

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
November 2010

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - November 2010

	<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	125,458,569	(26.1)	92,695,448	34.0	69,173,730
Less: Plant Use	12,129,974	---	9,478,991	10.8	8,556,346
Net Generation/Wholesale Sales	113,328,595	(26.6)	83,216,457	37.3	60,617,384
<u>Capacity Factors</u>					
Unit 9	82.39	(26.4)	60.66	27.3	47.64
Unit 8	---	---	5.40	---	---
Unit 8A	73.31	(7.4)	67.89	7.8	62.95
Unit 7	54.79	(57.1)	23.53	---	---
Total Plant	72.32	(30.7)	50.09	33.1	37.62
<u>KWH Distribution</u>					
Residential	6,919,053	(2.0)	6,778,962	0.0	6,776,807
Commercial I	2,802,618	(6.4)	2,622,649	(4.8)	2,754,465
Commercial II	8,165,549	(8.7)	7,452,652	(3.8)	7,745,492
Industrial I	9,428,040	(3.5)	9,095,040	8.8	8,359,001
Industrial II	33,595,258	15.9	38,924,874	2.2	38,078,172
City Enterprise Funds	449,731	(6.1)	422,235	(15.7)	501,093
Water & Communications Utilities	1,292,418	(8.5)	1,182,355	(15.8)	1,403,674
Native System Sales	62,652,667	6.1	66,478,767	1.3	65,618,704
City Lighting	161,698	(2.6)	157,518	(24.5)	208,721
City Buildings	476,648	(8.4)	436,438	(0.3)	437,884
Offline Power Plant Usage	---	---	95,238	6.0	89,866
MAPP Trans Loss-Net	---	---	---	---	---
Losses & Cycle Billing	2,014,291	55.5	3,131,496	---	605,295
Total Native System KWH Distributed/Purchased Power	65,305,304	7.6	70,299,457	5.0	66,960,470
<u>STEAM SALES - 1000 lbs</u>					
	198,720	(5.7)	187,482	8.5	172,872

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - November 2010

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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	1,416,472,660	(19.9)	1,134,258,148	9.0	1,040,847,862
Less: Plant Use	<u>136,112,495</u>	(15.8)	<u>114,631,631</u>	2.3	<u>112,026,452</u>
Net Generation	<u>1,280,360,165</u>	(20.4)	<u>1,019,626,517</u>	9.8	<u>928,821,410</u>
Wholesale Sales	<u>1,280,360,165</u>	(20.4)	<u>1,019,626,517</u>	---	<u>418,157,112</u> ^{fn1}
<u>Capacity Factors</u>					
Unit 9	83.72	(28.3)	60.00	5.0	57.13
Unit 8	---	---	27.90	50.2	18.58
Unit 8A	81.26	1.2	82.23	3.7	79.27
Unit 7	56.09	(33.9)	37.06	9.8	33.76
Total Plant	79.69	(30.9)	55.05	8.3	50.85
<u>KWH Distribution</u>					
Residential	94,844,569	4.0	98,680,089	10.4	89,405,999
Commercial I	36,250,392	(1.8)	35,585,200	2.3	34,797,406
Commercial II	94,159,279	(1.4)	92,812,941	2.3	90,682,990
Industrial I	112,137,245	(0.3)	111,751,522	2.4	109,178,302
Industrial II	378,441,717	9.4	414,076,982	2.2	405,131,124
City Enterprise Funds	5,183,150	11.8	5,794,751	4.3	5,557,910
Water & Communications Utilities	<u>14,612,027</u>	2.4	<u>14,963,393</u>	(4.0)	<u>15,593,616</u>
Native System Sales	735,628,379	5.2	773,664,878	3.1	750,347,347
City Lighting	1,867,188	(3.0)	1,811,657	(4.5)	1,896,940
City Buildings	5,694,140	(0.2)	5,680,921	1.8	5,578,883
Offline Power Plant Usage	---	---	601,965	74.7	344,586
MAPP Trans Loss-Net	---	---	---	---	(713,000)
Losses & Cycle Billing	<u>22,135,801</u>	(6.0)	<u>20,805,327</u>	14.9	<u>18,114,362</u>
Total Native System KWH Distributed	<u>765,325,508</u>	4.9	<u>802,564,748</u>	3.5	<u>775,569,118</u>
Purchased Power	<u>765,325,508</u>	4.9	<u>802,564,748</u>	---	<u>264,904,820</u> ^{fn1}
<u>STEAM SALES - 1000 lbs</u>	<u>2,165,400</u>	14.2	<u>2,473,736</u>	6.9	<u>2,313,584</u>

