

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
July 2011

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - July 2011

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	103,648,310	31.8	136,658,717	8.9	125,493,676
Less: Plant Use	<u>6,444,710</u>	91.8	<u>12,363,585</u>	2.3	<u>12,080,006</u>
Net Generation/Wholesale Sales	<u>97,203,600</u>	27.9	<u>124,295,132</u>	9.6	<u>113,413,670</u>
<u>Net Capacity Factors</u>					
Unit 9	59.49	23.4	73.42	8.5	67.66
Unit 8/8A	50.34	59.8	80.46	20.0	67.07
Unit 7	49.79	(1.4)	49.11	(10.5)	54.89
Total Plant	56.75	27.5	72.37	9.2	66.25
<u>KWH Distribution</u>					
Residential	10,838,753	17.7	12,752,450	3.7	12,295,958
Commercial I	3,790,935	7.7	4,084,491	4.6	3,906,159
Commercial II	9,376,711	13.2	10,612,086	16.7	9,092,353
Industrial I	10,776,093	15.0	12,394,080	10.7	11,200,140
Industrial II	36,971,990	2.7	37,961,791	(1.1)	38,367,142
City Enterprise Funds	443,909	(4.9)	422,205	(31.2)	613,888
Water & Communications Utilities	<u>1,409,011</u>	5.4	<u>1,484,622</u>	13.4	<u>1,309,253</u>
Native System Sales	73,607,402	8.3	79,711,725	3.8	76,784,893
City Lighting	175,911	(1.0)	174,091	1.3	171,891
City Buildings	541,414	13.1	612,587	16.8	524,290
Offline Power Plant Usage	---	---	39,456	---	---
Losses & Cycle Billing	<u>3,619,828</u>	<u>(19.0)</u>	<u>2,932,273</u>	<u>(20.0)</u>	<u>3,665,596</u>
Total Native System KWH Distributed/Purchased Power	<u>77,944,555</u>	7.1	<u>83,470,132</u>	2.9	<u>81,146,670</u>
<u>STEAM SALES - 1000 lbs</u>	<u>197,160</u>	<u>33.5</u>	<u>263,293</u>	<u>7.3</u>	<u>245,303</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - July 2011

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	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	566,902,330	(9.0)	515,985,013	(32.8)	768,103,422
Less: Plant Use	<u>47,703,130</u>	10.6	<u>52,739,534</u>	(31.0)	<u>76,434,515</u>
Net Generation/Wholesale Sales	<u>519,199,200</u>	(10.8)	<u>463,245,479</u>	(33.0)	<u>691,668,907</u>
<u>Net Capacity Factors</u>					
Unit 9	43.78	(15.8)	36.86	(42.4)	63.94
Unit 8/8A	43.46	18.0	51.30	(1.4)	52.01
Unit 7	49.79	(29.5)	35.08	(6.7)	37.58
Total Plant	44.33	(11.1)	39.43	(33.1)	58.98
<u>KWH Distribution</u>					
Residential	57,103,153	9.1	62,305,440	---	62,292,242
Commercial I	22,131,318	3.0	22,803,110	1.1	22,557,885
Commercial II	58,614,632	2.5	60,098,875	3.0	58,335,655
Industrial I	65,328,031	7.5	70,242,320	2.2	68,742,482
Industrial II	257,133,594	1.8	261,775,888	0.4	260,609,220
City Enterprise Funds	3,395,424	(3.7)	3,270,361	(14.6)	3,830,092
Water & Communications Utilities	<u>9,282,678</u>	(4.6)	<u>8,853,378</u>	(8.9)	<u>9,717,482</u>
Native System Sales	472,988,830	3.5	489,349,372	0.7	486,085,058
City Lighting	1,196,521	(3.5)	1,154,711	(1.9)	1,177,285
City Buildings	3,701,182	6.5	3,940,279	3.8	3,796,910
Offline Power Plant Usage	---	---	427,930	19.5	358,189
Losses & Cycle Billing	<u>16,918,640</u>	13.3	<u>19,176,272</u>	25.9	<u>15,234,696</u>
Total Native System KWH					
Distributed/Purchased Power	<u>494,805,173</u>	3.9	<u>514,048,564</u>	1.5	<u>506,652,138</u>
<u>STEAM SALES - 1000 lbs</u>					
	<u>1,394,280</u>	12.8	<u>1,573,014</u>	1.9	<u>1,544,423</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - July 2011

