

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 | 1,613,700 | (3.5) | 1,557,978 | 1.3 | 1,537,227 |
| Native System Sales | 69,606,900 | 2.1 | 71,096,132 | 1.4 | 70,080,059 |
| Wholesale Sales | 53,486,065 | 10.4 | 59,041,000 | 6.3 | 55,559,000 |
| 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 | --- | --- | 762,000 | --- | 122,000 |
| Losses & Cycle Billing | 915,562 | 14.2 | 1,045,386 | (20.3) | 1,312,376 |
| Total KWH Distributed | 124,776,396 | 6.4 | 132,759,294 | 3.8 | 127,871,992 |
| <u>KWH Generated and Received</u> | | | | | |
| Gross Generation | 136,932,396 | 6.4 | 145,632,694 | 4.2 | 139,731,892 |
| Less: Plant Use | 12,156,000 | 5.9 | 12,878,400 | 4.8 | 12,285,900 |
| Net Generation | 124,776,396 | 6.4 | 132,754,294 | 4.2 | 127,445,992 |
| Purchased Power | --- | --- | --- | --- | --- |
| MAPP Trans Loss-Repayment | --- | --- | 5,000 | (98.8) | 426,000 |
| Total Net Generated and Received | 124,776,396 | 6.4 | 132,759,294 | 3.8 | 127,871,992 |
| <u>Steam Sales - 1000 lbs</u> | 240,120 | 1.0 | 242,607 | (0.2) | 243,006 |
| <u>Purchased Power</u> | | | | | |
| | <u>KWH</u> | | <u>Amount</u> | | <u>Avg. Price</u> |
| Other | --- | | --- | | --- |
| | --- | | --- | | --- |
| <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 | 56,000 | | 4,431 | | 0.0791 |
| | 59,041,000 | | \$3,202,151 | | \$0.0542 |

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> |
|---|----------------------------|--|----------------------|---|----------------------|
| Electric Energy Distribution - KWH | | | | | |
| 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 | 3,334,100 | (3.0) | 3,235,038 | (0.8) | 3,259,580 |
| Native System Sales | 145,616,800 | (0.8) | 144,475,001 | 0.1 | 144,296,795 |
| Wholesale Sales | 108,708,333 | 13.7 | 123,553,000 | 6.8 | 115,689,000 |
| 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 | 2,725,806 | 44.9 | 3,949,924 | 13.7 | 3,475,135 |
| Total KWH Distributed | 258,645,012 | 6.4 | 275,146,098 | 3.7 | 265,220,869 |
| <u>KWH Generated and Received</u> | | | | | |
| Gross Generation | 283,839,012 | 6.3 | 301,771,498 | 4.1 | 289,998,769 |
| Less: Plant Use | 25,194,000 | 5.7 | 26,630,400 | 4.6 | 25,449,900 |
| Net Generation | 258,645,012 | 6.4 | 275,141,098 | 4.0 | 264,548,869 |
| Purchased Power | --- | --- | --- | --- | --- |
| MAPP Trans Loss-Repayment | --- | --- | 5,000 | (99.3) | 672,000 |
| Total Net Generated and Received | 258,645,012 | 6.4 | 275,146,098 | 3.7 | 265,220,869 |
| <u>Steam Sales - 1000 lbs</u> | 496,800 | 1.0 | 501,603 | 2.9 | 487,538 |
| <u>Purchased Power</u> | | | | | |
| Other | --- | | (2,269) | | --- |
| | --- | | (\$2,269) | | --- |
| <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 | 80,000 | | 6,831 | | 0.0854 |
| | 123,553,000 | | \$6,472,878 | | \$0.0524 |

