

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

**December 2010
(Unaudited)**

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - December 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	133,093,994	(9.1)	120,943,644	15.6	104,621,625
Less: Plant Use	<u>12,725,559</u>	<u>(7.4)</u>	<u>11,780,031</u>	<u>4.4</u>	<u>11,282,858</u>
Net Generation/Wholesale Sales	<u>120,368,435</u>	<u>(9.3)</u>	<u>109,163,613</u>	<u>17.0</u>	<u>93,338,767</u>
<u>Capacity Factors</u>					
Unit 9	84.30	(19.0)	68.28	2.5	66.60
Unit 8	---	---	35.04	---	---
Unit 8A	79.25	22.1	96.78	6.6	90.76
Unit 7	54.79	(24.9)	41.12	72.4	23.85
Total Plant	81.93	(17.7)	67.39	(13.2)	77.60
<u>KWH Distribution</u>					
Residential	8,596,007	6.4	9,148,505	5.7	8,653,285
Commercial I	3,174,275	0.6	3,193,828	4.3	3,061,289
Commercial II	8,028,328	3.2	8,285,932	1.9	8,132,086
Industrial I	9,234,326	(0.7)	9,170,560	3.8	8,834,897
Industrial II	34,823,584	12.8	39,276,495	7.6	36,514,180
City Enterprise Funds	496,043	(1.7)	487,656	(13.1)	561,415
Water & Communications Utilities	<u>1,304,056</u>	<u>(10.9)</u>	<u>1,161,275</u>	<u>(12.4)</u>	<u>1,325,819</u>
Native System Sales	65,656,619	7.7	70,724,251	5.4	67,082,971
City Lighting	169,631	(4.1)	162,653	(5.6)	172,318
City Buildings	572,690	3.8	594,265	11.5	532,825
Offline Power Plant Usage	---	---	49,949	(45.7)	92,032
MAPP Trans Loss-Net	---	---	---	---	---
Losses & Cycle Billing	<u>2,861,059</u>	<u>12.8</u>	<u>3,227,495</u>	<u>6.3</u>	<u>3,035,014</u>
Total Native System KWH Distributed/Purchased Power	<u>69,259,999</u>	<u>7.9</u>	<u>74,758,613</u>	<u>5.4</u>	<u>70,915,160</u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u>223,560</u>	<u>23.7</u>	<u>276,505</u>	<u>9.6</u>	<u>252,327</u>

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

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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	1,549,566,354	(19.0)	1,255,201,792	9.6	1,145,469,487
Less: Plant Use	<u>148,838,054</u>	<u>(15.1)</u>	<u>126,411,662</u>	<u>2.5</u>	<u>123,309,309</u>
Net Generation	<u>1,400,728,300</u>	<u>(19.4)</u>	<u>1,128,790,130</u>	<u>10.4</u>	<u>1,022,160,178</u>
Wholesale Sales	<u>1,400,728,300</u>	<u>(19.4)</u>	<u>1,128,790,130</u>	<u>---</u>	<u>511,495,879</u> ^{fn1}
<u>Capacity Factors</u>					
Unit 9	83.77	(27.5)	60.70	6.2	57.13
Unit 8	---	---	28.51	53.4	18.58
Unit 8A	81.08	2.9	83.47	5.3	79.27
Unit 7	55.98	(33.2)	37.40	10.8	33.76
Total Plant	80.10	(14.8)	68.21	(1.5)	69.28
<u>KWH Distribution</u>					
Residential	103,440,576	4.2	107,828,594	10.0	98,059,284
Commercial I	39,424,667	(1.6)	38,779,028	2.4	37,858,695
Commercial II	102,187,607	(1.1)	101,098,873	2.3	98,815,076
Industrial I	121,371,571	(0.4)	120,922,082	2.5	118,013,199
Industrial II	413,265,301	9.7	453,353,477	2.7	441,645,304
City Enterprise Funds	5,679,193	10.6	6,282,407	2.7	6,119,325
Water & Communications Utilities	<u>15,916,083</u>	<u>1.3</u>	<u>16,124,668</u>	<u>(4.7)</u>	<u>16,919,435</u>
Native System Sales	801,284,998	5.4	844,389,129	3.3	817,430,318
City Lighting	2,036,819	(3.1)	1,974,310	(4.6)	2,069,258
City Buildings	6,266,830	0.1	6,275,186	2.7	6,111,708
Offline Power Plant Usage	---	---	651,914	49.3	436,618
MAPP Trans Loss-Net	---	---	---	---	(713,000)
Losses & Cycle Billing	<u>24,996,860</u>	<u>---</u>	<u>24,032,822</u>	<u>13.6</u>	<u>21,149,377</u>
Total Native System KWH Distributed	<u>834,585,507</u>	<u>5.1</u>	<u>877,323,361</u>	<u>3.6</u>	<u>846,484,279</u>
Purchased Power	<u>834,585,507</u>	<u>5.1</u>	<u>877,323,361</u>	<u>---</u>	<u>335,819,980</u> ^{fn1}
<u>STEAM SALES - 1000 lbs</u>	<u>2,388,960</u>	<u>15.1</u>	<u>2,750,241</u>	<u>7.2</u>	<u>2,565,911</u>