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$832,042	0.0768	\$914,046	0.0717	\$884,752	0.0720
Commercial I	306,736	0.0809	312,521	0.0765	300,457	0.0769
Commercial II	577,707	0.0616	582,180	0.0549	525,492	0.0578
Industrial I	567,200	0.0526	585,438	0.0472	553,124	0.0494
Industrial II	1,673,102	0.0453	1,632,914	0.0430	1,658,344	0.0432
City Enterprise Funds	23,711	0.0534	24,491	0.0580	32,772	0.0534
Water & Communication Utilities	73,698	0.0523	66,990	0.0451	64,902	0.0496
Native System Sales	4,054,196	0.0551	4,118,580	0.0517	4,019,843	0.0524
Wholesale Sales	4,312,477	0.0444	5,354,948	0.0431	5,074,824	0.0447
Energy Sales	8,366,673		9,473,528		9,094,667	
Steam Sales	708,692	3.59	910,143	3.46	903,957	3.69
<u>Other Revenue</u>						
Rail Car Lease	31,500		27,068		1,880	
By-Product Revenue	39,133		21,005		28,361	
Miscellaneous Revenue	35,314		38,154		49,994	
Total Other Revenue	105,947		86,227		80,235	
Operating Revenue	9,181,312		10,469,898		10,078,859	
<u>Operating Expense</u>						
Purchased Power	3,121,781	0.0401	3,422,227	0.0410	3,168,914	0.0391
Production Fuel	2,295,670		2,986,549		2,414,009	
Emissions Allowance	44,452		25,733		57,570	
Operation	1,857,348		1,622,652		1,604,858	
Maintenance	861,653		500,798		661,539	
Depreciation	928,218		921,606		1,186,227	
Total Operating Expense	9,109,122		9,479,565		9,093,117	
Operating Income	72,190		990,333		985,742	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	121,739		106,577		125,952	
Interest Expense	(64,475)		(63,195)		(124,827)	
Total Nonoperating Revenue (Expense)	57,264		43,382		1,125	
Net Income Before Revenue Adjustment and Capital Contributions	129,454		1,033,715		986,867	
Capital Contributions	—		311		27,320	
Change in Net Assets	129,454		1,034,026		1,014,187	
Beginning Net Assets	153,796,164		172,517,870		167,302,868	
Ending Net Assets	\$153,925,618		\$173,551,896		\$168,317,055	
Net Income (Loss) to Total Income	1.4		9.8		9.7	
Debt Service Coverage	0.96		1.74		2.04	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - July 2011

