,437,117		1,311,016		1,138,482
Maintenance:					
Supervision	634,383		696,780		667,223
Structures	771,844		526,174		462,629
Boiler Plant:					
Boiler	3,195,315		2,797,572		1,685,109
Pollution Control	896,985		948,297		306,651
Electric Plant	2,496,548		2,274,615		329,858
System Control	177,347		165,672		121,432
Miscellaneous Steam Plant	453,165		446,972		397,182
Coal Handling Equipment	885,492		742,399		758,004
System Control and Load Dispatch	478,941		373,172		452,544
Vacation, Holiday, Sick Leave	689,265		683,768		714,586
Depreciation	4,974,883		4,963,000		7,081,912
Total Generation Expense	\$35,225,859	59.8	\$33,753,462	58.7	\$33,194,486
					49.5

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

	<u>Budget</u>				
	<u>Estimate</u>	<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>					
Operation Supervision	\$3,975	\$1,393		\$4,094	
Load Dispatching	8,959	7,439		8,145	
Station Expense	9,855	13,526		8,865	
Overhead Line Expense	118	7,701		---	
Miscellaneous Transmission Expense	12,182	11,694		6,380	
Maintenance:					
Supervision	2,045	1,640		2,021	
Structures	884	10,682		3,424	
Station Equipment	7,378	4,440		961	
Overhead Lines	5,514	121,662		772	
Vacation, Holiday, Sick Leave	4,804	3,432		4,218	
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>91,882</u>	 1.0	 <u>220,023</u>	 2.3	 <u>75,390</u> 0.7
 <u>Distribution</u>					
Operation Supervision	11,932	10,014		12,094	
Load Dispatching	41,333	27,767		24,508	
Station Expense	8,657	7,138		10,705	
Overhead Line Expense	2,592	2,057		463	
Vehicle Expense	15,148	15,205		12,741	
Underground Line Expense	3,243	3,532		2,955	
Street Lighting	1,574	1,450		2,550	
Signal Expense	717	80		297	
Meter Expense	9,964	9,592		6,428	
Consumer Installation Expense	1,524	1,823		1,327	
Miscellaneous Distribution Expense	61,417	57,985		53,381	
Maintenance:					
Supervision	11,320	9,935		10,733	
Structures	1,131	---		---	
Station Equipment	11,658	7,437		5,600	
Overhead Lines	81,215	41,229		38,994	
Underground Lines	8,049	6,071		4,705	
Line Transformers	12,220	1,316		6,880	
Street Lighting	4,924	3,765		5,233	
Signal System	2,006	4,534		5,892	
Meters	719	702		(3,137)	
Miscellaneous Distribution Plant	2,917	1,042		2,025	
Vacation, Holiday, Sick Leave	22,156	15,217		18,911	
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>\$468,791</u>	 5.2	 <u>\$378,509</u>	 4.0	 <u>\$371,544</u> 3.6

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>				
Transmission					
Operation Supervision	\$30,671		\$18,106		\$31,078
Load Dispatching	82,431		62,000		76,589
Station Expense	70,330		62,104		67,313
Overhead Line Expense	606		8,571		1,452
Miscellaneous Transmission Expense	101,806		84,728		68,661
Maintenance:					
Supervision	15,832		13,298		14,777
Structures	16,943		10,682		5,133
Station Equipment	58,439		40,371		45,101
Overhead Lines	59,112		166,333		66,039
Vacation, Holiday, Sick Leave	42,795		41,590		41,724
Depreciation	244,862		244,736		244,544
Tax on Rural Property	44,480		45,892		47,676
 Total Transmission Expense	 768,307	 1.3	 798,411	 1.4	 710,087
					1.1
 Distribution					
Operation Supervision	88,868		79,676		96,571
Load Dispatching	324,184		237,021		240,033
Station Expense	64,768		59,908		72,225
Overhead Line Expense	26,585		28,311		6,703
Vehicle Expense	121,206		124,568		110,090
Underground Line Expense	26,022		21,640		24,564
Street Lighting	12,268		16,525		21,126
Signal Expense	5,147		1,076		7,936
Meter Expense	76,192		69,168		67,540
Consumer Installation Expense	11,344		14,023		11,540
Miscellaneous Distribution Expense	493,907		426,338		473,392
Maintenance:					
Supervision	81,942		76,118		84,929
Structures	9,834		3,094		---
Station Equipment	84,957		75,148		81,008
Overhead Lines	531,251		386,489		413,996
Underground Lines	65,294		38,664		56,136
Line Transformers	44,594		46,313		71,498
Street Lighting	39,322		38,453		35,433
Signal System	15,297		37,432		27,912
Meters	8,361		13,507		(513)
Miscellaneous Distribution Plant	23,333		13,524		17,814
Vacation, Holiday, Sick Leave	199,341		198,523		227,036
Depreciation	1,205,713		1,191,032		1,171,872
Tax on Rural Property	13,288		13,724		14,229
 Total Distribution Expense	 \$3,573,018	 6.1	 \$3,210,275	 5.6	 \$3,333,070
					5.0