fn1 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 - December 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	\$647,245	0.0753	\$684,200	0.0742 ^{fn1}	\$619,691	0.0719 ^{fn2}
Commercial I	245,943	0.0775	240,852	0.0782 ^{fn1}	232,266	0.0754 ^{fn2}
Commercial II	487,609	0.0607	483,859	0.0584	455,668	0.0560
Industrial I	474,662	0.0514	460,972	0.0503	449,063	0.0508
Industrial II	1,558,516	0.0448	1,695,362	0.0432	1,522,264	0.0417
City Enterprise Funds	25,253	0.0509	27,601	0.0566	27,705	0.0493
Water & Communication Utilities	64,647	0.0496	58,501	0.0504	64,257	0.0485
Native System Sales	3,503,875	0.0534	3,651,347	0.0517	3,370,914	0.0503
Wholesale Sales	3,009,211	0.0250	3,712,951	0.0340	3,077,608	0.0330
Energy Sales	6,513,086		7,364,298		6,448,522	
<u>Steam Sales</u>	841,834	3.77	972,974	0.41	1,012,131	4.01
<u>Other Revenue</u>						
Rail Car Lease	27,900		52,340		---	
By-Product Revenue	6,215		14,638		3,952	
Miscellaneous Revenue	32,696		45,615		67,335	
Total Other Revenue	66,811		112,593		71,287	
Operating Revenue	7,421,731		8,449,865		7,531,940	
<u>Operating Expense</u>						
Purchased Power	1,731,500	0.0250	2,302,598	0.0308	2,140,188	0.0302
Production Fuel	2,448,846		2,444,917		1,675,881	
Emissions Allowance	107,387		46,425		67,112	
Operation	1,825,033		1,968,423		1,827,649	
Maintenance	662,380		785,393		711,500	
Depreciation	1,191,485		1,186,227		1,175,880	
Total Operating Expense	7,966,631		8,733,983		7,598,210	
Operating Loss	(544,900)		(284,118)		(66,270)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	121,317		113,607		81,112	
Interest Expense	(123,199)		(123,534)		(179,772)	
Total Nonoperating Revenue (Expense)	(1,882)		(9,927)		(98,660)	
Net Income (Loss) Before Capital Contributions	(546,782)		(294,045)		(164,930)	
Capital Contributions	---		80		43,302	
Revenue Adjustment-Extraordinary O&M	5,745,886		(4,352,000)		9,900,000	
Change in Net Assets	5,199,104		(4,645,965)		9,778,372	
Beginning Net Assets	155,865,872		168,488,277		153,020,286	
Ending Net Assets	\$161,064,976		\$163,842,312		\$162,798,658	
Net Income (Loss) to Total Income Before Revenue Adj	(7.3)		(3.4)		(2.2)	
Net Income (Loss) to Total Income After Revenue Adj	68.9		(54.3)		128.4	
Debt Service Coverage Before Transfer	0.66		0.87		1.10	
Debt Service Coverage After Transfer	5.58		(2.86)		9.58	

fn1 Excludes an adjustment to unbilled revenues of \$5,085 for residential customers and (\$8,822) for commercial I customers

fn2 Excludes an adjustment to unbilled revenues of (\$2,849) for residential customers and \$1,368 for commercial I customers

