

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

February 2008

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Current Month - February 2008

	<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>Electric Energy Distribution - KWH</u>					
Residential	7,939,200	17.0	9,287,641	3.8	8,943,825
Commercial I	3,213,200	11.8	3,592,889	4.1	3,451,269
Commercial II	9,408,400	(2.7)	9,152,579	2.4	8,937,914
Industrial I	9,860,400	(0.1)	9,854,080	(1.4)	9,991,606
Industrial II	37,070,000	0.3	37,167,857	1.4	36,667,021
City Enterprise Funds	502,000	(3.8)	483,108	(12.4)	551,197
Water & Communications Utilities	<u>1,613,700</u>	<u>(3.5)</u>	<u>1,557,978</u>	<u>1.3</u>	<u>1,537,227</u>
Native System Sales	69,606,900	2.1	71,096,132	1.4	70,080,059
Wholesale Sales	<u>53,486,065</u>	<u>10.4</u>	<u>59,041,000</u>	<u>6.3</u>	<u>55,559,000</u>
Total Sales Delivered to Paying Consumers	123,092,965	5.7	130,137,132	3.6	125,639,059
City Lighting	163,211	(2.5)	159,100	0.5	158,244
City Buildings	604,658	8.4	655,676	2.4	640,313
MAPP Trans Loss-Payment Losses & Cycle Billing	<u>---</u>	<u>---</u>	<u>762,000</u>	<u>---</u>	<u>122,000</u>
	<u>915,562</u>	<u>14.2</u>	<u>1,045,386</u>	<u>(20.3)</u>	<u>1,312,376</u>
Total KWH Distributed	<u>124,776,396</u>	<u>6.4</u>	<u>132,759,294</u>	<u>3.8</u>	<u>127,871,992</u>
<u>KWH Generated and Received</u>					
Gross Generation	136,932,396	6.4	145,632,694	4.2	139,731,892
Less: Plant Use	<u>12,156,000</u>	<u>5.9</u>	<u>12,878,400</u>	<u>4.8</u>	<u>12,285,900</u>
Net Generation	124,776,396	6.4	132,754,294	4.2	127,445,992
Purchased Power	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
MAPP Trans Loss-Repayment	<u>---</u>	<u>---</u>	<u>5,000</u>	<u>(98.8)</u>	<u>426,000</u>
Total Net Generated and Received	<u>124,776,396</u>	<u>6.4</u>	<u>132,759,294</u>	<u>3.8</u>	<u>127,871,992</u>
<u>Steam Sales - 1000 lbs</u>	<u>240,120</u>	<u>1.0</u>	<u>242,607</u>	<u>(0.2)</u>	<u>243,006</u>
<u>Purchased Power</u>					
Other	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>Resale and Demand</u>					
OPPM	21,019,000		\$1,060,979		0.0505
PELLA	4,483,000		206,204		0.0460
REM	33,483,000		1,930,537		0.0577
Other	<u>56,000</u>		<u>4,431</u>		<u>0.0791</u>
	<u>59,041,000</u>		<u>\$3,202,151</u>		<u>\$0.0542</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Calendar Year-to-Date - February 2008