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$64,853	\$31,950	\$25,148
Electric Ranges/Dryers-Maint/Promotion	1,328	672	1,507
Electric Water Heaters-Maint/Promotion	<u>878</u>	<u>554</u>	<u>2,510</u>
 Total Customer Service Expense	 <u>67,059</u>	 0.7	 33,176 0.3
 <u>Consumer Accounts</u>			
Supervision	1,950	2,290	2,097
Meter Reading Expense	8,083	8,323	7,861
Consumer Records and Collection	31,402	30,102	28,853
Uncollectible Accounts Expense	1,942	1,942	1,834
Vacation, Holiday, Sick Leave	<u>2,705</u>	<u>2,697</u>	<u>3,056</u>
 Total Consumer Accounts Expense	 <u>46,082</u>	 0.5	 45,354 0.5
 <u>Administrative and General</u>			
Administrative and General Salaries	174,168	169,877	170,303
Office Supplies and Expenses	17,735	10,955	11,553
Outside Services Employed	51,510	36,556	35,591
Property Insurance	39,120	38,808	41,012
Casualty Ins, Injuries & Damages	38,044	51,617	25,339
Employee Pensions and Benefits	475,977	452,855	443,721
Fringe Benefits Charged to Constr.	(13,861)	(28,485)	(17,089)
Regulatory Commission	4,400	(3,363)	3,651
Miscellaneous General Expense	27,995	42,083	27,204
Maintenance of General Plant	30,112	21,433	18,271
Maintenance of A/O Center	33,760	39,986	38,177
Vacation, Holiday, Sick Leave	24,036	17,376	19,231
Depreciation	<u>125,036</u>	<u>121,760</u>	<u>123,936</u>
 Total Administrative and General	 <u>1,028,032</u>	 11.4	 971,458 10.2
 Total Operating Expense	 <u>\$8,853,977</u>	 <u>\$9,112,561</u>	 <u>\$9,209,990</u>
 Percent to Operating Revenue	 98.4	 95.9	 89.6

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$473,001	\$241,900	\$163,550
Electric Ranges/Dryers-Maint/Promotion	11,118	7,012	9,870
Electric Water Heaters-Maint/Promotion	6,933	6,095	11,932
Total Customer Service Expense	<u>\$491,052</u>	0.8	<u>\$185,352</u> 0.3
<u>Consumer Accounts</u>			
Supervision	15,361	16,622	16,517
Meter Reading Expense	65,382	65,156	66,285
Consumer Records and Collection	247,016	229,433	236,260
Uncollectible Accounts Expense	15,533	15,533	14,672
Vacation, Holiday, Sick Leave	24,747	29,175	29,084
Total Consumer Accounts Expense	<u>368,039</u>	0.6	<u>362,818</u> 0.5
<u>Administrative and General</u>			
Administrative and General Salaries	1,370,909	1,318,070	1,296,947
Office Supplies and Expenses	143,913	106,271	110,194
Outside Services Employed	470,369	455,632	461,198
Property Insurance	318,636	317,080	328,080
Casualty Ins, Injuries & Damages	304,349	358,524	246,162
Employee Pensions and Benefits	3,903,955	3,796,396	3,671,644
Fringe Benefits Charged to Constr.	(122,287)	(185,524)	(116,444)
Regulatory Commission	35,200	22,943	47,700
Miscellaneous General Expense	343,429	259,124	219,755
Maintenance of General Plant	247,882	193,080	176,182
Maintenance of A/O Center	406,358	289,304	220,665
Vacation, Holiday, Sick Leave	213,909	202,431	208,827
Depreciation	<u>1,000,289</u>	<u>974,080</u>	<u>991,488</u>
Total Administrative and General	<u>8,636,911</u>	14.7	<u>7,862,398</u> 11.7
Total Operating Expense	<u>\$69,125,267</u>	<u>\$64,944,811</u>	<u>\$65,625,461</u>
Percent to Operating Revenue	117.3	112.9	97.8