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

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	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price	
<u>Sales of Electricity</u>							
Residential	\$7,635,750	0.0738	\$7,905,137 ^{fn1}	0.0733	\$7,127,122 ^{fn5}	0.0727	
Commercial I	2,991,931	0.0759	2,965,597 ^{fn4}	0.0767	2,850,428 ^{fn5}	0.0753	
Commercial II	5,942,345	0.0582	5,797,915	0.0573	5,587,242	0.0565	
Industrial I	6,044,572	0.0498	5,903,966	0.0488	5,844,287	0.0495	
Industrial II	18,013,719	0.0436	19,274,788	0.0425	18,405,692	0.0417	
City Enterprise Funds	279,804	0.0493	333,119	0.0530	304,855	0.0498	
Water & Communications Utilities	767,366	0.0482	780,463	0.0484	798,953	0.0472	
Native System Sales	41,675,487	0.0520	42,960,985	0.0509	40,918,579	0.0501	
Wholesale Sales	35,018,208	0.0250	40,535,035	0.0359	15,892,039 ^{fn1}	0.0349 ^{fn2}	
Energy Sales	76,693,695		83,496,020		56,810,618		
<u>Steam Sales</u>	9,718,194	4.07	11,089,012	4.03	10,877,226	4.24	
<u>Other Revenue</u>							
Rail Car Lease	417,900		257,063		182,849		
By-Product Revenue	386,788		302,299		226,967		
Miscellaneous Revenue	426,490		547,877		540,048		
Total Other Revenue	1,231,178		1,107,239		949,864		
Operating Revenue	87,643,067		95,692,271		68,637,708		
<u>Operating Expense</u>							
Purchased Power	20,864,639	0.0250	27,314,007	0.0311	8,931,455 ^{fn1}	0.0266	
Production Fuel	25,608,325		23,240,870		19,163,805		
Emissions Allowance	1,169,443		659,927		1,780,667		
Operation	22,084,777		20,711,508		20,758,320		
Maintenance	11,181,034		9,268,167		11,732,743		
Depreciation	14,297,820		14,234,724		14,110,560		
Total Operating Expense	95,206,038		95,429,203		76,477,550		
Operating Income (Loss)	(7,562,971)		263,068		(7,839,842)		
<u>Nonoperating Revenue (Expense)</u>							
Interest Income	1,561,789		1,444,829		1,942,315		
Interest Expense	(1,478,386)		(1,491,345)		(2,156,042)		
Total Nonoperating Revenue (Expense)	83,403		(46,516)		(213,727)		
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(7,479,568)		216,552		(8,053,569)		
Capital Contributions	---		79,102		43,302		
Revenue Adjustment-Extraordinary O & M	5,745,886		748,000		11,400,000		
Change in Net Assets	(1,733,682)		1,043,654		3,389,733		
Beginning Net Assets	162,798,658		162,798,658		159,408,925		
Ending Net Assets	\$161,064,976		\$163,842,312		\$162,798,658		
Net Income (Loss) before Rev Adj to Total Income	(8.4)		0.2		(11.4)		
Net Income (Loss) after Rev Adj to Total Income	(1.9)		1.1		4.8		
Debt Service Coverage Before Transfers	0.59		1.11		0.61		
Debt Service Coverage After Transfers	1.00		1.16		1.85 ^{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

^{fn4} Excludes an adjustment to unbilled revenues of \$5,085 for residential customers and (\$8,822) for commercial I customers.

^{fn5} Excludes an adjustment to unbilled revenues of (\$2,849) for residential customers and \$1,368 for commercial I customers.

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

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$21,610,535	\$10,223,289
Investments	16,397,650	28,445,201
	<hr/>	<hr/>
Total Restricted Current Assets	38,008,185	38,668,490
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	5,108	120,252
Investments	---	---
Receivables:		
Consumer Accounts	4,947,084 ^{fn2}	4,327,803 ^{fn3}
Wholesale	1,292,599	1,126,014
Steam Sales	2,365,745	903,648
Interest	668,380	335,495
Intercompanies	22,200	12,614
Inventories	6,659,820	8,030,833
Fuel	11,118,587	11,864,879
Prepaid Expenses	537,516	522,105
Hedge Asset ^{fn1}	2,196,100	---
	<hr/>	<hr/>
Total Unrestricted Current Assets	29,813,139	27,243,643
	<hr/>	<hr/>
Total Current Assets	67,821,324	65,912,133
	<hr/>	<hr/>
Property and Equipment:		
At Cost	405,071,805	403,977,087
Less Accumulated Depreciation	291,559,776	277,789,364
	<hr/>	<hr/>
Net Property and Equipment	113,512,029	126,187,723
	<hr/>	<hr/>
Other Assets:		
Unamortized Cost of Issuing Bonds	---	27,283
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	162,532	197,510
	<hr/>	<hr/>
Total Other Assets	35,489,532	35,551,793
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$216,822,885</u>	<u>\$227,651,649</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.

fn2 Includes \$378,203 for unbilled revenues.

fn3 Includes \$381,941 for unbilled revenues.

