

**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>
<b><u>KWH Generated and Sold</u></b>					
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	<u>113,328,595</u>	(26.6)	<u>83,216,457</u>	37.3	<u>60,617,384</u>
<b><u>Capacity Factors</u></b>					
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
<b><u>KWH Distribution</u></b>					
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	<u>1,292,418</u>	(8.5)	<u>1,182,355</u>	(15.8)	<u>1,403,674</u>
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	<u>2,014,291</u>	55.5	<u>3,131,496</u>	---	<u>605,295</u>
Total Native System KWH					
Distributed/Purchased Power	<u>65,305,304</u>	7.6	<u>70,299,457</u>	5.0	<u>66,960,470</u>
 <b><u>STEAM SALES - 1000 lbs</u></b>					
	<u>198,720</u>	(5.7)	<u>187,482</u>	8.5	<u>172,872</u>

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

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	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	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> <sup>fn1</sup>
<b><u>Capacity Factors</u></b>					
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
<b><u>KWH Distribution</u></b>					
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> <sup>fn1</sup>
<b>STEAM SALES - 1000 lbs</b>	<b><u>2,165,400</u></b>	<b>14.2</b>	<b><u>2,473,736</u></b>	<b>6.9</b>	<b><u>2,313,584</u></b>

<sup>fn1</sup> Wholesale sales and purchased power are not comparable due to joining MISO September 1, 2001

**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>
<b><u>Sales of Electricity</u></b>						
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	
<b><u>Steam Sales</u></b>	<b>748,297</b>	<b>3.77</b>	<b>1,509,811</b>	<b>3.46</b>	<b>685,228</b>	<b>3.96</b>
<b><u>Other Revenue</u></b>						
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	
<b><u>Operating Expense</u></b>						
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)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
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 SO<sub>2</sub> 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</u>	<u>Avg.</u>	<u>This</u>	<u>Avg.</u>	<u>Last</u>	<u>Avg.</u>
	<u>Estimate</u>	<u>Price</u>	<u>Year</u>	<u>Price</u>	<u>Year</u>	<u>Price</u>
<b><u>Sales of Electricity</u></b>						
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	<sup>fn1</sup> 0.0349 <sup>fn2</sup>
Energy Sales	70,180,610		76,131,722		50,362,097	
<b><u>Steam Sales</u></b>	<b>8,876,360</b>	<b>4.10</b>	<b>10,116,039</b>	<b>4.09</b>	<b>9,865,094</b>	<b>4.26</b>
<b><u>Other Revenue</u></b>						
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	
<b><u>Operating Expense</u></b>						
Purchased Power	19,133,139	0.0250	25,011,410	0.0312	6,791,268	<sup>fn1</sup> 0.0256
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)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
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 <sup>fn3</sup>	

<sup>fn1</sup> MPW Joined MISO September 1, 2009.

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

<sup>fn3</sup> 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>
<b>Current Assets:</b>		
<b><u>Restricted</u></b>		
Cash - interest bearing	\$2,043,650	\$6,434,135
Investments	<u>18,273,285</u>	<u>29,262,221</u>
<b>Total Restricted Current Assets</b>	<b><u>20,316,935</u></b>	<b><u>35,696,356</u></b>
<b><u>Unrestricted</u></b>		
Cash - interest bearing	4,010,869	3,624,096
Investments	<u>13,051,074</u>	<u>---</u>
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 <sup>fn1</sup>	<u>2,196,100</u>	<u>---</u>
<b>Total Unrestricted Current Assets</b>	<b><u>46,559,194</u></b>	<b><u>31,415,019</u></b>
<b>Total Current Assets</b>	<b><u>66,876,129</u></b>	<b><u>67,111,375</u></b>
<b>Property and Equipment:</b>		
At Cost	405,164,986	404,752,964
Less Accumulated Depreciation	<u>290,592,331</u>	<u>277,637,534</u>
<b>Net Property and Equipment</b>	<b><u>114,572,655</u></b>	<b><u>127,115,430</u></b>
<b>Other Assets:</b>		
Unamortized Cost of Issuing Bonds	2,272	31,713
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>172,790</u>	<u>203,688</u>
<b>Total Other Assets</b>	<b><u>35,502,062</u></b>	<b><u>35,562,401</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$216,950,846</u></b>	<b><u>\$229,789,206</u></b>