Muscatine Power and Water - Electric Utility
Statistical Data
August 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	<u>97,203,600</u>	<u>116,433,861</u>	<u>121,885,982</u>	<u>616,402,800</u>	<u>579,679,340</u>	<u>813,554,889</u>
Wholesale Sales	<u>\$0.04183</u>	<u>\$0.03586</u>	<u>\$0.04219</u>	<u>\$0.03854</u>	<u>\$0.03581</u>	<u>\$0.03808</u>
Less:						
Generation	<u>0.03744</u>	<u>0.03597</u>	<u>0.03350</u>	<u>0.05084</u>	<u>0.05078</u>	<u>0.03547</u>
Transmission	<u>0.00095</u>	<u>0.00189</u>	<u>0.00062</u>	<u>0.00125</u>	<u>0.00138</u>	<u>0.00087</u>
Subtotal	<u>0.03839</u>	<u>0.03786</u>	<u>0.03412</u>	<u>0.05209</u>	<u>0.05216</u>	<u>0.03634</u>
Wholesale Margin	<u>\$0.00344</u>	<u>(\$0.00200)</u>	<u>\$0.00807</u>	<u>(\$0.01355)</u>	<u>(\$0.01635)</u>	<u>\$0.00174</u>

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	<u>74,990,352</u>	<u>75,980,388</u>	<u>79,071,423</u>	<u>547,979,182</u>	<u>565,329,760</u>	<u>565,156,481</u>
Native System Sales	<u>\$0.05486</u>	<u>\$0.05569</u>	<u>\$0.05212</u>	<u>\$0.05284</u>	<u>\$0.05233</u>	<u>\$0.05061</u>
Less:						
Purchased Power	<u>0.04045</u>	<u>0.03542</u>	<u>0.03896</u>	<u>0.03661</u>	<u>0.03266</u>	<u>0.03535</u>
Distribution	<u>0.00625</u>	<u>0.00498</u>	<u>0.00470</u>	<u>0.00652</u>	<u>0.00568</u>	<u>0.00590</u>
Customer Service	<u>0.00089</u>	<u>0.00044</u>	<u>0.00037</u>	<u>0.00090</u>	<u>0.00045</u>	<u>0.00033</u>
Consumers Accounts	<u>0.00061</u>	<u>0.00060</u>	<u>0.00055</u>	<u>0.00067</u>	<u>0.00063</u>	<u>0.00064</u>
Administrative & General	<u>0.01371</u>	<u>0.01279</u>	<u>0.01190</u>	<u>0.01576</u>	<u>0.01434</u>	<u>0.01391</u>
Subtotal	<u>0.06192</u>	<u>0.05422</u>	<u>0.05648</u>	<u>0.06046</u>	<u>0.05376</u>	<u>0.05613</u>
Native System Margin	<u>(0.00706)</u>	<u>0.00147</u>	<u>(0.00436)</u>	<u>(0.00762)</u>	<u>(0.00143)</u>	<u>(0.00552)</u>
Wholesale Margin	<u>0.00447</u>	<u>(0.00307)</u>	<u>0.01244</u>	<u>(0.01523)</u>	<u>(0.01677)</u>	<u>0.00250</u>
Net Electric Margin before Steam Sales	<u>(\$0.00259)</u>	<u>(\$0.00160)</u>	<u>\$0.00809</u>	<u>(\$0.02285)</u>	<u>(\$0.01820)</u>	<u>(\$0.00302)</u>
Net Electric Margin after Steam Sales	<u>\$0.00053</u>	<u>\$0.00252</u>	<u>\$0.01151</u>	<u>(\$0.01987)</u>	<u>(\$0.01456)</u>	<u>\$0.00125</u>