^{fn1} Wholesale sales and purchased power are not comparable due to joining MISO September 1, 2009

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - November 2010

	<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	\$539,686	0.0780	\$529,257	0.0781	\$508,424	0.0750
Commercial I	221,198	0.0789	209,955	0.0801	210,308	0.0764
Commercial II	494,244	0.0605	452,395	0.0607	440,957	0.0569
Industrial I	481,846	0.0511	458,829	0.0504	432,557	0.0517
Industrial II	1,523,928	0.0454	1,678,063	0.0431	1,579,856	0.0415
City Enterprise Funds	22,812	0.0507	24,386	0.0578	25,463	0.0508
Water & Communication Utilities	63,843	0.0494	59,112	0.0500	67,536	0.0481
Native System Sales	3,347,557	0.0534	3,411,997	0.0513	3,265,101	0.0498
Wholesale Sales	2,833,215	0.0250	2,531,087	0.0304	1,546,939	0.0255
Energy Sales	6,180,772		5,943,084		4,812,040	
<u>Steam Sales</u>	748,297	3.77	1,509,811	3.46 ^{fn1}	685,228	3.96
<u>Other Revenue</u>						
Rail Car Lease	27,000		18,117		---	
By-Product Revenue	23,201		22,074		24,025	
Miscellaneous Revenue	40,302		41,363		43,988	
Total Other Revenue	90,503		81,554		68,013	
Operating Revenue	7,019,572		7,534,449		5,565,281	
<u>Operating Expense</u>						
Purchased Power	1,632,633	0.0250	1,829,788	0.0260	1,446,209	0.0216
Production Fuel	2,289,227		1,807,129		1,112,430	
Emissions Allowance	95,602		(11,862)		34,774	
Operation	1,810,959		1,624,062		1,671,087	
Maintenance	784,522		856,763		922,221	
Depreciation	1,191,485		1,186,227		1,175,880	
Total Operating Expense	7,804,428		7,292,107		6,362,601	
Operating Income (Loss)	(784,856)		242,342		(797,320)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	123,681		86,653		172,382	
Interest Expense	(123,199)		(123,649)		(179,608)	
Total Nonoperating Revenue (Expense)	482		(36,996)		(7,226)	
Net Income (Loss) Before Capital Contributions	(784,374)		205,346		(804,546)	
Capital Contributions	---		---		---	
Change in Net Assets	(784,374)		205,346		(804,546)	
Beginning Net Assets	156,650,246		168,282,931		153,824,832	
Ending Net Assets	\$155,865,872		\$168,488,277		\$153,020,286	
Net Income (Loss) to Total Income	(11.0)		2.7		(14.0)	
Debt Service Coverage	0.45		0.59		0.47	

fn1 Excludes the \$860,215 SO₂ emissions allowance adjustment recorded in November for January - October 17