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 | <u>75,423</u> | <u>0.0467</u> | <u>70,974</u> | <u>0.0456</u> | <u>70,361</u> | <u>0.0458</u> |
| Native System Sales | 3,469,323 | 0.0498 | 3,554,411 | 0.0500 | 3,493,069 | 0.0498 |
| 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> |
| Energy Sales | <u>5,988,230</u> | | <u>6,756,562</u> | | <u>6,363,612</u> | |
| <u>Steam Sales</u> | <u>835,858</u> | <u>3.48</u> | <u>861,742</u> | <u>3.55</u> | <u>797,060</u> | <u>3.28</u> |
| <u>Other Revenue</u> | | | | | | |
| Rail Car Lease | 56,437 | | --- | | 68,257 | |
| By-Product Revenue | 14,014 | | 12,173 | | 10,075 | |
| Miscellaneous Revenue | <u>28,231</u> | | <u>22,491</u> | | <u>24,022</u> | |
| Total Other Revenue | <u>98,682</u> | | <u>34,664</u> | | <u>102,354</u> | |
| Operating Revenue | <u>6,922,770</u> | | <u>7,652,968</u> | | <u>7,263,026</u> | |
| <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 | <u>1,148,715</u> | | <u>1,142,497</u> | | <u>1,137,400</u> | |
| Total Operating Expense | <u>5,787,525</u> | | <u>6,047,370</u> | | <u>5,596,375</u> | |
| Operating Income | <u>1,135,245</u> | | <u>1,605,598</u> | | <u>1,666,651</u> | |
| <u>Interest and Miscellaneous</u> | | | | | | |
| Interest Income | 277,169 | | 289,243 | | 404,844 | |
| Interest Expense | <u>(230,656)</u> | | <u>(230,550)</u> | | <u>(291,285)</u> | |
| Total Interest and Misc. | <u>46,513</u> | | <u>58,693</u> | | <u>113,559</u> | |
| Net Income Before Capital Contributions | <u>1,181,758</u> | | <u>1,664,291</u> | | <u>1,780,210</u> | |
| Capital Contributions | <u>---</u> | | <u>---</u> | | <u>---</u> | |
| Change in Net Assets | <u>1,181,758</u> | | <u>1,664,291</u> | | <u>1,780,210</u> | |
| Beginning Net Assets | <u>157,528,692</u> | | <u>158,475,539</u> | | <u>147,284,574</u> | |
| Ending Net Assets | <u>\$158,710,450</u> | | <u>\$160,139,830</u> | | <u>\$149,064,784</u> | |
| 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 | 154,376 | 0.0463 | 144,914 | 0.0448 | 146,751 | 0.0450 |
| Native System Sales | 7,159,677 | 0.0492 | 7,165,863 | 0.0496 | 7,103,991 | 0.0492 |
| Wholesale Sales | 5,118,599 | 0.0471 | 6,472,878 | 0.0524 | 5,150,808 | 0.0445 |
| Energy Sales | 12,278,276 | | 13,638,741 | | 12,254,799 | |
| <u>Steam Sales</u> | 1,726,794 | 3.48 | 1,781,696 | 3.55 | 1,599,124 | 3.28 |
| <u>Other Revenue</u> | | | | | | |
| Rail Car Lease | 94,062 | | --- | | 68,257 | |
| By-Product Revenue | 29,438 | | 25,476 | | 24,750 | |
| Miscellaneous Revenue | 56,460 | | 45,482 | | 50,181 | |
| Total Other Revenue | 179,960 | | 70,958 | | 143,188 | |
| Operating Revenue | 14,185,030 | | 15,491,395 | | 13,997,111 | |
| <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 | 2,297,429 | | 2,284,994 | | 2,274,800 | |
| Total Operating Expense | 12,113,421 | | 12,293,182 | | 11,079,875 | |
| Operating Income | 2,071,609 | | 3,198,213 | | 2,917,236 | |
| <u>Interest and Miscellaneous</u> | | | | | | |
| Interest Income | 550,130 | | 852,839 | | 652,886 | |
| Interest Expense | (461,312) | | (461,245) | | (582,880) | |
| Total Interest and Misc. | 88,818 | | 391,594 | | 70,006 | |
| Net Income Before Capital Contributions | 2,160,427 | | 3,589,807 | | 2,987,242 | |
| Capital Contributions | --- | | --- | | --- | |
| Change in Net Assets | 2,160,427 | | 3,589,807 | | 2,987,242 | |
| Beginning Net Assets | 156,550,023 | | 156,550,023 | | 146,077,542 | |
| Ending Net Assets | \$158,710,450 | | \$160,139,830 | | \$149,064,784 | |
| 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 | 35,875,598 | 33,709,049 |
| | <hr/> | <hr/> |
| Total Restricted Current Assets | 35,927,655 | 35,361,560 |
| | <hr/> | <hr/> |
| <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 | 624,144 | 608,447 |
| | <hr/> | <hr/> |
| Total Unrestricted Current Assets | 36,553,384 | 29,658,996 |
| | <hr/> | <hr/> |
| Total Current Assets | 72,481,039 | 65,020,556 |
| | <hr/> | <hr/> |
| Property and Equipment: | | |
| At Cost | 392,795,387 | 388,275,166 |
| Less Accumulated Depreciation | 254,017,682 | 242,458,480 |
| | <hr/> | <hr/> |
| Net Property and Equipment | 138,777,705 | 145,816,686 |
| | <hr/> | <hr/> |
| Other Assets: | | |
| Unamortized Cost of Issuing Bonds | 145,179 | 242,249 |
| Note Receivable - Long-Term | 35,327,000 | 35,327,000 |
| Joint Venture Rights | 200,362 | 200,780 |
| | <hr/> | <hr/> |
| Total Other Assets | 35,672,541 | 35,770,029 |
| | <hr/> | <hr/> |
| 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><u>\$246,931,285</u></u> | <u><u>\$246,607,271</u></u> |