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

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds	\$12,585,000	\$11,930,000
Accrued Interest	711,013	1,039,088
	<hr/>	<hr/>
Total Restricted Current Liabilities	13,296,013	12,969,088
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	1,479,372	1,446,562
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	294,327	229,771
Accrued Vacation	1,016,057	1,014,120
Accrued Emission Allowance Expense	636,436	1,699,129
Consumers' Deposits	597,792	620,463
Accrued Property Taxes	89,420	96,283
Miscellaneous Accrued Expenses	685,063	706,572
Miscellaneous Deferred Credits	52,850	86,050
Hedge Liability ^{fn1}	2,196,100	---
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	7,281,049	6,115,610
	<hr/>	<hr/>
Total Current Liabilities	20,577,062	19,084,698
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,858,882	1,993,284
Post-Employment Health Benefit Provision	118,166	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$73,672 in 2010		
and \$230,226 in 2009; and less Deferred Amount on Refunding of		
\$72,370 in 2010 and \$213,379 in 2009	13,271,301	25,871,847
	<hr/>	<hr/>
Total Non-Current Liabilities	15,248,349	27,865,131
	<hr/>	<hr/>
Deferred Revenue - Extraordinary O & M	17,155,162	17,903,162
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	87,683,011	88,466,317
Restricted	37,297,172	37,629,402
Unrestricted	38,862,129	36,702,939
	<hr/>	<hr/>
Total Net Assets	163,842,312	162,798,658
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$216,822,885</u>	<u>\$227,651,649</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
December 2010

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,428,249	\$42,509,061
MISO/Tenaska, net sales/purchases	574,752	13,128,832
Steam sales	619,094	9,672,985
Coal & transportation allowances	24,812	806,795
Railcar leasing	---	186,606
By-product sales	36,467	265,656
Miscellaneous sources	169,145	730,375
Cash paid to/for:		
Suppliers	(584,313)	(9,660,710)
Coal	(1,913,519)	(22,648,740)
Employees payroll, taxes and benefits	(1,754,874)	(21,619,228)
Net cash flows from operating activities	<u>599,813</u>	<u>13,371,632</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(87,293)	(1,520,143)
Bond principal payments	---	(11,930,000)
Bond interest payments	---	(1,750,101)
Net cash flows from capital and related financing activities	<u>(87,293)</u>	<u>(15,200,244)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(58,780)
Interest received on investments and note receivable	148,643	1,534,576
Accrued Interest Purchased	---	(42,774)
Amortization/accretion of investments	2,424	59,465
Mark to market	(29,172)	(439,324)
Net cash flows from investing activities	<u>121,895</u>	<u>1,053,163</u>
Net increase (decrease) in cash and investments	<u>634,415</u>	<u>(775,449)</u>
Cash and investments at beginning of period	<u>37,378,878</u>	<u>38,788,742</u>
Cash and investments at end of period	<u><u>\$38,013,293</u></u>	<u><u>\$38,013,293</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	(\$284,118)	\$263,068
Noncash items in operating income:		
Depreciation of electric utility plant	1,186,227	14,234,724
Amortization of joint venture rights	10,258	93,759
Changes in assets and liabilities:		
Consumer accounts receivable	(431,219)	(619,281)
Wholesale receivable	(549,737)	(166,585)
Steam sales receivable	(384,920)	(1,462,097)
Intercompany receivable	44,708	(9,586)
Inventories	(67,197)	1,371,013
Fuel	943,631	746,292
Prepaid expenses	(11,092)	(41,285)
Accounts payable	(38,286)	73,022
Pension provision	134,602	---
Health & dental insurance provision	(67,677)	(117,430)
Other post-employment benefit provision	2,462	118,166
Accrued payroll	180,677	64,556
Accrued vacation	(1,658)	1,937
Accrued emission allowance expense	46,425	(1,062,693)
Consumers' deposits	(2,865)	(22,671)
Retained percentage	---	---
Accrued property taxes	(1,807)	(6,863)
Miscellaneous accrued expenses	(75,401)	(53,214)
Miscellaneous deferred credits	(33,200)	(33,200)
Net cash flows from operating activities	<u>\$599,813</u>	<u>\$13,371,632</u>