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	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$4,349,405	0.0762	\$4,651,098	0.0746	\$4,503,547	0.0723
Commercial I	1,746,507	0.0789	1,778,596	0.0780	1,706,091	0.0756
Commercial II	3,476,722	0.0593	3,479,789	0.0579	3,303,146	0.0566
Industrial I	3,374,111	0.0516	3,454,778	0.0492	3,353,710	0.0488
Industrial II	11,255,711	0.0438	11,379,802	0.0435	10,950,125	0.0420
City Enterprise Funds	172,250	0.0507	184,844	0.0565	196,758	0.0514
Water & Communications Utilities	467,145	0.0503	424,555	0.0480	466,778	0.0480
Native System Sales	24,841,851	0.0525	25,353,462	0.0518	24,480,155	0.0504
Wholesale Sales	19,689,860	0.0379	16,580,554	0.0358	25,840,394	0.0374
Energy Sales	44,531,711		41,934,016		50,320,549	
<u>Steam Sales</u>	4,812,090	3.45	5,474,537	3.48	5,888,939	3.81
<u>Other Revenue</u>						
Rail Car Lease	157,500		247,023		164,948	
By-Product Revenue	141,919		72,768		137,640	
Miscellaneous Revenue	266,654		312,284		288,828	
Total Other Revenue	566,073		632,075		591,416	
Operating Revenue	49,909,874		48,040,628		56,800,904	
<u>Operating Expense</u>						
Purchased Power	17,028,885	0.0344	15,772,931	0.0307	16,896,848	0.0333
Production Fuel	12,838,815		12,245,431		13,292,748	
Emissions Allowance	287,118		251,930		466,804	
Operation	13,146,054		11,951,029		12,010,046	
Maintenance	10,472,891		9,159,687		5,445,436	
Depreciation	6,497,527		6,451,242		8,303,589	
Total Operating Expense	60,271,290		55,832,250		56,415,471	
Operating Income (Loss)	(10,361,416)		(7,791,622)		385,433	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	896,053		780,964		879,145	
Interest Expense	(451,328)		(444,105)		(873,501)	
Total Nonoperating Revenue (Expense)	444,725		336,859		5,644	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(9,916,691)		(7,454,763)		391,077	
Capital Contributions	---		9,185		27,320	
Revenue Adjustment-Extraordinary O & M	---		17,155,162		5,100,000	
Change in Net Assets	(9,916,691)		9,709,584		5,518,397	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
Ending Net Assets	\$153,925,621		\$173,551,896		\$168,317,055	
Net Income (Loss) before Rev Adj to Total Income	(19.5)		(15.3)		0.7	
Net Income (Loss) after Rev Adj to Total Income	(19.5)		19.9		9.6	
Debt Service Coverage Before Transfers	(0.36)		(0.06)		1.20	
Debt Service Coverage After Transfers	(0.36)		2.04		1.82	

Muscatine Power and Water - Electric Utility
Statements of Net Assets
July 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$3,239,404	\$5,593,944
Investments	<u>4,223,649</u>	<u>14,854,720</u>
Total Restricted Current Assets	<u>7,463,053</u>	<u>20,448,664</u>
<u>Unrestricted</u>		
Cash - interest bearing	6,900,947	7,231,262
Investments	3,679,174	7,787,225
Receivables:		
Consumer Accounts	6,243,913	5,084,785
Wholesale	1,881,119	1,842,343
Steam Sales	2,117,468	1,262,449
Interest	122,161	258,262
Intercompanies	14,947	12,082
Inventories	6,595,584	6,559,113
Fuel	13,966,911	10,277,418
Prepaid Expenses	<u>751,199</u>	<u>744,496</u>
Total Unrestricted Current Assets	<u>42,273,423</u>	<u>41,059,435</u>
Total Current Assets	<u>49,736,476</u>	<u>61,508,099</u>
Property and Equipment:		
At Cost	407,289,081	404,685,361
Less Accumulated Depreciation	<u>297,901,653</u>	<u>285,878,832</u>
Net Property and Equipment	<u>109,387,428</u>	<u>118,806,529</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	---	11,367
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>147,478</u>	<u>191,473</u>
Total Other Assets	<u>35,474,478</u>	<u>35,529,840</u>
TOTAL ASSETS	<u><u>\$194,598,382</u></u>	<u><u>\$215,844,468</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Assets
July 2011