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - November 2010

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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	\$6,988,505	0.0737	\$7,220,937	0.0732	\$6,507,431	0.0728	
Commercial I	2,745,988	0.0758	2,724,746	0.0766	2,618,162	0.0752	
Commercial II	5,454,736	0.0579	5,314,056	0.0573	5,131,574	0.0566	
Industrial I	5,569,910	0.0497	5,442,994	0.0487	5,395,224	0.0494	
Industrial II	16,455,203	0.0435	17,579,427	0.0425	16,883,428	0.0417	
City Enterprise Funds	254,552	0.0491	305,517	0.0527	277,150	0.0499	
Water & Communications Utilities	702,719	0.0481	721,961	0.0482	734,696	0.0471	
Native System Sales	38,171,613	0.0519	39,309,638	0.0508	37,547,665	0.0500	
Wholesale Sales	32,008,997	0.0250	36,822,084	0.0361	12,814,432	0.0349	fn1 fn2
Energy Sales	70,180,610		76,131,722		50,362,097		
<u>Steam Sales</u>	8,876,360	4.10	10,116,039	4.09	9,865,094	4.26	
<u>Other Revenue</u>							
Rail Car Lease	390,000		204,723		182,849		
By-Product Revenue	380,572		287,661		223,014		
Miscellaneous Revenue	393,794		502,263		472,714		
Total Other Revenue	1,164,366		994,647		878,577		
Operating Revenue	80,221,336		87,242,408		61,105,768		
<u>Operating Expense</u>							
Purchased Power	19,133,139	0.0250	25,011,410	0.0312	6,791,268	0.0256	fn1
Production Fuel	23,159,478		20,795,954		17,487,922		
Emissions Allowance	1,062,056		613,502		1,713,554		
Operation	20,259,743		18,743,084		18,930,673		
Maintenance	10,518,656		8,482,774		11,021,243		
Depreciation	13,106,335		13,048,497		12,934,680		
Total Operating Expense	87,239,407		86,695,221		68,879,340		
Operating Income (Loss)	(7,018,071)		547,187		(7,773,572)		
<u>Nonoperating Revenue (Expense)</u>							
Interest Income	1,440,472		1,331,221		1,861,203		
Interest Expense	(1,355,187)		(1,367,811)		(1,976,270)		
Total Nonoperating Revenue (Expense)	85,285		(36,590)		(115,067)		
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(6,932,786)		510,597		(7,888,639)		
Capital Contributions	---		79,022		---		
Revenue Adjustment-Extraordinary O & M	---		5,100,000		1,500,000		
Change in Net Assets	(6,932,786)		5,689,619		(6,388,639)		
Beginning Net Assets	162,798,658		162,798,658		159,408,925		
Ending Net Assets	\$155,865,872		\$168,488,277		\$153,020,286		
Net Income (Loss) before Rev Adj to Total Income	(8.5)		0.6		(12.5)		
Debt Service Coverage Before Transfers	0.59		1.13		0.56		
Debt Service Coverage After Transfers	0.59		1.52		1.14	fn3	

fn1 MPW Joined MISO September 1, 2009.

fn2 Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 recorded in May 2009

fn3 Transfers include \$5,976,634 from the Rate Stabilization Fund and \$1,500,00 from the Extraordinary O&M Account

Muscatine Power and Water - Electric Utility
Statements of Net Assets
November 2010

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,043,650	\$6,434,135
Investments	18,273,285	29,262,221
	<hr/>	<hr/>
Total Restricted Current Assets	20,316,935	35,696,356
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	4,010,869	3,624,096
Investments	13,051,074	---
Receivables:		
Consumer Accounts	4,515,865	4,295,818
Wholesale	742,862	259,750
Steam Sales	1,980,825	1,451,537
Interest	676,667	948,644
Intercompanies	66,908	5,230
Inventories	6,592,623	8,261,086
Fuel	12,062,218	12,039,133
Prepaid Pension	134,602	---
Prepaid Expenses	528,581	529,725
Hedge Asset ^{fn1}	2,196,100	---
	<hr/>	<hr/>
Total Unrestricted Current Assets	46,559,194	31,415,019
	<hr/>	<hr/>
Total Current Assets	66,876,129	67,111,375
	<hr/>	<hr/>
Property and Equipment:		
At Cost	405,164,986	404,752,964
Less Accumulated Depreciation	290,592,331	277,637,534
	<hr/>	<hr/>
Net Property and Equipment	114,572,655	127,115,430
	<hr/>	<hr/>
Other Assets:		
Unamortized Cost of Issuing Bonds	2,272	31,713
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	172,790	203,688
	<hr/>	<hr/>
Total Other Assets	35,502,062	35,562,401
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$216,950,846</u>	<u>\$229,789,206</u>

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

Muscatine Power and Water - Electric Utility
Statements of Net Assets
November 2010

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$6,350 in 2010 and \$6,456 in 2009; and Less Deferred Amount on Refunding of \$5,720 in 2010 and \$5,421 in 2009	\$12,585,630	\$11,931,035
Accrued Interest	592,510	865,906
Total Restricted Current Liabilities	<u>13,178,140</u>	<u>12,796,941</u>
<u>Unrestricted</u>		
Accounts Payable	1,479,428	2,108,790
Pension Provision	---	1,287,186
Health & Dental Insurance Provision	216,660	192,660
Accrued Payroll	113,650	685,991
Accrued Vacation	1,017,715	1,002,759
Accrued Emission Allowance Expense	590,011	1,721,304
Consumers' Deposits	600,657	620,210
Accrued Property Taxes	91,227	87,575
Miscellaneous Accrued Expenses	758,567	552,649
Miscellaneous Deferred Credits	86,050	86,050
Hedge Liability ^{fn1}	2,196,100	---
Total Unrestricted Current Liabilities	<u>7,150,065</u>	<u>8,345,174</u>
Total Current Liabilities	<u>20,328,205</u>	<u>21,142,115</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,943,531	1,949,673
Post-Employment Health Benefit Provision	115,704	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$80,367 in 2010 and \$244,099 in 2009; and less Deferred Amount on Refunding of \$78,401 in 2010 and \$225,129 in 2009	13,271,967	25,873,970
Total Non-Current Liabilities	<u>15,331,202</u>	<u>27,823,643</u>
Deferred Revenue - Extraordinary O & M	<u>12,803,162</u>	<u>27,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	88,746,770	89,397,340
Restricted	19,724,425	34,830,450
Unrestricted	60,017,082	28,792,496
Total Net Assets	<u>168,488,277</u>	<u>153,020,286</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$216,950,846</u></u>	<u><u>\$229,789,206</u></u>