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

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,500,767	\$7,474,031
Bond Sinking Fund	\$13,296,013	\$12,969,088
Extraordinary Operation & Maintenance Account	<u>17,211,405</u>	<u>18,225,371</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u><u>\$38,008,185</u></u>	 <u><u>\$38,668,490</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,731,500</u>	23.3	<u>\$2,302,598</u>	27.3	<u>\$2,140,188</u>	28.4
Average price per kWh	\$0.0250		\$0.0308		\$0.0302	
<u>Generation</u>						
Operation Supervision	85,262		70,422		83,851	
Fuel:						
Coal	2,353,440		2,361,347		1,603,385	
Fuel Oil	1,000		881		1,154	
Gas	32,600		14,695		18,124	
Coal Handling Expense	56,933		61,607		51,092	
Landfill Operation Expense	4,873		6,387		2,126	
Emissions Allowance Expense	107,387		46,425		67,112	
Steam Expense:						
Boiler	105,664		100,896		99,535	
Pollution Control	55,718		40,163		38,244	
Electric Expense	102,738		95,593		97,623	
Miscellaneous Steam Power Expense	105,481		122,349		87,054	
Maintenance:						
Supervision	80,231		73,737		76,286	
Structures	54,953		113,155		46,142	
Boiler Plant:						
Boiler	135,894		122,949		204,078	
Pollution Control	17,971		35,231		39,668	
Electric Plant	32,224		64,631		72,797	
System Control	16,005		24,531		15,899	
Miscellaneous Steam Plant	56,677		44,928		49,676	
Coal Handling Equipment	111,774		84,532		49,286	
Wholesale Sales Commission	---		---		---	
System Control and Load Dispatch	72,609		70,728		102,361	
Vacation, Holiday, Sick Leave	143,553		187,823		167,736	
Depreciation	<u>885,000</u>		<u>885,239</u>		<u>877,564</u>	
Total Generation Expense	<u>\$4,617,987</u>	62.2	<u>\$4,628,249</u>	54.8	<u>\$3,850,793</u>	51.1

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

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	fn1
Purchased Power	<u>\$20,864,639</u>	23.8	<u>\$27,314,007</u>	28.5	<u>\$8,931,455</u>	13.0
Average price per kWh	\$0.0250		\$0.0311		\$0.0266	
<u>Generation</u>						
Operation Supervision	1,041,525		936,743		969,685	
Fuel:						
Coal	24,340,999		22,238,263		17,944,360	
Fuel Oil	122,220		81,752		113,383	
Gas	372,000		114,473		367,067	
Coal Handling Expense	673,738		744,747		659,497	
Landfill Operation Expense	99,368		61,635		79,498	
Emissions Allowance Expense	1,169,443		659,927		1,780,667	
Steam Expense:						
Boiler	1,251,993		1,274,256		1,262,456	
Pollution Control	725,030		507,153		442,680	
Electric Expense	1,181,060		1,116,152		1,109,754	
Miscellaneous Steam Power Expense	1,852,354		1,528,725		1,731,379	
Maintenance:						
Supervision	966,104		976,376		902,540	
Structures	955,949		829,446		839,571	
Boiler Plant:						
Boiler	3,534,230		2,223,998		2,878,866	
Pollution Control	281,994		432,700		716,514	
Electric Plant	749,126		629,276		2,131,507	
System Control	215,721		214,622		199,309	
Miscellaneous Steam Plant	752,663		594,927		684,732	
Coal Handling Equipment	1,644,042		1,370,649		1,369,579	
Wholesale Sales Commission	---		---		318,024	
System Control and Load Dispatch	865,266		691,884		816,168	
Vacation, Holiday, Sick Leave	1,213,742		1,241,712		1,192,288	
Depreciation	<u>10,619,997</u>		<u>10,622,868</u>		<u>10,530,768</u>	
Total Generation Expense	<u>\$54,628,564</u>	62.3	<u>\$49,092,284</u>	51.3	<u>\$49,040,292</u>	71.4

fn1 MPW Joined MISO September 1, 2009.