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$30,697 in 2011 and \$31,754 in 2010; and Less Deferred Amount on Refund of \$30,153 in 2011 and \$28,596 in 2010	\$13,270,544	\$12,588,158
Accrued Interest	60,821	118,502
	<u>13,331,365</u>	<u>12,706,660</u>
<u>Unrestricted</u>		
Accounts Payable	1,436,947	2,526,511
Pension Provision	1,082,935	942,215
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	289,911	284,391
Accrued Vacation	1,127,936	1,047,024
Accrued Emission Allowance Expense	234,113	466,804
Consumers' Deposits	600,926	603,593
Accrued Property Taxes	106,097	108,793
Miscellaneous Accrued Expenses	613,724	492,490
Miscellaneous Deferred Credits	52,850	86,050
	<u>5,779,071</u>	<u>6,774,531</u>
Total Current Liabilities	<u><u>19,110,436</u></u>	<u><u>19,481,191</u></u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,800,650	1,968,439
Post-Employment Health Benefit Provision	135,400	—
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$107,148 in 2010 and less Deferred Amount on Refunding of \$102,527 in 2010	—	13,274,621
	<u>1,936,050</u>	<u>15,243,060</u>
Total Non-Current Liabilities	<u><u>—</u></u>	<u><u>12,803,162</u></u>
Deferred Revenue - Extraordinary O & M		
Net Assets:		
Invested in capital assets, net of related debt	96,128,251	92,993,182
Restricted	7,402,232	20,330,162
Unrestricted	70,021,413	54,993,711
	<u>173,551,896</u>	<u>168,317,055</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$194,598,382</u></u>	<u><u>\$215,844,468</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
July 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$2,430,067	\$23,728,734
MISO sales	2,589,061	14,754,217
Steam sales	---	5,107,827
Coal & transportation allowances	---	318,887
Railcar leasing	---	122,486
By-product sales	---	73,948
Miscellaneous sources	26,882	298,915
Cash paid to/for:		
Suppliers	(854,696)	(8,932,099)
MISO purchases/administration fees	(2,114,431)	(14,226,427)
Coal	(2,351,102)	(14,631,690)
Employees payroll, taxes and benefits	<u>(1,533,025)</u>	<u>(11,873,544)</u>
Net cash flows from operating activities	<u>(1,807,244)</u>	<u>(5,258,746)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(215,207)	(2,333,794)
Bond principal payments	---	(12,585,000)
Bond interest payments	<u>(364,925)</u>	<u>(1,075,938)</u>
Net cash flows from capital and related financing activities	<u>(580,132)</u>	<u>(15,994,732)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(18,775)	(43,825)
Interest received on investments and note receivable	628,873	1,399,645
Accrued Interest Purchased	---	---
Amortization/accretion of investments	(116)	10,178
Mark to market	<u>(10,826)</u>	<u>(82,639)</u>
Net cash flows from investing activities	<u>599,156</u>	<u>1,283,359</u>
Net decrease in cash and investments	<u>(1,788,220)</u>	<u>(19,970,119)</u>
Cash and investments at beginning of period	<u>19,831,394</u>	<u>38,013,293</u>
Cash and investments at end of period	<u>\$18,043,174</u>	<u>\$18,043,174</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
July 2011

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$990,333	(\$7,791,622)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	6,451,242
Amortization of joint venture rights	8,991	58,879
Changes in assets and liabilities:		
Consumer accounts receivable	(1,771,802)	(1,296,829)
Wholesale receivable	(1,419,434)	(588,520)
Steam sales receivable	(881,139)	248,277
Intercompany receivable	9,683	7,253
Inventories	(78,228)	64,236
Fuel	527,902	(2,848,324)
Prepaid expenses	12,712	(229,598)
Hedge Asset	---	2,196,100
Accounts payable	(137,644)	(26,088)
Pension provision	126,679	1,082,935
Health & dental insurance provision	(77,893)	(58,232)
Other post-employment benefit provision	2,462	17,234
Accrued payroll	72,465	(4,416)
Accrued vacation	(20,176)	111,879
Accrued emission allowance expense	25,733	(402,323)
Consumers' deposits	5,317	3,134
Retained percentage	---	---
Accrued property taxes	9,304	16,677
Miscellaneous accrued expenses	(134,115)	(74,540)
Hedge Liability	---	(2,196,100)
Net cash flows from operating activities	<u><u>(\$1,807,244)</u></u>	<u><u>(\$5,258,746)</u></u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
July 2011

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,463,053	\$7,444,646
Extraordinary Operation & Maintenance Account	---	13,004,018
Total Cash and Investments Appropriated for Specific Purposes	<u>\$7,463,053</u>	<u>\$20,448,664</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2011