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

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
November 2010

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,650,854	\$39,120,736
MISO/Tenaska, net sales/purchases	197,129	12,554,080
Steam sales	866,584	9,053,891
Coal & transportation allowances	132,834	781,982
Railcar leasing	---	186,606
By-product sales	44,486	229,189
Miscellaneous sources	83,810	561,230
Cash paid to/for:		
Suppliers	(959,700)	(9,158,235)
Coal	(2,145,800)	(20,735,221)
Employees payroll, taxes and benefits	(2,000,107)	(19,864,354)
Net cash flows from operating activities	<u>(129,910)</u>	<u>12,729,904</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(156,954)	(1,432,850)
Bond principal payments	---	(11,930,000)
Bond interest payments	---	(1,750,101)
Net cash flows from capital and related financing activities	<u>(156,954)</u>	<u>(15,112,951)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(16,865)
Interest received on investments and note receivable	7,570	1,385,934
Accrued Interest Purchased	---	(42,774)
Amortization/accretion of investments	5,387	57,040
Mark to market	(41,248)	(410,152)
Net cash flows from investing activities	<u>(28,291)</u>	<u>973,183</u>
Net decrease in cash and investments	<u>(315,155)</u>	<u>(1,409,864)</u>
Cash and investments at beginning of period	<u>37,694,033</u>	<u>38,788,742</u>
Cash and investments at end of period	<u><u>\$37,378,878</u></u>	<u><u>\$37,378,878</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
November 2010

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$242,342	\$547,187
Noncash items in operating income:		
Depreciation of electric utility plant	1,186,227	13,048,497
Amortization of joint venture rights	7,881	41,586
Changes in assets and liabilities:		
Consumer accounts receivable	327,529	(188,062)
Wholesale receivable	(509,005)	383,152
Steam sales receivable	(591,366)	(1,077,177)
Intercompany receivable	(44,348)	(54,294)
Inventories	(3,195)	1,438,210
Fuel	(198,553)	(197,339)
Prepaid expenses	94,689	(30,193)
Accounts payable	(493,272)	111,308
Pension provision	134,602	(134,602)
Health & dental insurance provision	13,143	(49,753)
Other post-employment benefit provision	2,462	115,704
Accrued payroll	(471,823)	(116,121)
Accrued vacation	7,765	3,595
Accrued emission allowance expense	(35,353)	(1,109,118)
Consumers' deposits	(6,693)	(19,806)
Retained percentage	---	---
Accrued property taxes	7,992	(5,056)
Miscellaneous accrued expenses	199,066	22,186
Miscellaneous deferred credits	---	---
	<hr/>	<hr/>
Net cash flows from operating activities	<u>(\$129,910)</u>	<u>\$12,729,904</u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
November 2010