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$4,192		\$3,866		\$5,876	
Load Dispatching	8,044		8,149		7,505	
Station Expense	8,881		5,321		10,968	
Overhead Line Expense	111		---		---	
Transmission of Electricity by Others	---		---		---	
Miscellaneous Transmission Expense	6,575		4,241		6,595	
Maintenance:						
Supervision	1,973		1,840		2,253	
Structures	116		---		---	
Station Equipment	7,237		9,513		3,883	
Overhead Lines	4,824		49,629		3,287	
Vacation, Holiday, Sick Leave	7,751		11,350		9,139	
Depreciation	30,628		30,568		30,535	
Tax on Rural Property	5,942		1,374		5,910	
Total Transmission Expense	86,274	1.2	125,851	1.5	85,951	1.1
<u>Distribution</u>						
Operation Supervision	10,764		11,197		13,380	
Load Dispatching	8,159		31,140		7,403	
Station Expense	7,769		5,750		10,434	
Overhead Line Expense	2,745		1,750		2,676	
Vehicle Expense	14,318		16,948		14,595	
Underground Line Expense	3,199		1,202		4,254	
Street Lighting	1,971		2,762		1,939	
Signal Expense	881		157		599	
Meter Expense	9,215		3,748		4,129	
Consumer Installation Expense	1,352		1,370		1,443	
Miscellaneous Distribution Expense	66,608		51,348		55,636	
Maintenance:						
Supervision	9,986		9,767		11,449	
Structures	378		---		---	
Station Equipment	12,519		16,046		13,776	
Overhead Lines	49,313		64,503		48,784	
Underground Lines	8,368		3,117		3,028	
Line Transformers	4,189		5,341		11,422	
Street Lighting	3,247		830		6,668	
Signal System	3,741		3,682		698	
Meters	400		352		---	
Miscellaneous Distribution Plant	2,584		2,896		1,778	
Vacation, Holiday, Sick Leave	42,645		48,437		49,018	
Depreciation	147,816		146,484		143,739	
Tax on Rural Property	1,775		413		1,765	
Total Distribution Expense	\$413,942	5.6	\$429,240	5.1	\$408,613	5.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$47,266		\$46,479		\$44,507	
Load Dispatching	91,449		113,843		95,159	
Station Expense	108,626		99,470		119,335	
Overhead Line Expense	859		2,054		763	
Transmission of Electricity by Others	---		2		141,403	
Miscellaneous Transmission Expense	211,481		111,388		116,279	
Maintenance:						
Supervision	23,686		22,352		21,690	
Structures	10,911		12,183		3	
Station Equipment	100,692		66,640		61,098	
Overhead Lines	85,391		122,882		108,525	
Vacation, Holiday, Sick Leave	66,133		70,263		65,997	
Depreciation	367,536		366,816		366,420	
Tax on Rural Property	71,300		66,903		68,397	
Total Transmission Expense	<u>1,185,330</u>	1.4	<u>1,101,275</u>	1.2	<u>1,209,576</u>	1.8
<u>Distribution</u>						
Operation Supervision	129,252		142,545		143,702	
Load Dispatching	92,678		379,336		94,363	
Station Expense	105,907		98,682		104,350	
Overhead Line Expense	34,251		14,127		35,372	
Vehicle Expense	171,929		164,355		151,160	
Underground Line Expense	39,320		35,606		39,608	
Street Lighting	24,254		32,198		24,011	
Signal Expense	10,932		8,915		5,953	
Meter Expense	111,988		98,831		100,446	
Consumer Installation Expense	16,020		16,604		16,631	
Miscellaneous Distribution Expense	816,223		685,951		756,306	
Maintenance:						
Supervision	119,951		125,549		129,572	
Structures	12,284		---		---	
Station Equipment	133,512		113,777		159,388	
Overhead Lines	636,128		596,357		568,998	
Underground Lines	101,594		69,502		114,466	
Line Transformers	49,587		97,696		83,117	
Street Lighting	38,961		75,225		61,631	
Signal System	38,769		50,574		34,999	
Meters	7,000		2,210		352	
Miscellaneous Distribution Plant	31,805		29,353		28,539	
Vacation, Holiday, Sick Leave	358,781		351,426		353,201	
Depreciation	1,773,793		1,757,808		1,724,868	
Tax on Rural Property	21,300		19,967		20,443	
Total Distribution Expense	<u>\$4,876,219</u>	5.6	<u>\$4,966,594</u>	5.2	<u>\$4,751,476</u>	6.9