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$3,121,781	34.0	\$3,168,914
Average price per kWh	\$0.0401	\$0.0410	\$0.0391
Generation			
Operation Supervision	78,349	71,947	73,359
Fuel:			
Coal	2,193,423	2,846,034	2,318,948
Fuel Oil	10,000	2,142	7,905
Gas	24,000	27,520	4,616
Coal Handling Expense	59,837	69,226	76,597
Landfill Operation Expense	8,410	41,627	5,943
Emissions Allowance Expense	44,452	25,733	57,570
Steam Expense:			
Boiler	105,376	100,664	103,814
Pollution Control	59,790	40,827	43,512
Electric Expense	105,477	100,730	100,173
Miscellaneous Steam Power Expense	119,681	110,783	84,036
Maintenance:			
Supervision	77,752	75,488	76,226
Structures	60,767	52,191	61,390
Boiler Plant:			
Boiler	235,813	71,842	127,945
Pollution Control	16,596	39,827	31,431
Electric Plant	36,967	(59,570)	28,720
System Control	19,988	14,661	16,697
Miscellaneous Steam Plant	50,901	44,603	35,183
Coal Handling Equipment	92,329	95,841	127,478
System Control and Load Dispatch	59,850	57,716	43,971
Vacation, Holiday, Sick Leave	107,536	111,495	99,056
Depreciation	621,860	620,375	885,239
Total Generation Expense	<u>\$4,189,154</u>	<u>45.6</u>	<u>\$4,409,809</u>
		43.6	43.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2011

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	Budget		This Year	Last Year
	<u>Estimate</u>	<u></u>		
Purchased Power	\$17,028,885	34.1	\$15,772,931	32.8
Average price per kWh	\$0.0344		\$0.0307	\$0.0333
<u>Generation</u>				
Operation Supervision	535,314		556,363	566,518
Fuel:				
Coal	12,083,054		11,389,292	12,701,931
Fuel Oil	71,314		225,165	38,784
Gas	207,400		142,592	63,629
Coal Handling Expense	422,984		416,977	462,298
Landfill Operation Expense	54,063		71,405	26,106
Emissions Allowance Expense	287,118		251,930	466,804
Steam Expense:				
Boiler	698,800		694,676	772,033
Pollution Control	398,571		206,904	269,637
Electric Expense	683,353		608,436	650,797
Miscellaneous Steam Power Expense	1,296,510		1,149,081	1,008,860
Maintenance:				
Supervision	556,681		611,207	586,814
Structures	678,345		484,428	396,721
Boiler Plant:				
Boiler	3,052,984		2,682,168	1,587,714
Pollution Control	880,214		902,063	286,427
Electric Plant:	2,458,740		2,177,743	303,785
System Control	157,004		143,364	101,901
Miscellaneous Steam Plant	402,271		398,134	353,230
Coal Handling Equipment	793,753		594,642	653,282
System Control and Load Dispatch	420,676		317,726	384,162
Vacation, Holiday, Sick Leave	614,753		613,898	647,491
Depreciation	<u>4,353,022</u>		<u>4,342,625</u>	<u>6,196,673</u>
Total Generation Expense	<u>\$31,106,924</u>	62.3	<u>\$28,980,819</u>	60.3
			<u>\$28,525,597</u>	50.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2011