**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**

	<b>2010</b>	<b>2009</b>
<b>Current Liabilities:</b>		
<b><u>Restricted</u></b>		
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	<u>592,510</u>	<u>865,906</u>
Total Restricted Current Liabilities	<u>13,178,140</u>	<u>12,796,941</u>
<b><u>Unrestricted</u></b>		
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 <sup>fn1</sup>	<u>2,196,100</u>	<u>---</u>
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>
<b>Non-Current Liabilities:</b>		
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	<u>13,271,967</u>	<u>25,873,970</u>
Total Non-Current Liabilities	<u>15,331,202</u>	<u>27,823,643</u>
<b>Deferred Revenue - Extraordinary O &amp; M</b>	<u>12,803,162</u>	<u>27,803,162</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	88,746,770	89,397,340
Restricted	19,724,425	34,830,450
Unrestricted	<u>60,017,082</u>	<u>28,792,496</u>
Total Net Assets	<u>168,488,277</u>	<u>153,020,286</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$216,950,846</u></b>	<b><u>\$229,789,206</u></b>

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

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

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
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	<u>(2,000,107)</u>	<u>(19,864,354)</u>
Net cash flows from operating activities	<u>(129,910)</u>	<u>12,729,904</u>
<b>Cash flows from capital and related financing activities:</b>		
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>
<b>Cash flows from investing activities:</b>		
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	<u>(41,248)</u>	<u>(410,152)</u>
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	---	---
Net cash flows from operating activities	<u><u>(\$129,910)</u></u>	<u><u>\$12,729,904</u></u>

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

	<u><b>This Year</b></u>	<u><b>Last Year</b></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>\$20,316,935</u>	 <u>\$35,696,356</u>

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

	<b>Budget</b>		<b>This Year</b>		<b>Last Year</b>
	<b>Estimate</b>		<b>This Year</b>		<b>Last Year</b>
<b>Purchased Power</b>	<b>\$1,632,633</b>	23.3	<b>\$1,829,788</b>	24.3	<b>\$1,446,209</b>
Average price per kWh	\$0.0250		\$0.0260		\$0.0216
<b>Generation</b>					
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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	<b>Budget</b>		<b>This Year</b>	<b>Last Year</b>	<small>fn1</small>
	<b>Estimate</b>	<b> </b>			
<b>Purchased Power</b>	<b>\$19,133,139</b>	23.9	<b>\$25,011,410</b>	28.7	<b>\$6,791,268</b>
Average price per kWh	\$0.0250		\$0.0312		\$0.0256
<b>Generation</b>					
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	9,734,997		9,737,629		9,653,204
<b>Total Generation Expense</b>	<b>\$50,010,577</b>	62.3	<b>\$44,464,036</b>	51.0	<b>\$45,189,496</b>
					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>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>		<u></u>		<u></u>
<b><u>Transmission</u></b>					
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	<u>5,942</u>		<u>5,942</u>		<u>5,910</u>
 Total Transmission Expense	 <u>90,078</u>	 1.3	 <u>82,852</u>	 1.1	 <u>148,848</u> 2.7
 <b><u>Distribution</u></b>					
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	<u>1,775</u>		<u>1,775</u>		<u>1,765</u>
 Total Distribution Expense	 <u>\$406,086</u>	 5.8	 <u>\$386,388</u>	 5.1	 <u>\$418,424</u> 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>
<b><u>Transmission</u></b>			
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	<u>65,358</u>	<u>65,529</u>	<u>62,487</u>
Total Transmission Expense	<u>1,099,058</u>	1.4	<u>1,123,625</u> 1.8
<b><u>Distribution</u></b>			
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	<u>19,525</u>	<u>19,555</u>	<u>18,678</u>
Total Distribution Expense	<u>\$4,462,274</u>	5.6	<u>\$4,537,357</u> 5.2
			7.1