	<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>Electric Energy Distribution - KWH</u>					
Residential	16,789,200	9.2	18,332,510	4.7	17,510,499
Commercial I	6,641,300	5.7	7,019,613	3.8	6,764,556
Commercial II	19,634,500	(4.6)	18,735,439	0.2	18,694,365
Industrial I	20,787,700	(0.7)	20,637,680	(2.1)	21,071,286
Industrial II	77,373,000	(2.4)	75,540,834	(0.5)	75,895,538
City Enterprise Funds	1,057,000	(7.9)	973,887	(11.5)	1,100,971
Water & Communication Utilities	<u>3,334,100</u>	(3.0)	<u>3,235,038</u>	(0.8)	<u>3,259,580</u>
Native System Sales	145,616,800	(0.8)	144,475,001	0.1	144,296,795
Wholesale Sales	<u>108,708,333</u>	13.7	<u>123,553,000</u>	6.8	<u>115,689,000</u>
Total Sales Delivered to Paying Consumers	254,325,133	5.4	268,028,001	3.1	259,985,795
City Lighting	328,836	(1.4)	324,232	1.2	320,423
City Buildings	1,265,237	2.0	1,289,941	6.2	1,214,516
MAPP Trans Loss-Payment	---	---	1,554,000	---	225,000
Losses & Cycle Billing	<u>2,725,806</u>	44.9	<u>3,949,924</u>	13.7	<u>3,475,135</u>
Total KWH Distributed	<u>258,645,012</u>	6.4	<u>275,146,098</u>	3.7	<u>265,220,869</u>
<u>KWH Generated and Received</u>					
Gross Generation	283,839,012	6.3	301,771,498	4.1	289,998,769
Less: Plant Use	<u>25,194,000</u>	5.7	<u>26,630,400</u>	4.6	<u>25,449,900</u>
Net Generation	258,645,012	6.4	275,141,098	4.0	264,548,869
Purchased Power	---	---	---	---	---
MAPP Trans Loss-Repayment	---	---	<u>5,000</u>	(99.3)	<u>672,000</u>
Total Net Generated and Received	<u>258,645,012</u>	6.4	<u>275,146,098</u>	3.7	<u>265,220,869</u>
<u>Steam Sales - 1000 lbs</u>	<u>496,800</u>	1.0	<u>501,603</u>	2.9	<u>487,538</u>
<u>Purchased Power</u>					
Other	---		<u>(2,269)</u>		---
	---		<u>(\$2,269)</u>		---
<u>Resale and Demand</u>					
OPPM	51,145,000		\$2,514,985		0.0492
PELLA	9,099,000		414,744		0.0456
REM	63,229,000		3,536,318		0.0559
Other	<u>80,000</u>		<u>6,831</u>		<u>0.0854</u>
	<u>123,553,000</u>		<u>\$6,472,878</u>		<u>0.0524</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - February 2008

	<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	\$578,768	0.0729	\$658,381	0.0709	\$637,554	0.0713
Commercial I	240,026	0.0747	266,182	0.0741	256,392	0.0743
Commercial II	510,876	0.0543	508,786	0.0556	477,763	0.0535
Industrial I	476,724	0.0483	463,704	0.0471	469,618	0.0470
Industrial II	1,563,739	0.0422	1,562,821	0.0420	1,553,456	0.0424
City Enterprise Funds	23,767	0.0473	23,563	0.0488	27,925	0.0507
Water & Communication Utilities	75,423	0.0467	70,974	0.0456	70,361	0.0458
Native System Sales	3,469,323	0.0498	3,554,411	0.0500	3,493,069	0.0498
Wholesale Sales	2,518,907	0.0471	3,202,151	0.0542	2,870,543	0.0517
Energy Sales	5,988,230		6,756,562		6,363,612	
<u>Steam Sales</u>	835,858	3.48	861,742	3.55	797,060	3.28
<u>Other Revenue</u>						
Rail Car Lease	56,437		---		68,257	
By-Product Revenue	14,014		12,173		10,075	
Miscellaneous Revenue	28,231		22,491		24,022	
Total Other Revenue	98,682		34,664		102,354	
Operating Revenue	6,922,770		7,652,968		7,263,026	
<u>Operating Expense</u>						
Production Fuel and						
Purchased Power	2,053,688		2,341,772		1,750,473	
Operation	1,830,496		1,733,267		1,655,477	
Maintenance	754,626		829,834		1,053,025	
Depreciation	1,148,715		1,142,497		1,137,400	
Total Operating Expense	5,787,525		6,047,370		5,596,375	
Operating Income	1,135,245		1,605,598		1,666,651	
<u>Interest and Miscellaneous</u>						
Interest Income	277,169		289,243		404,844	
Interest Expense	(230,656)		(230,550)		(291,285)	
Total Interest and Misc.	46,513		58,693		113,559	
Net Income Before Capital Contributions	1,181,758		1,664,291		1,780,210	
Capital Contributions	---		---		---	
Change in Net Assets	1,181,758		1,664,291		1,780,210	
Beginning Net Assets	157,528,692		158,475,539		147,284,574	
Ending Net Assets	\$158,710,450		\$160,139,830		\$149,064,784	
Percent to Total Income	16.4		21.0		23.2	
Debt Service Coverage	2.19		2.59		2.34	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - February 2008