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>		<u> </u>		<u> </u>
<u>Transmission</u>					
Operation Supervision	\$3,826		\$1,249		\$3,955
Load Dispatching	9,205		7,452		8,673
Station Expense	8,171		6,495		7,856
Overhead Line Expense	66		---		---
Miscellaneous Transmission Expense	12,167		17,970		6,526
Maintenance:					
Supervision	1,995		1,471		1,943
Structures	884		---		1,498
Station Equipment	7,061		5,668		2,450
Overhead Lines	5,514		2,041		---
Vacation, Holiday, Sick Leave	6,444		6,402		5,476
Depreciation	30,608		30,592		30,568
Tax on Rural Property	<u>5,560</u>		<u>6,369</u>		<u>5,942</u>
Total Transmission Expense	<u>91,501</u>	1.0	<u>85,709</u>	0.8	<u>74,887</u>
					0.7
<u>Distribution</u>					
Operation Supervision	10,864		8,805		11,967
Load Dispatching	41,579		27,829		28,347
Station Expense	9,508		9,027		10,735
Overhead Line Expense	2,592		4,308		1,088
Vehicle Expense	15,168		16,844		12,229
Underground Line Expense	3,299		2,162		2,903
Street Lighting	1,574		1,837		3,735
Signal Expense	642		123		635
Meter Expense	9,016		6,733		8,542
Consumer Installation Expense	1,393		2,544		2,400
Miscellaneous Distribution Expense	58,829		45,722		51,750
Maintenance:					
Supervision	9,760		8,725		10,562
Structures	1,104		1,403		---
Station Equipment	11,575		9,645		4,873
Overhead Lines	69,062		37,330		48,792
Underground Lines	8,234		5,173		15,358
Line Transformers	3,031		4,042		6,257
Street Lighting	4,924		3,386		4,556
Signal System	2,135		3,233		4,041
Meters	3,783		1,717		---
Miscellaneous Distribution Plant	2,917		1,238		1,573
Vacation, Holiday, Sick Leave	30,125		31,323		26,223
Depreciation	150,714		148,879		146,484
Tax on Rural Property	<u>1,661</u>		<u>1,902</u>		<u>1,775</u>
Total Distribution Expense	<u>\$453,489</u>	4.9	<u>\$383,930</u>	3.7	<u>\$404,825</u>
					4.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2011

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Transmission</u>			
Operation Supervision	\$26,696	\$16,713	\$26,984
Load Dispatching	73,472	54,561	68,444
Station Expense	60,475	48,577	58,449
Overhead Line Expense	487	869	1,452
Miscellaneous Transmission Expense	89,624	73,034	62,280
Maintenance:			
Supervision	13,787	11,658	12,756
Structures	16,059	---	1,709
Station Equipment	51,060	35,932	44,140
Overhead Lines	53,598	44,671	65,268
Vacation, Holiday, Sick Leave	37,991	38,158	37,506
Depreciation	214,254	214,144	213,976
Tax on Rural Property	<u>38,920</u>	<u>40,070</u>	<u>41,734</u>
Total Transmission Expense	<u>676,423</u>	1.4	<u>634,698</u>
		<u>578,387</u>	1.2
		<u>634,698</u>	1.1
<u>Distribution</u>			
Operation Supervision	76,935	69,662	84,478
Load Dispatching	282,852	209,254	215,525
Station Expense	56,111	52,770	61,520
Overhead Line Expense	23,993	26,253	6,240
Vehicle Expense	106,058	109,363	97,349
Underground Line Expense	22,779	18,108	21,609
Street Lighting	10,694	15,076	18,575
Signal Expense	4,430	996	7,639
Meter Expense	66,229	59,576	61,112
Consumer Installation Expense	9,821	12,200	10,213
Miscellaneous Distribution Expense	432,490	368,353	420,011
Maintenance:			
Supervision	70,622	66,183	74,197
Structures	8,702	3,094	---
Station Equipment	73,299	67,712	75,408
Overhead Lines	450,037	345,259	375,002
Underground Lines	57,245	32,592	51,431
Line Transformers	32,374	44,998	64,618
Street Lighting	34,398	34,688	30,200
Signal System	13,291	32,899	22,020
Meters	7,642	12,805	2,624
Miscellaneous Distribution Plant	20,417	12,482	15,790
Vacation, Holiday, Sick Leave	177,185	183,306	208,126
Depreciation	1,054,999	1,042,153	1,025,388
Tax on Rural Property	<u>11,627</u>	<u>11,985</u>	<u>12,454</u>
Total Distribution Expense	<u>\$3,104,230</u>	6.2	<u>\$2,831,767</u>
		<u>5.9</u>	<u>\$2,961,529</u>
		5.2	