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

	<b>Budget</b>			
	<u><b>Estimate</b></u>	<u><b>This Year</b></u>	<u><b>Last Year</b></u>	
<b><u>Customer Service Expense</u></b>				
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	
 Total Customer Service Expense	 41,756	 0.6	 15,321	 0.2
				22,871 0.4
 <b><u>Consumer Accounts</u></b>				
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	
 Total Consumer Accounts Expense	 46,534	 0.7	 46,790	 0.6
				47,430 0.9
 <b><u>Administrative and General</u></b>				
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	
 Total Administrative and General	 1,015,603	 14.5	 953,192	 12.7
				949,420 17.1
 Total Operating Expense	 \$7,804,428	 \$7,292,107	 \$6,362,601	
 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>
<b><u>Customer Service Expense</u></b>			
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	<u>19,722</u>	<u>15,939</u>	<u>12,883</u>
Total Customer Service Expense	<u>\$522,782</u>	0.7	<u>\$267,646</u> 0.4
<b><u>Consumer Accounts</u></b>			
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	<u>43,035</u>	<u>43,078</u>	<u>42,618</u>
Total Consumer Accounts Expense	<u>500,233</u>	0.6	<u>498,565</u> 0.6
<b><u>Administrative and General</u></b>			
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
<b>Total Operating Expense</b>	<b><u>\$87,239,407</u></b>	<b><u>\$86,695,221</u></b>	<b><u>\$68,879,340</u></b>
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	<u>113,328,595</u>	<u>83,216,457</u>	<u>60,617,384</u>	<u>1,280,360,165</u>	<u>1,019,626,517</u>
Wholesale Sales	<b>\$0.02500</b>	<b>\$0.03042</b>	<b>\$0.02552</b>	<b>\$0.02500</b>	<b>\$0.03611</b>
Less:					
Generation	0.03517	0.04175	0.04773	0.03447	0.03765
Transmission	0.00079	0.00100	0.00246	0.00086	0.00096
Subtotal	<u>0.03596</u>	<u>0.04275</u>	<u>0.05019</u>	<u>0.03533</u>	<u>0.03861</u>
Wholesale Margin	<b><u>(\$0.01096)</u></b>	<b><u>(\$0.01233)</u></b>	<b><u>(\$0.02467)</u></b>	<b><u>(\$0.01033)</u></b>	<b><u>(\$0.00250)</u></b>

**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	<u>62,652,667</u>	<u>66,478,767</u>	<u>65,618,704</u>	<u>735,628,379</u>	<u>773,664,878</u>
Native System Sales	<b>\$0.05343</b>	<b>\$0.05132</b>	<b>\$0.04976</b>	<b>\$0.05189</b>	<b>\$0.05081</b>
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	<u>0.05016</u>	<u>0.04861</u>	<u>0.04396</u>	<u>0.04911</u>	<u>0.05333</u>
Native System Margin	<b>0.00327</b>	<b>0.00272</b>	<b>0.00580</b>	<b>0.00278</b>	<b>(0.00252)</b>
Wholesale Margin	<b><u>(0.01983)</u></b>	<b><u>(0.01543)</u></b>	<b><u>(0.02279)</u></b>	<b><u>(0.01798)</u></b>	<b><u>(0.00329)</u></b>
Net Electric Margin before Steam Sales	<b><u>(\$0.01656)</u></b>	<b><u>(\$0.01271)</u></b>	<b><u>(\$0.01699)</u></b>	<b><u>(\$0.01521)</u></b>	<b><u>(\$0.00580)</u></b>
Net Electric Margin after Steam Sales	<b><u>(\$0.01397)</u></b>	<b><u>\$0.01536</u></b>	<b><u>(\$0.01319)</u></b>	<b><u>(\$0.01112)</u></b>	<b><u>(\$0.00058)</u></b>