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,405,199	\$7,499,210
Extraordinary Operation & Maintenance Account	<u>12,911,736</u>	<u>28,197,146</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$20,316,935</u></u>	<u><u>\$35,696,356</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,632,633</u>	23.3	<u>\$1,829,788</u>	24.3	<u>\$1,446,209</u>	26.0
Average price per kWh	\$0.0250		\$0.0260		\$0.0216	
<u>Generation</u>						
Operation Supervision	85,701		71,768		79,216	
Fuel:						
Coal	2,188,536		1,731,658		1,058,566	
Fuel Oil	9,082		4,039		99	
Gas	33,000		18,306		6,342	
Coal Handling Expense	52,187		45,979		42,178	
Landfill Operation Expense	6,422		7,147		5,245	
Emissions Allowance Expense	95,602		(11,862)		34,774	
Steam Expense:						
Boiler	112,320		101,531		89,514	
Pollution Control	56,737		36,291		31,489	
Electric Expense	98,293		92,023		88,201	
Miscellaneous Steam Power Expense	107,183		83,091		91,118	
Maintenance:						
Supervision	82,011		79,968		76,631	
Structures	54,276		43,491		47,873	
Boiler Plant:						
Boiler	157,876		208,798		195,893	
Pollution Control	24,631		37,512		24,174	
Electric Plant	116,215		22,501		46,161	
System Control	15,666		21,855		16,507	
Miscellaneous Steam Plant	66,979		47,203		58,074	
Coal Handling Equipment	108,723		262,262		227,748	
Wholesale Sales Commission	---		---		---	
System Control and Load Dispatch	71,717		35,407		81,853	
Vacation, Holiday, Sick Leave	143,581		153,569		150,179	
Depreciation	<u>885,000</u>		<u>885,239</u>		<u>877,564</u>	
Total Generation Expense	<u>\$4,571,738</u>	65.1	<u>\$3,977,776</u>	52.8	<u>\$3,329,399</u>	59.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2010

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	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
	<u>Estimate</u>					fn1
Purchased Power	<u>\$19,133,139</u>	23.9	<u>\$25,011,410</u>	28.7	<u>\$6,791,268</u>	11.1
Average price per kWh	\$0.0250		\$0.0312		\$0.0256	
<u>Generation</u>						
Operation Supervision	956,264		866,321		885,835	
Fuel:						
Coal	21,987,559		19,876,917		16,340,975	
Fuel Oil	121,220		80,871		112,228	
Gas	339,400		99,778		348,943	
Coal Handling Expense	616,805		683,139		608,405	
Landfill Operation Expense	94,494		55,249		77,371	
Emissions Allowance Expense	1,062,056		613,502		1,713,554	
Steam Expense:						
Boiler	1,146,329		1,173,360		1,162,921	
Pollution Control	669,312		466,990		404,436	
Electric Expense	1,078,322		1,020,559		1,012,131	
Miscellaneous Steam Power Expense	1,746,872		1,406,376		1,644,325	
Maintenance:						
Supervision	885,873		902,639		826,255	
Structures	900,996		716,291		793,429	
Boiler Plant:						
Boiler	3,398,336		2,101,049		2,674,788	
Pollution Control	264,023		397,469		676,846	
Electric Plant	716,902		564,644		2,058,710	
System Control	199,716		190,091		183,409	
Miscellaneous Steam Plant	695,987		549,999		635,055	
Coal Handling Equipment	1,532,268		1,286,118		1,320,293	
Wholesale Sales Commission	---		---		318,024	
System Control and Load Dispatch	792,658		621,156		713,807	
Vacation, Holiday, Sick Leave	1,070,188		1,053,889		1,024,552	
Depreciation	<u>9,734,997</u>		<u>9,737,629</u>		<u>9,653,204</u>	
Total Generation Expense	<u>\$50,010,577</u>	62.3	<u>\$44,464,036</u>	51.0	<u>\$45,189,496</u>	74.0

fn1 MPW Joined MISO September 1, 2009.