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2011

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$54,750	\$50,340	\$17,084
Electric Ranges/Dryers-Maint/Promotion	1,329	608	1,106
Electric Water Heaters-Maint/Promotion	<u>851</u>	<u>302</u>	<u>802</u>
Total Customer Service Expense	<u>56,930</u>	0.6	<u>51,250</u>
		0.5	18,992
		0.2	
<u>Consumer Accounts</u>			
Supervision	1,950	2,088	2,202
Meter Reading Expense	8,083	8,068	7,937
Consumer Records and Collection	31,838	31,015	27,520
Uncollectible Accounts Expense	1,942	1,942	1,834
Vacation, Holiday, Sick Leave	<u>3,847</u>	<u>4,581</u>	<u>3,952</u>
Total Consumer Accounts Expense	<u>47,660</u>	0.5	<u>47,694</u>
		0.5	43,445
		0.4	
<u>Administrative and General</u>			
Administrative and General Salaries	174,380	146,686	156,485
Office Supplies and Expenses	16,643	12,259	15,021
Outside Services Employed	72,409	40,910	54,522
Property Insurance	39,120	38,809	41,012
Casualty Ins, Injuries & Damages	38,044	28,180	29,388
Employee Pensions and Benefits	487,081	424,209	459,193
Fringe Benefits Charged to Constr.	(13,006)	(34,416)	(17,447)
Regulatory Commission	4,400	4,400	3,651
Miscellaneous General Expense	33,852	28,709	23,492
Maintenance of General Plant	30,154	24,571	25,167
Maintenance of A/O Center	108,407	56,272	29,399
Vacation, Holiday, Sick Leave	32,087	34,704	28,426
Depreciation	<u>125,036</u>	<u>121,760</u>	<u>123,936</u>
Total Administrative and General	<u>1,148,607</u>	12.5	<u>927,053</u>
		8.9	972,245
		9.6	
Total Operating Expense	<u>\$9,109,122</u>	<u>\$9,479,565</u>	<u>\$9,093,117</u>
Percent to Operating Revenue	99.2	90.5	90.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2011

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$408,147	\$209,950	\$138,402
Electric Ranges/Dryers-Maint/Promotion	9,790	6,340	8,362
Electric Water Heaters-Maint/Promotion	<u>6,055</u>	<u>5,540</u>	<u>9,421</u>
 Total Customer Service Expense	 <u>\$423,992</u>	 0.8	 <u>\$156,185</u> 0.3
 <u>Consumer Accounts</u>			
Supervision	13,410	14,332	14,420
Meter Reading Expense	57,299	56,834	58,424
Consumer Records and Collection	215,614	199,330	207,407
Uncollectible Accounts Expense	13,592	13,592	12,838
Vacation, Holiday, Sick Leave	<u>22,042</u>	<u>26,478</u>	<u>26,027</u>
 Total Consumer Accounts Expense	 <u>321,957</u>	 0.6	 <u>319,116</u> 0.6
 <u>Administrative and General</u>			
Administrative and General Salaries	1,196,741	1,148,193	1,126,644
Office Supplies and Expenses	126,178	95,315	98,640
Outside Services Employed	418,860	419,076	425,607
Property Insurance	279,516	278,271	287,068
Casualty Ins, Injuries & Damages	266,305	306,906	220,823
Employee Pensions and Benefits	3,427,979	3,343,541	3,227,923
Fringe Benefits Charged to Constr.	(108,426)	(157,039)	(99,355)
Regulatory Commission	30,800	26,306	44,049
Miscellaneous General Expense	315,434	217,041	192,552
Maintenance of General Plant	217,770	171,647	157,911
Maintenance of A/O Center	372,598	249,318	182,488
Vacation, Holiday, Sick Leave	189,872	185,055	189,596
Depreciation	<u>875,252</u>	<u>852,320</u>	<u>867,552</u>
 Total Administrative and General	 <u>7,608,879</u>	 15.2	 <u>6,921,498</u> 12.2
 Total Operating Expense	 <u>\$60,271,290</u>	 <u>\$55,832,250</u>	 <u>\$56,415,471</u>
 Percent to Operating Revenue	 120.8	 116.2	 99.3