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

	<b>Current Month</b>		<b>Calendar Year-To-Date</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
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°		
<b>Services</b>	<b>2010</b>	<b>2009</b>		
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	<b>11,248</b>	<b>11,221</b>		

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

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year<sup>fn5</sup></u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>113,328,595</u></b>		<b><u>83,216,457</u></b>		<b><u>60,617,384</u></b>	
<b>Wholesale Sales</b>	<b><u>\$2,833,215</u></b>	<b><u>\$0.0250</u></b>	<b><u>\$2,531,087</u></b>	<b><u>\$0.0304</u></b>	<b><u>\$1,546,939</u></b>	<b><u>\$0.0255</u></b>
<b>Variable Costs</b>						
Transmission Path <sup>fn5</sup>	—	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 <sup>2</sup> Allowances <sup>fn1</sup>	2,880	0.0000	1,660	0.0000	2,684	0.0000
NO <sub>x</sub> Allowances <sup>fn2</sup>	94,000	0.0008	23,066	0.0003	45,539	0.0008
Other <sup>fn4</sup>	<u>293,341</u>	<u>0.0026</u>	<u>284,544</u>	<u>0.0034</u>	<u>320,660</u>	<u>0.0053</u>
Total Variable Costs	<b><u>2,245,020</u></b>	<b><u>0.0198</u></b>	<b><u>1,702,970</u></b>	<b><u>0.0205</u></b>	<b><u>1,172,211</u></b>	<b><u>0.0193</u></b>
<b>Gross Margin</b>	<b><u>\$588,195</u></b>	<b><u>\$0.0052</u></b>	<b><u>\$828,117</u></b>	<b><u>\$0.0100</u></b>	<b><u>\$374,728</u></b>	<b><u>\$0.0062</u></b>
Percent Gross Margin	20.8%		32.7%		24.2%	

**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<sup>fn5</sup></u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>1,280,360,165</u></b>		<b><u>1,019,626,517</u></b>		<b><u>418,157,112</u></b>	
<b>Wholesale Sales</b>	<b><u>\$32,008,997</u></b>	<b><u>\$0.0250</u></b>	<b><u>\$36,822,084</u></b>	<b><u>\$0.0361</u></b>	<b><u>\$12,379,283</u></b>	<b><u>\$0.0296</u></b>
<b>Variable Costs</b>						
Marketers' Commissions	—	0.0000	—	0.0000	318,024	0.0008
Transmission Path <sup>fn5</sup>	—	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 <sup>2</sup> Allowances <sup>fn1</sup>	31,698	0.0000	34,941	0.0000	42,424	0.0001
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,165,374	0.0009	639,913	0.0006	731,320	0.0017
Other <sup>fn4</sup>	<u>3,226,751</u>	<u>0.0025</u>	<u>3,188,409</u>	<u>0.0031</u>	<u>1,718,253</u>	<u>0.0041</u>
Total Variable Costs	<b><u>23,230,819</u></b>	<b><u>0.0181</u></b>	<b><u>19,542,083</u></b>	<b><u>0.0192</u></b>	<b><u>8,739,371</u></b>	<b><u>0.0209</u></b>
<b>Gross Margin</b>	<b><u>\$8,778,178</u></b>	<b><u>\$0.0069</u></b>	<b><u>\$17,280,001</u></b>	<b><u>\$0.0169</u></b>	<b><u>\$3,639,912</u></b>	<b><u>\$0.0087</u></b>
Percent Gross Margin	27.4%		46.9%		29.4%	

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

	<u>Budget</u>	<u>2010</u>	<u>2009</u>
fn1 SO <sup>2</sup>	\$80.00	\$56.00	\$157.00
fn2 NO <sub>x</sub> annual	1,000.00	330.00	625.00
NO <sub>x</sub> seasonal	0.00	0.00	0.00
fn3 YTD NO <sub>x</sub> annual	1,000.00	422.68	1,266.82
YTD NO <sub>x</sub> 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