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$4,168		\$3,559		\$2,608	
Load Dispatching	7,795		8,057		7,354	
Station Expense	7,904		8,002		13,594	
Overhead Line Expense	64		233		96	
Transmission of Electricity by Others	---		2		2,171	
Miscellaneous Transmission Expense	6,415		10,217		10,216	
Maintenance:						
Supervision	1,943		1,813		1,637	
Structures	231		---		---	
Station Equipment	12,414		2,685		3,532	
Overhead Lines	4,823		3,272		62,807	
Vacation, Holiday, Sick Leave	7,751		8,502		8,388	
Depreciation	30,628		30,568		30,535	
Tax on Rural Property	5,942		5,942		5,910	
Total Transmission Expense	90,078	1.3	82,852	1.1	148,848	2.7
<u>Distribution</u>						
Operation Supervision	10,345		11,523		9,506	
Load Dispatching	7,906		30,589		7,274	
Station Expense	7,097		6,097		6,591	
Overhead Line Expense	2,645		846		2,047	
Vehicle Expense	14,337		11,057		11,207	
Underground Line Expense	3,259		3,261		3,942	
Street Lighting	1,971		3,128		3,803	
Signal Expense	632		---		387	
Meter Expense	9,103		8,216		6,878	
Consumer Installation Expense	1,311		1,233		1,571	
Miscellaneous Distribution Expense	63,654		47,796		57,668	
Maintenance:						
Supervision	9,522		9,820		8,812	
Structures	411		---		---	
Station Equipment	14,656		3,374		8,885	
Overhead Lines	44,427		35,323		66,783	
Underground Lines	8,496		4,918		7,729	
Line Transformers	4,127		6,694		9,236	
Street Lighting	3,247		5,133		8,527	
Signal System	3,646		11,496		2,229	
Meters	450		(199)		352	
Miscellaneous Distribution Plant	2,584		2,542		2,484	
Vacation, Holiday, Sick Leave	42,669		35,282		47,009	
Depreciation	147,816		146,484		143,739	
Tax on Rural Property	1,775		1,775		1,765	
Total Distribution Expense	\$406,086	5.8	\$386,388	5.1	\$418,424	7.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$43,074		\$42,613		\$38,631	
Load Dispatching	83,405		105,694		87,654	
Station Expense	99,745		94,149		108,367	
Overhead Line Expense	748		2,054		763	
Transmission of Electricity by Others	---		2		141,403	
Miscellaneous Transmission Expense	204,907		107,148		109,684	
Maintenance:						
Supervision	21,713		20,512		19,437	
Structures	10,796		12,183		3	
Station Equipment	93,455		57,126		57,215	
Overhead Lines	80,567		73,253		105,238	
Vacation, Holiday, Sick Leave	58,382		58,913		56,858	
Depreciation	336,908		336,248		335,885	
Tax on Rural Property	65,358		65,529		62,487	
Total Transmission Expense	<u>1,099,058</u>	1.4	<u>975,424</u>	1.1	<u>1,123,625</u>	1.8
<u>Distribution</u>						
Operation Supervision	118,487		131,348		130,322	
Load Dispatching	84,519		348,196		86,960	
Station Expense	98,137		92,932		93,916	
Overhead Line Expense	31,506		12,377		32,696	
Vehicle Expense	157,611		147,407		136,565	
Underground Line Expense	36,120		34,405		35,354	
Street Lighting	22,283		29,436		22,072	
Signal Expense	10,051		8,758		5,354	
Meter Expense	102,773		95,083		96,317	
Consumer Installation Expense	14,669		15,233		15,187	
Miscellaneous Distribution Expense	749,615		634,604		700,670	
Maintenance:						
Supervision	109,964		115,782		118,123	
Structures	11,906		---		---	
Station Equipment	120,994		97,731		145,612	
Overhead Lines	586,815		531,854		520,214	
Underground Lines	93,226		66,385		111,438	
Line Transformers	45,398		92,355		71,695	
Street Lighting	35,714		74,396		54,963	
Signal System	35,028		46,892		34,301	
Meters	6,600		1,858		352	
Miscellaneous Distribution Plant	29,221		26,457		26,762	
Vacation, Holiday, Sick Leave	316,135		302,989		304,183	
Depreciation	1,625,977		1,611,324		1,581,129	
Tax on Rural Property	19,525		19,555		18,678	
Total Distribution Expense	<u>\$4,462,274</u>	5.6	<u>\$4,537,357</u>	5.2	<u>\$4,342,863</u>	7.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$38,644		\$12,084		\$19,636	
Electric Ranges/Dryers-Maint/Promotion	1,329		1,661		1,822	
Electric Water Heaters-Maint/Promotion	1,783		1,576		1,413	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	41,756	0.6	15,321	0.2	22,871	0.4
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	1,903		2,045		1,992	
Meter Reading Expense	7,331		7,832		7,444	
Consumer Records and Collection	29,490		28,309		30,507	
Uncollectible Accounts Expense	1,834		1,834		1,392	
Vacation, Holiday, Sick Leave	5,976		6,770		6,095	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	46,534	0.7	46,790	0.6	47,430	0.9
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	165,179		155,316		145,789	
Office Supplies and Expenses	20,014		11,508		15,531	
Outside Services Employed	40,441		33,205		34,636	
Property Insurance	43,440		41,012		41,006	
Casualty Ins, Injuries & Damages	37,907		34,725		66,402	
Employee Pensions and Benefits	467,626		453,866		413,760	
Fringe Benefits Charged to Constr.	(16,768)		(22,860)		(12,867)	
Regulatory Commission	4,400		3,651		2,361	
Miscellaneous General Expense	33,462		32,740		30,172	
Maintenance of General Plant	25,863		19,711		21,461	
Maintenance of A/O Center	21,305		26,591		24,686	
Vacation, Holiday, Sick Leave	44,693		39,791		42,441	
Depreciation	128,041		123,936		124,042	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,015,603	14.5	953,192	12.7	949,420	17.1
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$7,804,428</u>		<u>\$7,292,107</u>		<u>\$6,362,601</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		111.2		96.8		114.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$488,793		\$240,490		\$242,488	
Electric Ranges/Dryers-Maint/Promotion	14,267		13,723		12,275	
Electric Water Heaters-Maint/Promotion	19,722		15,939		12,883	
Total Customer Service Expense	<u>\$522,782</u>	0.7	<u>\$270,152</u>	0.3	<u>\$267,646</u>	0.4
<u>Consumer Accounts</u>						
Supervision	21,018		22,757		21,842	
Meter Reading Expense	82,207		89,065		84,868	
Consumer Records and Collection	333,799		323,491		325,403	
Uncollectible Accounts Expense	20,174		20,174		15,308	
Vacation, Holiday, Sick Leave	43,035		43,078		42,618	
Total Consumer Accounts Expense	<u>500,233</u>	0.6	<u>498,565</u>	0.6	<u>490,039</u>	0.8
<u>Administrative and General</u>						
Administrative and General Salaries	1,826,866		1,780,297		1,726,720	
Office Supplies and Expenses	234,249		154,492		190,036	
Outside Services Employed	712,504		590,909		653,591	
Property Insurance	470,538		451,117		428,382	
Casualty Ins, Injuries & Damages	416,521		401,987		444,391	
Employee Pensions and Benefits	5,161,310		5,131,736		4,768,086	
Fringe Benefits Charged to Constr.	(188,907)		(172,186)		(169,898)	
Regulatory Commission	48,400		58,654		38,153	
Miscellaneous General Expense	441,903		320,854		344,571	
Maintenance of General Plant	293,706		252,166		254,607	
Maintenance of A/O Center	349,452		305,524		332,498	
Vacation, Holiday, Sick Leave	336,349		299,431		298,804	
Depreciation	<u>1,408,453</u>		<u>1,363,296</u>		<u>1,364,462</u>	
Total Administrative and General	<u>11,511,344</u>	14.3	<u>10,938,277</u>	12.5	<u>10,674,403</u>	17.5
Total Operating Expense	<u>\$87,239,407</u>		<u>\$86,695,221</u>		<u>\$68,879,340</u>	
Percent to Operating Revenue		108.7		99.4		112.7