	<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	\$1,210,658	0.0721	\$1,303,942	0.0711	\$1,254,172	0.0716
Commercial I	494,734	0.0745	521,529	0.0743	503,866	0.0745
Commercial II	1,052,859	0.0536	1,037,983	0.0554	1,004,070	0.0537
Industrial I	984,021	0.0473	957,627	0.0464	972,681	0.0462
Industrial II	3,214,139	0.0415	3,152,844	0.0417	3,169,465	0.0418
City Enterprise Funds	48,890	0.0463	47,024	0.0483	52,986	0.0481
Water & Communications Utilities	<u>154,376</u>	<u>0.0463</u>	<u>144,914</u>	<u>0.0448</u>	<u>146,751</u>	<u>0.0450</u>
Native System Sales	7,159,677	0.0492	7,165,863	0.0496	7,103,991	0.0492
Wholesale Sales	<u>5,118,599</u>	<u>0.0471</u>	<u>6,472,878</u>	<u>0.0524</u>	<u>5,150,808</u>	<u>0.0445</u>
Energy Sales	<u>12,278,276</u>		<u>13,638,741</u>		<u>12,254,799</u>	
<u>Steam Sales</u>	<u>1,726,794</u>	3.48	<u>1,781,696</u>	3.55	<u>1,599,124</u>	3.28
<u>Other Revenue</u>						
Rail Car Lease	94,062		---		68,257	
By-Product Revenue	29,438		25,476		24,750	
Miscellaneous Revenue	<u>56,460</u>		<u>45,482</u>		<u>50,181</u>	
Total Other Revenue	<u>179,960</u>		<u>70,958</u>		<u>143,188</u>	
Operating Revenue	<u>14,185,030</u>		<u>15,491,395</u>		<u>13,997,111</u>	
<u>Operating Expense</u>						
Production Fuel and						
Purchased Power	4,244,331		4,757,610		3,617,943	
Operation	3,790,508		3,669,667		3,396,519	
Maintenance	1,781,153		1,580,911		1,790,613	
Depreciation	<u>2,297,429</u>		<u>2,284,994</u>		<u>2,274,800</u>	
Total Operating Expense	<u>12,113,421</u>		<u>12,293,182</u>		<u>11,079,875</u>	
Operating Income	<u>2,071,609</u>		<u>3,198,213</u>		<u>2,917,236</u>	
<u>Interest and Miscellaneous</u>						
Interest Income	550,130		852,839		652,886	
Interest Expense	<u>(461,312)</u>		<u>(461,245)</u>		<u>(582,880)</u>	
Total Interest and Misc.	<u>88,818</u>		<u>391,594</u>		<u>70,006</u>	
Net Income Before Capital Contributions	2,160,427		3,589,807		2,987,242	
Capital Contributions	<u>---</u>		<u>---</u>		<u>---</u>	
Change in Net Assets	2,160,427		3,589,807		2,987,242	
Beginning Net Assets	<u>156,550,023</u>		<u>156,550,023</u>		<u>146,077,542</u>	
Ending Net Assets	<u>\$158,710,450</u>		<u>\$160,139,830</u>		<u>\$149,064,784</u>	
Percent to Total Income	14.7		22.0		20.4	
Debt Service Coverage	2.10		2.58		2.18	

Muscatine Power and Water - Electric Utility
Balance Sheets
February 2008

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
<u>Restricted</u>		
Cash	\$52,057	\$1,652,511
Investments	<u>35,875,598</u>	<u>33,709,049</u>
Total Restricted Current Assets	<u>35,927,655</u>	<u>35,361,560</u>
<u>Unrestricted</u>		
Cash	7,088,198	8,749,309
Investments	10,037,750	3,329,165
Receivables:		
Consumer Accounts	3,983,833	3,881,052
Resale	3,265,255	2,808,445
Interest	515,681	466,103
Intercompanies	32,302	14,206
Inventories	6,699,226	6,383,356
Fuel	4,306,995	3,418,913
Prepaid Expenses	<u>624,144</u>	<u>608,447</u>
Total Unrestricted Current Assets	<u>36,553,384</u>	<u>29,658,996</u>
Total Current Assets	<u>72,481,039</u>	<u>65,020,556</u>
Property and Equipment:		
At Cost	392,795,387	388,275,166
Less Accumulated Depreciation	<u>254,017,682</u>	<u>242,458,480</u>
Net Property and Equipment	<u>138,777,705</u>	<u>145,816,686</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	145,179	242,249
Note Receivable - Long-Term	35,327,000	35,327,000
Joint Venture Rights	<u>200,362</u>	<u>200,780</u>
Total Other Assets	<u>35,672,541</u>	<u>35,770,029</u>
TOTAL ASSETS	<u><u>\$246,931,285</u></u>	<u><u>\$246,607,271</u></u>