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$39,890		\$35,104		\$30,631	
Electric Ranges/Dryers-Maint/Promotion	1,244		1,518		1,922	
Electric Water Heaters-Maint/Promotion	1,783		708		1,081	
Total Customer Service Expense	42,917	0.6	37,330	0.4	33,634	0.4
<u>Consumer Accounts</u>						
Supervision	1,945		734		2,045	
Meter Reading Expense	7,304		8,483		8,602	
Consumer Records and Collection	29,585		29,732		32,894	
Uncollectible Accounts Expense	1,834		(922)		15,213	
Vacation, Holiday, Sick Leave	5,976		8,070		7,530	
Total Consumer Accounts Expense	46,644	0.6	46,097	0.5	66,284	0.9
<u>Administrative and General</u>						
Administrative and General Salaries	165,249		158,271		150,610	
Office Supplies and Expenses	18,981		15,995		17,967	
Outside Services Employed	56,286		87,204		42,323	
Property Insurance	43,440		41,012		41,006	
Casualty Ins, Injuries & Damages	37,906		143,688		63,187	
Employee Pensions and Benefits	462,402		448,338		427,299	
Fringe Benefits Charged to Constr.	(16,830)		(6,048)		(17,131)	
Regulatory Commission	4,400		3,651		2,361	
Miscellaneous General Expense	35,023		44,601		65,063	
Maintenance of General Plant	25,742		25,631		23,225	
Maintenance of A/O Center	22,034		28,552		27,417	
Vacation, Holiday, Sick Leave	44,693		49,787		45,378	
Depreciation	128,041		123,936		124,042	
Total Administrative and General	1,027,367	13.8	1,164,618	13.8	1,012,747	13.4
Total Operating Expense	\$7,966,631		\$8,733,983		\$7,598,210	
Percent to Operating Revenue		107.3		103.4		100.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$528,683		\$275,594		\$273,118	
Electric Ranges/Dryers-Maint/Promotion	15,510		15,242		14,196	
Electric Water Heaters-Maint/Promotion	21,506		16,647		13,963	
Total Customer Service Expense	<u>\$565,699</u>	0.6	<u>\$307,483</u>	0.3	<u>\$301,277</u>	0.4
<u>Consumer Accounts</u>						
Supervision	22,963		23,492		23,887	
Meter Reading Expense	89,510		97,548		93,470	
Consumer Records and Collection	363,384		353,223		358,296	
Uncollectible Accounts Expense	22,008		19,252		30,521	
Vacation, Holiday, Sick Leave	49,012		51,148		50,148	
Total Consumer Accounts Expense	<u>546,877</u>	0.6	<u>544,663</u>	0.6	<u>556,322</u>	0.8
<u>Administrative and General</u>						
Administrative and General Salaries	1,992,115		1,938,568		1,877,331	
Office Supplies and Expenses	253,230		170,487		208,003	
Outside Services Employed	768,790		678,113		695,914	
Property Insurance	513,978		492,130		469,388	
Casualty Ins, Injuries & Damages	454,427		545,675		507,578	
Employee Pensions and Benefits	5,623,712		5,580,074		5,195,385	
Fringe Benefits Charged to Constr.	(205,737)		(178,233)		(187,029)	
Regulatory Commission	52,800		62,305		40,514	
Miscellaneous General Expense	476,925		365,455		409,634	
Maintenance of General Plant	319,448		277,797		277,832	
Maintenance of A/O Center	371,486		334,076		359,915	
Vacation, Holiday, Sick Leave	381,042		349,218		344,183	
Depreciation	<u>1,536,494</u>		<u>1,487,232</u>		<u>1,488,504</u>	
Total Administrative and General	<u>12,538,710</u>	14.3	<u>12,102,897</u>	12.6	<u>11,687,152</u>	17.0
Total Operating Expense	<u>\$95,206,038</u>		<u>\$95,429,203</u>		<u>\$76,477,550</u>	
Percent to Operating Revenue		108.6		99.7		111.4

Muscatine Power and Water - Electric Utility
Statistical Data
December 2010

Per KWH Delivered to Wholesale Customers

	<u>Current Month</u> <u>2010 Budget</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Current Month</u> <u>2009 Actual</u>	<u>Year-To-Date</u> <u>2010 Budget</u>	<u>Year-To-Date</u> <u>2010 Actual</u>
Wholesale Sales KWHs	120,368,435	109,163,613	93,338,767	1,400,728,300	1,128,790,130
Wholesale Sales	\$0.02500	\$0.03401	\$0.03297	\$0.02500	\$0.03591
Less:					
Generation	0.03314	0.03597	0.03487	0.03436	0.03749
Transmission	0.00072	0.00115	0.00092	0.00085	0.00098
Subtotal	0.03386	0.03712	0.03579	0.03521	0.03847
Wholesale Margin	(\$0.00886)	(\$0.00311)	(\$0.00282)	(\$0.01021)	(\$0.00256)