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

| | <u>Current Month</u> | <u>Year- To-Date</u> |
|---|----------------------------|----------------------------|
| 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 | 20,173 | 35,301 |
| 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 | 9,286 | 301,694 |
| 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><u>\$53,050,603</u></u> | <u><u>\$53,050,603</u></u> |

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

| | <u>Current Month</u> | <u>Year- 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 | 56,233 | 34,526 |
| | <u>\$4,217,478</u> | <u>\$5,456,013</u> |
| Net cash flows from operating activities | <u>\$4,217,478</u> | <u>\$5,456,013</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><u>\$35,927,655</u></u> | <u><u>\$35,361,560</u></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 | 860,174 | | 859,234 | | 856,222 |
| 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 | 5,910 | | 5,910 | | 5,873 |
| 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

| | <u>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> |
|---------------------------------------|----------------------------------|------|------------------|------|------------------|
| <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 | 1,720,349 | | 1,718,468 | | 1,712,444 |
| Total Generation Expense | 8,954,318 | 63.1 | 9,360,500 | 60.4 | 8,211,201 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 | 11,820 | | 11,820 | | 11,746 |
| Total Transmission Expense | \$338,231 | 2.4 | \$291,706 | 1.9 | \$297,490 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 | 1,765 | | 1,765 | | 1,754 | |
| 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 | 1,207 | | 947 | | 1,510 | |
| 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>Budget</u> <u>Estimate</u> | | <u>This Year</u> | | <u>Last Year</u> |
|--|----------------------------------|-----|------------------|-----|---------------------|
| <u>Distribution</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 | 3,530 | | 3,530 | | 3,508 |
| Total Distribution Expense | <u>761,568</u> | 5.4 | <u>727,984</u> | 4.7 | <u>749,074</u> 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 | <u>\$32,713</u> 0.2 |

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>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 | 2,804 | | 3,458 | | 3,262 | |
| | | | | | | |
| Total Consumer Accounts Expense | 40,581 | 0.6 | 40,012 | 0.5 | 40,703 | 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 | 118,287 | | 114,184 | | 117,430 | |
| | | | | | | |
| Total Administrative and General | 959,252 | 13.9 | 885,213 | 11.6 | 823,274 | 11.3 |
| | | | | | | |
| Total Operating Expense | \$5,787,525 | | \$6,047,370 | | \$5,596,375 | |
| | | | | | | |
| 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</u> <u>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 | 7,072 | | 7,838 | | 7,493 | |
| | <u>83,345</u> | 0.6 | <u>87,700</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 | 236,573 | | 228,368 | | 234,860 | |
| | <u>1,919,156</u> | 13.5 | <u>1,778,994</u> | 11.5 | <u>1,706,546</u> | 12.2 |
| Total Operating Expense | <u>\$12,113,421</u> | | <u>\$12,293,182</u> | | <u>\$11,079,875</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 | |
|-----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| | <u>Month</u> | <u>Year-to-Date</u> | <u>Month</u> | <u>Year-to-Date</u> |
| 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 0.04265 | 0.04212 | 0.04122 | 0.03942 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Per KWH Delivered to Paying Native System Customers

| | This Year | | Last Year | |
|--------------------------|---------------------|----------------------------|---------------------|----------------------------|
| | <u>Month</u> | <u>Year-to-Date</u> | <u>Month</u> | <u>Year-to-Date</u> |
| 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)

| | <u>Current Month</u> | | <u>Calendar Year-to-Date</u> | |
|--------------------------------|-----------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| 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 |
| <u>Services</u> | <u>2008</u> | <u>2007</u> | | |
| 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 | | |
| | <hr/> | <hr/> | | |
| Total | 11,217 | 11,170 | | |
| | <hr/> | <hr/> | | |

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

| | <u>Budget</u> | <u>\$/kWh</u> | <u>This</u> | <u>\$/kWh</u> | <u>Last</u> | <u>\$/kWh</u> |
|-----------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| | <u>Estimate</u> | | <u>Year</u> | | <u>Year</u> | |
| <u>Wholesale kWh Sales</u> | <u>53,486,065</u> | | <u>59,041,000</u> | | <u>55,559,000</u> | |
| <u>Wholesale Sales</u> | <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> |
| <u>Variable Costs</u> | | | | | | |
| 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

| | <u>Budget</u> | <u>\$/kWh</u> | <u>This</u> | <u>\$/kWh</u> | <u>Last</u> | <u>\$/kWh</u> |
|-----------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| | <u>Estimate</u> | | <u>Year</u> | | <u>Year</u> | |
| <u>Wholesale kWh Sales</u> | <u>108,708,333</u> | | <u>123,553,000</u> | | <u>115,689,000</u> | |
| <u>Wholesale Sales</u> | <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> |
| <u>Variable Costs</u> | | | | | | |
| 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.