Muscatine Power and Water - Electric Utility
Balance Sheets
February 2008

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$64,565 and less Deferred Amount on Refunding of \$51,381	\$11,318,184	---
2002 Revenue Bonds - Less Deferred Amount on Refunding of \$149,868	---	12,445,132
Accrued Interest	<u>449,990</u>	<u>533,118</u>
Total Restricted Current Liabilities	<u>11,768,174</u>	<u>12,978,250</u>
<u>Unrestricted</u>		
Accounts Payable	3,560,441	2,026,496
Pension Provision	164,230	135,188
Health Insurance Provision	1,491,629	1,244,981
Accrued Payroll	272,014	166,261
Accrued Vacation	976,974	936,292
Consumers' Deposits	609,727	603,403
Retained Percentage on Contracts	4,020	---
Accrued Property Taxes	115,160	115,432
Miscellaneous Accrued Expenses	522,126	642,335
Miscellaneous Deferred Credits	<u>120,000</u>	<u>120,000</u>
Total Unrestricted Current Liabilities	<u>7,836,321</u>	<u>5,990,388</u>
Total Current Liabilities	<u>19,604,495</u>	<u>18,968,638</u>
Deferred Revenue - Extraordinary O & M	<u>29,303,164</u>	<u>29,303,164</u>
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$689,968 in 2008 and \$1,090,964 in 2007; and less Deferred Amount on Refunding of \$591,172 in 2008 and \$910,279 in 2007	<u>37,883,796</u>	<u>49,270,685</u>
Total Long-Term Debt - Less Current Portion	<u>37,883,796</u>	<u>49,270,685</u>
Net Assets:		
Invested in capital assets, net of related debt	89,817,960	84,487,836
Restricted	35,477,665	34,828,442
Unrestricted	<u>34,844,205</u>	<u>29,748,506</u>
Total Net Assets	<u>160,139,830</u>	<u>149,064,784</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$246,931,285</u>	<u>\$246,607,271</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2008

	Current Month	Year- To-Date
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,443,363	\$6,976,983
Wholesale electric sales, net	3,093,350	6,129,207
Steam sales	1,831,105	1,831,105
Coal & transportation allowances	27,083	57,711
Railcar leasing	---	54,699
Coal sales	---	---
By-product sales	29,597	69,694
Miscellaneous sources	48,996	112,441
Cash paid to/for:		
Suppliers	(521,884)	(1,947,355)
Wholesale power & fees	(184,052)	(441,064)
Coal	(2,116,708)	(4,278,623)
Employees payroll, taxes and benefits	(1,453,545)	(3,144,086)
Reimbursements by Intercompany	<u>20,173</u>	<u>35,301</u>
Net cash flows from operating activities	<u>4,217,478</u>	<u>5,456,013</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(537,607)	(906,954)
Bond principal payments	---	(12,595,000)
Bond interest payments	---	(1,599,356)
Net cash flows from capital and related financing activities	<u>(537,607)</u>	<u>(15,101,310)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(17,830)
Interest received on investments and note receivable	184,625	999,669
Accrued interest purchased	(210)	(210)
Amortization/accretion of investments	16,322	51,639
Mark to market	<u>9,286</u>	<u>301,694</u>
Net cash flows from investing activities	<u>210,023</u>	<u>1,334,962</u>
Net increase (decrease) in cash and investments	<u>3,889,894</u>	<u>(8,310,335)</u>
Cash and investments at beginning of period	<u>49,160,709</u>	<u>61,360,938</u>
Cash and investments at end of period	<u>\$53,050,603</u>	<u>\$53,050,603</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2008

	<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	\$1,605,598	\$3,198,213
Noncash items in operating income:		
Depreciation of electric utility plant	1,142,497	2,284,994
Amortization of joint venture rights	6,540	11,872
Changes in assets and liabilities:		
Consumer accounts receivable	9,635	95,212
Resale receivable	912,130	(175,877)
Intercompany receivable	(12,129)	(17,174)
Inventories	(14,250)	(50,626)
Fuel	(85,752)	412,800
Prepaid expenses	(1,060)	(127,437)
Accounts payable	435,653	(182,879)
Pension provision	82,115	164,230
Health insurance provision	(31,814)	17,992
Accrued payroll	52,561	(343,111)
Accrued vacation	39,189	109,864
Consumers' deposits	8,164	7,277
Retained percentage	3,872	(455)
Accrued property taxes	8,296	16,592
Miscellaneous accrued expenses	<u>56,233</u>	<u>34,526</u>
Net cash flows from operating activities	<u><u>\$4,217,478</u></u>	<u><u>\$5,456,013</u></u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
February 2008**