Per KWH Delivered to Paying Native System Customers

	<u>Current Month</u> <u>2010 Budget</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Current Month</u> <u>2009 Actual</u>	<u>Year-To-Date</u> <u>2010 Budget</u>	<u>Year-To-Date</u> <u>2010 Actual</u>
Native System Sales KWHs	65,656,619	70,724,251	67,082,971	801,284,998	844,389,129
Native System Sales	\$0.05337	\$0.05163	\$0.05025	\$0.05201	\$0.05088
Less:					
Purchased Power	0.02637	0.03256	0.03190	0.02604	0.03235
Distribution	0.00630	0.00607	0.00609	0.00609	0.00588
Customer Service	0.00065	0.00053	0.00050	0.00071	0.00036
Consumers Accounts	0.00071	0.00065	0.00099	0.00068	0.00065
Administrative & General	0.01565	0.01647	0.01510	0.01565	0.01433
Subtotal	0.04969	0.05627	0.05458	0.04916	0.05357
Native System Margin	0.00368	(0.00465)	(0.00433)	0.00285	(0.00269)
Wholesale Margin	(0.01625)	(0.00480)	(0.00392)	(0.01784)	(0.00341)
Net Electric Margin before Steam Sales	(\$0.01257)	(\$0.00944)	(\$0.00825)	(\$0.01499)	(\$0.00611)
Net Electric Margin after Steam Sales	(\$0.00932)	\$0.00661	(\$0.00203)	(\$0.01098)	(\$0.00100)

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.	\$1.596	\$1.256	\$1.467	\$1.340
Per Net MW Generated	\$17.61	\$13.98	\$16.40	\$15.13
Net Peak Monthly Demand - KW	119,300	114,000	137,900	139,000
Date of Peak	12/6	12/9	7/27	6/23
Average Temperature	27°	26°		
Services	<u>2010</u>	<u>2009</u>		
Residential	9,677	9,652		
Commercial I	1,394	1,382		
Commercial II	118	117		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	39		
Total	<u>11,257</u>	<u>11,225</u>		

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

	Budget Estimate	\$/kWh	This Year	\$/kWh	Last Year ^{fn5}	\$/kWh
Wholesale kWh Sales	120,368,435		109,163,613		93,338,767	
Wholesale Sales	\$3,009,211	\$0.0250	\$3,712,951	\$0.0340	\$3,077,608	\$0.0330
Variable Costs						
Transmission Path ^{fn5}	---	0.0000	---	0.0000	0	0.0000
Fuel (Coal, Gas & Fuel Oil)	1,963,815	0.0163	1,834,188	0.0168	1,236,683	0.0132
SO ² Allowances ^{fn1}	2,800	0.0000	673	0.0000	5,287	0.0001
NO _x Allowances ^{fn2}	94,000	0.0008	47,395	0.0004	73,101	0.0008
Other ^{fn4}	293,341	0.0024	284,544	0.0026	320,660	0.0034
Total Variable Costs	2,353,956	0.0196	2,166,800	0.0198	1,635,731	0.0175
Gross Margin	\$655,255	\$0.0054	\$1,546,151	\$0.0142	\$1,441,877	\$0.0154
Percent Gross Margin	21.8%		41.6%		46.9%	

Calendar Year To Date

	Budget Estimate	\$/kWh	This Year	\$/kWh	Last Year ^{fn5}	\$/kWh
Wholesale kWh Sales	1,400,728,300		1,128,790,130		511,495,879	
Wholesale Sales	\$35,018,208	\$0.0250	\$40,535,035	\$0.0359	\$15,456,890 ^{fn6}	\$0.0302
Variable Costs						
Marketers' Commissions	---	0.0000	---	0.0000	318,024	0.0006
Transmission Path ^{fn5}	---	0.0000	2	0.0000	141,403	0.0003
Fuel (Coal, Gas & Fuel Oil)	20,770,811	0.0148	17,513,006	0.0155	7,024,630	0.0137
SO ² Allowances ^{fn1}	34,498	0.0000	35,614	0.0000	47,711	0.0001
NO _x Allowances ^{fn3}	1,259,374	0.0009	687,308	0.0006	804,421	0.0016
Other ^{fn4}	3,520,092	0.0025	3,472,953	0.0031	2,038,913	0.0040
Total Variable Costs	25,584,775	0.0183	21,708,883	0.0192	10,375,102	0.0203
Gross Margin	\$9,433,433	\$0.0067	\$18,826,152	\$0.0167	\$5,081,788	\$0.0099
Percent Gross Margin	26.9%		46.4%		32.9%	

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

	Budget	2010	2009
fn1 SO²	\$80.00	\$10.00	\$56.00
YTD SO ²	\$80.00	\$34.62	\$80.00
fn2 NO_x annual	1,000.00	330.00	680.00
NO _x seasonal	0.00	0.00	0.00
fn3 YTD NO_x annual	1,000.00	442.51	1,155.00
YTD NO _x seasonal	200.00	47.38	166.00

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

fn6 Excludes Pella 85% load factor adjustment of \$356,533 for the period 6/1/08-5/31/09 and \$78,616 for the period 6/1/09-8/31/09.