Muscatine Power and Water - Electric Utility
Statistical Data
November 2010

Per KWH Delivered to Wholesale Customers

	Current Month <u>2010 Budget</u>	Current Month <u>2010 Actual</u>	Current Month <u>2009 Actual</u>	Year-To-Date <u>2010 Budget</u>	Year-To-Date <u>2010 Actual</u>
Wholesale Sales KWHs	113,328,595	83,216,457	60,617,384	1,280,360,165	1,019,626,517
Wholesale Sales	\$0.02500	\$0.03042	\$0.02552	\$0.02500	\$0.03611
Less:					
Generation	0.03517	0.04175	0.04773	0.03447	0.03765
Transmission	0.00079	0.00100	0.00246	0.00086	0.00096
Subtotal	0.03596	0.04275	0.05019	0.03533	0.03861
Wholesale Margin	<u>(\$0.01096)</u>	<u>(\$0.01233)</u>	<u>(\$0.02467)</u>	<u>(\$0.01033)</u>	<u>(\$0.00250)</u>

Per KWH Delivered to Paying Native System Customers

	Current Month <u>2010 Budget</u>	Current Month <u>2010 Actual</u>	Current Month <u>2009 Actual</u>	Year-To-Date <u>2010 Budget</u>	Year-To-Date <u>2010 Actual</u>
Native System Sales KWHs	62,652,667	66,478,767	65,618,704	735,628,379	773,664,878
Native System Sales	\$0.05343	\$0.05132	\$0.04976	\$0.05189	\$0.05081
Less:					
Purchased Power	0.02606	0.02752	0.02204	0.02601	0.03233
Distribution	0.00648	0.00581	0.00638	0.00607	0.00586
Customer Service	0.00067	0.00023	0.00035	0.00071	0.00035
Consumers Accounts	0.00074	0.00070	0.00072	0.00068	0.00064
Administrative & General	0.01621	0.01434	0.01447	0.01565	0.01414
Subtotal	0.05016	0.04861	0.04396	0.04911	0.05333
Native System Margin	0.00327	0.00272	0.00580	0.00278	(0.00252)
Wholesale Margin	<u>(0.01983)</u>	<u>(0.01543)</u>	<u>(0.02279)</u>	<u>(0.01798)</u>	<u>(0.00329)</u>
Net Electric Margin before Steam Sales	<u>(\$0.01656)</u>	<u>(\$0.01271)</u>	<u>(\$0.01699)</u>	<u>(\$0.01521)</u>	<u>(\$0.00580)</u>
Net Electric Margin after Steam Sales	<u>(\$0.01397)</u>	<u>\$0.01536</u>	<u>(\$0.01319)</u>	<u>(\$0.01112)</u>	<u>(\$0.00058)</u>