	<u>This Year</u>	<u>Last Year</u>
Rate Stabilization Fund	\$5,984,369	\$5,882,493
Extraordinary Operation & Maintenance Account	<u>29,943,286</u>	<u>29,479,067</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$35,927,655</u>	<u>\$35,361,560</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2008

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>			
<u>Generation</u>						
Operation Supervision	\$78,007	\$79,928	\$71,921			
Fuel:						
Coal	1,879,530	2,211,633	1,671,871			
Fuel Oil	14,232	13,936	158			
Gas	90,000	35,471	10,423			
Coal Handling Expense	58,403	57,364	54,370			
Landfill Operation Expense	3,493	15,338	2,965			
Emissions Allowance Expense	8,030	8,030	8,648			
Steam Expense:						
Boiler	104,037	88,951	78,739			
Pollution Control	64,291	54,219	47,949			
Electric Expense	90,318	89,403	82,941			
Miscellaneous Steam Power Expense	115,741	115,668	142,715			
Maintenance:						
Supervision	80,526	78,142	70,959			
Structures	53,061	69,401	53,658			
Boiler Plant:						
Boiler	193,883	89,176	351,326			
Pollution Control	10,348	96,940	24,366			
Electric Plant	46,394	96,977	47,553			
System Control	16,119	44,716	4,474			
Miscellaneous Steam Plant	59,304	71,746	68,213			
Coal Handling Equipment	152,087	141,111	284,211			
Purchased Power	---	---	2,038			
Wholesale Sales Commission	104,419	167,820	120,042			
System Control and Load Dispatch	58,799	53,025	54,433			
Vacation, Holiday, Sick Leave	72,250	75,521	76,286			
Depreciation	<u>860,174</u>	<u>859,234</u>	<u>856,222</u>			
Total Generation Expense	<u>4,213,446</u>	60.9	<u>4,613,750</u>	60.3	<u>4,186,481</u>	57.6
<u>Transmission</u>						
Operation Supervision	3,739	3,859	3,772			
Load Dispatching	7,434	7,654	6,327			
Station Expense	8,490	5,979	11,416			
Overhead Line Expense	---	---	31			
Transmission of Electricity by Others	81,698	66,283	63,693			
Miscellaneous Transmission Expense	7,722	5,384	6,260			
Maintenance:						
Supervision	1,853	1,599	1,774			
Structures	306	---	3,596			
Station Equipment	9,307	11,766	3,539			
Overhead Lines	3,068	6,586	4,804			
Vacation, Holiday, Sick Leave	4,456	4,231	6,276			
Depreciation	30,446	30,282	29,783			
Tax on Rural Property	<u>5,910</u>	<u>5,910</u>	<u>5,873</u>			
Total Transmission Expense	<u>\$164,429</u>	2.4	<u>\$149,533</u>	2.0	<u>\$147,144</u>	2.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2008