Total Fuel Cost
(To & Including Ash Handling)

	Current Month		Calendar Year-To-Date	
	2011	2010	2011	2010
Per Million Btu.	\$1.773	\$1.551	\$1.690	\$1.418
Per Net MW Generated	\$20.40	\$17.82	\$18.88	\$15.93
Net Peak Monthly Demand-KW	138,790	135,300	140,880	137,900
Date of Peak	8/1	8/12	7/20	7/27
Hour of Peak	1500	1400	1500	1500
Average Temperature	72°	76°		
Services	2011	2010		
Residential	9,706	9,668		
Commercial I	1,397	1,389		
Commercial II	117	119		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	39		
Total	11,288	11,250		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - August 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>97,203,600</u>		<u>116,433,861</u>		<u>121,885,982</u>	
<u>Wholesale Sales</u>	<u>\$4,066,418</u>	<u>\$0.0418</u>	<u>\$4,175,822</u>	<u>\$0.0359</u>	<u>\$5,142,740</u>	<u>\$0.0422</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,820,616	0.0187	2,266,654	0.0195	2,083,844	0.0171
SO ² Allowances ^{fn1}	320	0.0000	107	0.0000	6,510	0.0001
NO _x Allowances ^{fn2}	44,131	0.0005	14,209	0.0001	112,898	0.0009
Other ^{fn4}	283,062	0.0029	278,856	0.0024	284,544	0.0023
Total Variable Costs	<u>2,148,129</u>	<u>0.0221</u>	<u>2,559,826</u>	<u>0.0220</u>	<u>2,487,796</u>	<u>0.0204</u>
Gross Margin	<u>\$1,918,289</u>	<u>\$0.0197</u>	<u>\$1,615,996</u>	<u>\$0.0139</u>	<u>\$2,654,944</u>	<u>\$0.0218</u>
Percent Gross Margin	47.2%		38.7%		51.6%	

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>616,402,800</u>		<u>579,679,340</u>		<u>813,554,889</u>	
<u>Wholesale Sales</u>	<u>\$23,756,278</u>	<u>\$0.0385</u>	<u>\$20,756,375</u>	<u>\$0.0358</u>	<u>\$30,983,134</u>	<u>\$0.0381</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	11,337,462	0.0184	10,747,048	0.0185	12,261,896	0.0151
SO ² Allowances ^{fn1}	2,554	0.0000	2,947	0.0000	22,238	0.0000
NO _x Allowances ^{fn3}	287,838	0.0005	187,165	0.0003	577,878	0.0007
Other ^{fn4}	2,264,496	0.0037	2,213,228	0.0038	2,334,777	0.0029
Total Variable Costs	<u>13,892,350</u>	<u>0.0225</u>	<u>13,150,388</u>	<u>0.0227</u>	<u>15,196,789</u>	<u>0.0187</u>
Gross Margin	<u>\$9,863,928</u>	<u>\$0.0160</u>	<u>\$7,605,987</u>	<u>\$0.0131</u>	<u>\$15,786,345</u>	<u>\$0.0194</u>
Percent Gross Margin	41.5%		36.6%		51.0%	

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

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
fn1 SO ²	\$30.00	\$1.00	\$15.00
YTD SO ²	30.00	5.25	41.80
fn2 NO _x annual	400.00	65.00	515.00
NO _x seasonal	50.00	10.00	55.00
fn3 YTD NO _x annual	400.00	188.99	483.19
YTD NO _x seasonal	50.00	13.18	45.05

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