Total Fuel Cost
(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Per Million Btu.	\$1.586	\$1.265	\$1.453	\$1.348
Per Net MW Generated	\$17.55	\$14.20	\$16.28	\$15.24
Net Peak Monthly Demand - KW	112,750	110,800	137,900	139,000
Date of Peak	11/19	11/12	7/27	6/23
Average Temperature	41°	46°		
<u>Services</u>	<u>2010</u>	<u>2009</u>		
Residential	9,669	9,650		
Commercial I	1,392	1,380		
Commercial II	119	117		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	39		
Total	<u>11,248</u>	<u>11,221</u>		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - November 2010

	Budget Estimate	\$/kWh	This Year	\$/kWh	Last Year ^{fn5}	\$/kWh
Wholesale kWh Sales	113,328,595		83,216,457		60,617,384	
Wholesale Sales	\$2,833,215	\$0.0250	\$2,531,087	\$0.0304	\$1,546,939	\$0.0255
Variable Costs						
Transmission Path ^{fn5}	—	0.0000	2	0.0000	2,171	0.0000
Fuel (Coal, Gas & Fuel Oil)	1,854,799	0.0164	1,393,698	0.0167	801,157	0.0132
SO ² Allowances ^{fn1}	2,880	0.0000	1,660	0.0000	2,684	0.0000
NO _x Allowances ^{fn2}	94,000	0.0008	23,066	0.0003	45,539	0.0008
Other ^{fn4}	293,341	0.0026	284,544	0.0034	320,660	0.0053
Total Variable Costs	2,245,020	0.0198	1,702,970	0.0205	1,172,211	0.0193
Gross Margin	\$588,195	\$0.0052	\$828,117	\$0.0100	\$374,728	\$0.0062
Percent Gross Margin	20.8%		32.7%		24.2%	

Calendar Year To Date

	Budget Estimate	\$/kWh	This Year	\$/kWh	Last Year ^{fn5}	\$/kWh
Wholesale kWh Sales	1,280,360,165		1,019,626,517		418,157,112	
Wholesale Sales	\$32,008,997	\$0.0250	\$36,822,084	\$0.0361	\$12,379,283	\$0.0296
Variable Costs						
Marketers' Commissions	—	0.0000	—	0.0000	318,024	0.0008
Transmission Path ^{fn5}	—	0.0000	2	0.0000	141,403	0.0003
Fuel (Coal, Gas & Fuel Oil)	18,806,996	0.0147	15,678,818	0.0154	5,787,947	0.0138
SO ² Allowances ^{fn1}	31,698	0.0000	34,941	0.0000	42,424	0.0001
NO _x Allowances ^{fn3}	1,165,374	0.0009	639,913	0.0006	731,320	0.0017
Other ^{fn4}	3,226,751	0.0025	3,188,409	0.0031	1,718,253	0.0041
Total Variable Costs	23,230,819	0.0181	19,542,083	0.0192	8,739,371	0.0209
Gross Margin	\$8,778,178	\$0.0069	\$17,280,001	\$0.0169	\$3,639,912	\$0.0087
Percent Gross Margin	27.4%		46.9%		29.4%	

Allowance costs are based on budgeted/actual market price for allowances:

	Budget	2010	2009
fn1 SO ²	\$80.00	\$56.00	\$157.00
fn2 NO _x annual	1,000.00	330.00	625.00
NO _x seasonal	0.00	0.00	0.00
fn3 YTD NO _x annual	1,000.00	422.68	1,266.82
YTD NO _x seasonal	200.00	46.70	181.43

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

fn5 MPW Joined MISO September 1, 2009; since joining transmission expense is netted against revenue