	Budget Estimate		This Year		Last Year
<u>Generation</u>					
Operation Supervision	\$159,458		\$160,745		\$146,418
Fuel:					
Coal	3,883,893		4,525,877		3,404,807
Fuel Oil	37,864		14,169		232
Gas	181,000		42,598		66,536
Coal Handling Expense	117,629		142,758		119,802
Landfill Operation Expense	7,885		18,417		4,737
Emissions Allowance Expense	16,060		16,060		17,296
Steam Expense:					
Boiler	254,286		241,991		192,341
Pollution Control	134,464		127,455		97,468
Electric Expense	195,923		189,095		173,288
Miscellaneous Steam Power Expense	251,325		226,690		249,926
Maintenance:					
Supervision	156,947		159,231		147,784
Structures	106,267		121,254		118,312
Boiler Plant:					
Boiler	412,741		252,671		449,917
Pollution Control	142,775		161,996		70,108
Electric Plant	179,658		138,179		139,228
System Control	33,162		61,372		12,403
Miscellaneous Steam Plant	112,420		130,725		107,354
Coal Handling Equipment	344,447		261,313		463,769
Purchased Power	---		(2,269)		4,533
Wholesale Sales Commission	211,910		335,083		208,208
System Control and Load Dispatch	117,316		122,469		110,291
Vacation, Holiday, Sick Leave	176,539		194,153		193,999
Depreciation	<u>1,720,349</u>		<u>1,718,468</u>		<u>1,712,444</u>
Total Generation Expense	<u>8,954,318</u>	63.1	<u>9,360,500</u>	60.4	<u>8,211,201</u>
					58.7
<u>Transmission</u>					
Operation Supervision	7,479		7,943		7,768
Load Dispatching	15,685		16,548		14,199
Station Expense	17,717		14,906		21,145
Overhead Line Expense	---		261		31
Transmission of Electricity by Others	165,063		128,554		123,434
Miscellaneous Transmission Expense	18,167		10,537		13,179
Maintenance:					
Supervision	3,750		3,409		3,546
Structures	599		0		4,473
Station Equipment	19,975		18,987		8,727
Overhead Lines	6,136		8,146		16,405
Vacation, Holiday, Sick Leave	10,949		10,031		13,271
Depreciation	60,891		60,564		59,566
Tax on Rural Property	<u>11,820</u>		<u>11,820</u>		<u>11,746</u>
Total Transmission Expense	<u>\$338,231</u>	2.4	<u>\$291,706</u>	1.9	<u>\$297,490</u>
					2.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2008

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Distribution</u>			
Operation Supervision	\$10,396	\$9,842	\$10,305
Load Dispatching	7,403	7,609	6,204
Station Expense	10,955	8,535	9,147
Overhead Line Expense	6,547	1,441	7,908
Vehicle Expense	14,308	12,439	13,477
Underground Line Expense	3,012	987	1,777
Street Lighting	1,638	3,315	1,326
Signal Expense	2,281	230	1,049
Meter Expense	9,170	9,193	9,318
Consumer Installation Expense	2,423	2,325	1,617
Miscellaneous Distribution Expense	71,453	61,794	69,943
Maintenance:			
Supervision	9,694	8,619	9,176
Structures	457	---	---
Station Equipment	10,251	12,371	6,394
Overhead Lines	29,901	27,837	50,414
Underground Lines	7,305	4,871	1,127
Line Transformers	3,976	2,178	6,843
Street Lighting	3,012	3,328	4,733
Signal System	3,075	4,450	2,302
Meters	---	---	584
Miscellaneous Distribution Plant	2,910	1,576	1,881
Vacation, Holiday, Sick Leave	22,198	24,860	27,283
Depreciation	139,808	138,797	133,965
Tax on Rural Property	<u>1,765</u>	<u>1,765</u>	<u>1,754</u>
Total Distribution Expense	<u>373,938</u>	5.4	<u>348,362</u> 4.6 <u>378,527</u> 5.2
<u>Customer Service Expense</u>			
Customer Information Expense	33,431	8,645	17,515
Electric Ranges/Dryers-Maint/Promotion	1,241	908	1,221
Electric Water Heaters-Maint/Promotion	<u>1,207</u>	<u>947</u>	<u>1,510</u>
Total Customer Service Expense	<u>\$35,879</u>	0.5	<u>\$10,500</u> 0.1 <u>\$20,246</u> 0.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2008

<u>Distribution</u>	<u>Budget</u>	<u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$21,134		\$20,779	\$20,928
Load Dispatching	15,129		16,460	13,978
Station Expense	20,920		15,959	18,786
Overhead Line Expense	12,044		2,852	11,075
Vehicle Expense	28,217		27,675	24,383
Underground Line Expense	6,049		3,017	3,385
Street Lighting	3,275		4,884	3,500
Signal Expense	4,079		644	1,313
Meter Expense	18,583		21,784	21,202
Consumer Installation Expense	4,853		3,800	4,285
Miscellaneous Distribution Expense	145,449		117,607	152,502
Maintenance:				
Supervision	19,744		18,300	18,592
Structures	954		0	37
Station Equipment	21,899		22,464	14,076
Overhead Lines	61,177		70,594	81,151
Underground Lines	14,909		18,689	2,556
Line Transformers	7,978		6,918	9,595
Street Lighting	6,025		6,229	6,424
Signal System	5,517		7,180	3,638
Meters	0		786	915
Miscellaneous Distribution Plant	5,821		3,946	3,973
Vacation, Holiday, Sick Leave	54,666		56,293	61,342
Depreciation	279,616		277,594	267,930
Tax on Rural Property	<u>3,530</u>		<u>3,530</u>	<u>3,508</u>
Total Distribution Expense	<u>761,568</u>	5.4	<u>727,984</u>	4.7
				749,074 5.4
<u>Customer Service Expense</u>				
Customer Information Expense	51,777		40,427	27,215
Electric Ranges/Dryers-Maint/Promotion	2,582		2,703	2,628
Electric Water Heaters-Maint/Promotion	<u>2,444</u>		<u>3,168</u>	<u>2,870</u>
Total Customer Service Expense	<u>\$56,803</u>	0.4	<u>\$46,298</u>	0.3
				\$32,713 0.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2008

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Consumer Accounts</u>			
Supervision	\$1,777	\$2,056	\$1,865
Meter Reading Expense	7,537	8,658	7,846
Consumer Records and Collection	27,196	24,573	25,413
Uncollectible Accounts Expense	1,267	1,267	2,317
Vacation, Holiday, Sick Leave	<u>2,804</u>	<u>3,458</u>	<u>3,262</u>
Total Consumer Accounts Expense	<u>40,581</u> 0.6	<u>40,012</u> 0.5	<u>40,703</u> 0.6
<u>Administrative and General</u>			
Administrative and General Salaries	146,507	134,218	122,864
Office Supplies and Expenses	14,492	14,146	12,787
Outside Services Employed	61,105	16,769	25,413
Property Insurance	34,228	32,754	37,844
Casualty Ins, Injuries & Damages	33,985	95,643	28,032
Employee Pensions and Benefits	402,526	392,445	386,804
Fringe Benefits Charged to Constr.	(22,626)	(26,369)	(14,407)
Regulatory Commission	4,500	3,965	3,552
Miscellaneous General Expense	89,334	27,849	34,032
Maintenance of General Plant	24,048	26,251	30,037
Maintenance of A/O Center	33,741	30,193	21,061
Vacation, Holiday, Sick Leave	19,125	23,165	17,825
Depreciation	<u>118,287</u>	<u>114,184</u>	<u>117,430</u>
Total Administrative and General	<u>959,252</u> 13.9	<u>885,213</u> 11.6	<u>823,274</u> 11.3
Total Operating Expense	<u><u>\$5,787,525</u></u>	<u><u>\$6,047,370</u></u>	<u><u>\$5,596,375</u></u>
Percent to Operating Revenue	83.6	79.0	77.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2008

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Consumer Accounts</u>			
Supervision	\$3,593	\$4,185	\$3,916
Meter Reading Expense	15,508	16,787	16,651
Consumer Records and Collection	54,639	56,356	50,157
Uncollectible Accounts Expense	2,533	2,534	4,634
Vacation, Holiday, Sick Leave	<u>7,072</u>	<u>7,838</u>	<u>7,493</u>
Total Consumer Accounts Expense	<u>83,345</u>	0.6	<u>82,851</u> 0.6
<u>Administrative and General</u>			
Administrative and General Salaries	298,689	283,285	262,739
Office Supplies and Expenses	34,515	39,238	35,589
Outside Services Employed	124,312	79,919	58,570
Property Insurance	68,456	65,507	75,687
Casualty Ins, Injuries & Damages	67,971	116,238	74,260
Employee Pensions and Benefits	828,613	797,470	777,585
Fringe Benefits Charged to Constr.	(44,918)	(50,833)	(35,977)
Regulatory Commission	9,000	8,465	8,386
Miscellaneous General Expense	130,544	51,274	61,000
Maintenance of General Plant	62,086	51,058	61,977
Maintenance of A/O Center	56,166	57,464	45,653
Vacation, Holiday, Sick Leave	47,149	51,541	46,217
Depreciation	<u>236,573</u>	<u>228,368</u>	<u>234,860</u>
Total Administrative and General	<u>1,919,156</u>	13.5	<u>1,778,994</u> 11.5
Total Operating Expense	<u><u>\$12,113,421</u></u>	<u><u>\$12,293,182</u></u>	<u><u>\$11,079,875</u></u>
Percent to Operating Revenue	85.4	79.4	79.2

Muscatine Power and Water - Electric Utility
Statistical Data
February 2008

Per KWH Delivered to Paying Customers

	This Year	Last Year		
	Month	Year-to-Date	Month	Year-to-Date
Generated & Purchased Power	0.03163	0.03117	0.03001	0.02839
Transmission	0.00115	0.00109	0.00117	0.00114
Distribution	0.00268	0.00272	0.00301	0.00288
Customer Service	0.00008	0.00017	0.00016	0.00013
Consumers Accounts	0.00031	0.00033	0.00032	0.00032
Administrative & General	0.00680	0.00664	0.00655	0.00656
Total	0.04265	0.04212	0.04122	0.03942

Per KWH Delivered to Paying Native System Customers

	This Year	Last Year		
	Month	Year-to-Date	Month	Year-to-Date
Distribution	0.00490	0.00504	0.00540	0.00519
Customer Service	0.00015	0.00032	0.00029	0.00023
Consumers Accounts	0.00056	0.00061	0.00058	0.00057
Administrative & General	0.01245	0.01231	0.01175	0.01183

Total Fuel Cost

(To & Including Ash Handling)

	Current Month		Calendar Year-to-Date	
	2008	2007	2008	2007
Per Million Btu.	1.307	1.038	1.284	1.042
Per Net MW Generated	14.82	11.40	14.54	11.33
Net Peak Monthly Demand - KW	120,000	124,400	122,500	124,400
Date of Peak	2/11	2/16	1/29	2/16
Services	2008	2007		
Residential	9,651	9,618		
Commercial I	1,376	1,359		
Commercial II	118	121		
Industrial I	10	10		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	38	38		
Total	11,217	11,170		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - February 2008

	Budget <u>Estimate</u>	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>53,486,065</u>		<u>59,041,000</u>		<u>55,559,000</u>	
Wholesale Sales	<u>\$2,518,907</u>	<u>\$0.0471</u>	<u>\$3,202,151</u>	<u>\$0.0542</u>	<u>\$2,870,543</u>	<u>\$0.0517</u>
Variable Costs						
Marketers' Commissions	104,419	0.0020	167,820	0.0028	120,042	0.0022
Transmission Path	81,698	0.0015	66,283	0.0011	63,693	0.0011
Fuel (Coal, Gas & Fuel Oil)	700,382	0.0131	829,137	0.0140	595,305	0.0107
SO2 Allowances*	28,686	0.0005	29,248	0.0005	35,372	0.0006
Other**	<u>132,017</u>	<u>0.0025</u>	<u>135,551</u>	<u>0.0023</u>	<u>132,870</u>	<u>0.0024</u>
Total Variable Costs	<u>1,047,202</u>	<u>0.0196</u>	<u>1,228,039</u>	<u>0.0208</u>	<u>947,282</u>	<u>0.0171</u>
Gross Margin	<u>\$1,471,705</u>	<u>\$0.0275</u>	<u>\$1,974,112</u>	<u>\$0.0334</u>	<u>\$1,923,261</u>	<u>\$0.0346</u>
Percent Gross Margin	58.4%		61.6%		67.0%	

Calendar Year To Date

	Budget <u>Estimate</u>	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>108,708,333</u>		<u>123,553,000</u>		<u>115,689,000</u>	
Wholesale Sales	<u>\$5,118,599</u>	<u>\$0.0471</u>	<u>\$6,472,878</u>	<u>\$0.0524</u>	<u>\$5,150,808</u>	<u>\$0.0445</u>
Variable Costs						
Marketers' Commissions	211,910	0.0019	335,083	0.0027	208,208	0.0018
Transmission Path	165,064	0.0015	128,554	0.0010	123,434	0.0011
Fuel (Coal, Gas & Fuel Oil)	1,421,487	0.0131	1,694,450	0.0137	1,240,800	0.0107
SO2 Allowances*	58,303	0.0005	60,536	0.0005	73,654	0.0006
Other**	<u>259,062</u>	<u>0.0024</u>	<u>273,643</u>	<u>0.0022</u>	<u>266,543</u>	<u>0.0023</u>
Total Variable Costs	<u>2,115,826</u>	<u>0.0195</u>	<u>2,492,266</u>	<u>0.0202</u>	<u>1,912,639</u>	<u>0.0165</u>
Gross Margin	<u>\$3,002,773</u>	<u>\$0.0276</u>	<u>\$3,980,612</u>	<u>\$0.0322</u>	<u>\$3,238,169</u>	<u>\$0.0280</u>
Percent Gross Margin	58.7%		61.5%		62.9%	

* SO2 Allowance cost is based on the market price for allowances as of 12/31/07 (\$535/allowance).

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