Muscatine Power and Water - Electric Utility
Statistical Data
July 2011

Per KWH Delivered to Wholesale Customers

Wholesale Sales KWHs	Current Month	Current Month	Current Month	Year-To-Date	Year-To-Date	Year-To-Date
	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Wholesale Sales	\$97,203,600	124,295,132	113,413,670	519,199,200	463,245,479	691,668,907
Less:						
Generation	0.03816	0.03187	0.03377	0.05334	0.05451	0.03582
Transmission	0.00094	0.00069	0.00066	0.00130	0.00125	0.00092
Subtotal	0.03910	0.03256	0.03443	0.05464	0.05576	0.03674
Wholesale Margin	<u>\$0.00527</u>	<u>\$0.01052</u>	<u>\$0.01032</u>	<u>(\$0.01672)</u>	<u>(\$0.01997)</u>	<u>\$0.00062</u>

Per KWH Delivered to Paying Native System Customers

Native System Sales KWHs	Current Month	Current Month	Current Month	Year-To-Date	Year-To-Date	Year-To-Date
	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Native System Sales	73,607,402	79,711,725	76,784,893	472,988,830	489,349,372	486,085,058
Less:						
Purchased Power	0.04241	0.04293	0.04127	0.03600	0.03223	0.03476
Distribution	0.00616	0.00482	0.00527	0.00656	0.00579	0.00609
Customer Service	0.00077	0.00064	0.00025	0.00090	0.00045	0.00032
Consumers Accounts	0.00065	0.00060	0.00057	0.00068	0.00063	0.00066
Administrative & General	0.01560	0.01163	0.01266	0.01609	0.01458	0.01424
Subtotal	0.06560	0.06062	0.06002	0.06023	0.05369	0.05607
Native System Margin	(0.01052)	(0.00895)	(0.00767)	(0.00771)	(0.00188)	(0.00571)
Wholesale Margin	<u>0.00695</u>	<u>0.01640</u>	<u>0.01524</u>	<u>(0.01836)</u>	<u>(0.01890)</u>	<u>0.00089</u>
Net Electric Margin before Steam Sales	<u>(\$0.00357)</u>	<u>\$0.00745</u>	<u>\$0.00758</u>	<u>(\$0.02606)</u>	<u>(\$0.02078)</u>	<u>(\$0.00482)</u>
Net Electric Margin after Steam Sales	<u>(\$0.00046)</u>	<u>\$0.01134</u>	<u>\$0.01179</u>	<u>(\$0.02310)</u>	<u>(\$0.01721)</u>	<u>(\$0.00042)</u>

Total Fuel Cost
(To & Including Ash Handling)

	Current Month		Calendar Year-To-Date	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Per Million Btu.	\$1.726	\$1.524	\$1.671	\$1.394
Per Net MW Generated	\$19.71	\$17.47	\$18.50	\$15.60
Net Peak Monthly Demand-KW	140,880	137,900	140,880	137,900
Date of Peak	7/20	7/27	7/20	7/27
Hour of Peak	1500	1500	1500	1500
Average Temperature	78°	78°		
Services	<u>2011</u>	<u>2010</u>		
Residential	9,712	9,677		
Commercial I	1,395	1,395		
Commercial II	117	119		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	32	39		
Total	<u>11,291</u>	<u>11,265</u>		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - July 2011

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>97,203,600</u>		<u>124,295,132</u>		<u>113,413,670</u>	
<u>Wholesale Sales</u>	<u>\$4,312,477</u>	<u>\$0.0444</u>	<u>\$5,354,948</u>	<u>\$0.0431</u>	<u>\$5,074,824</u>	<u>\$0.0447</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,810,116	0.0186	2,322,648	0.0187	1,883,102	0.0166
SO ² Allowances ^{fn1}	320	0.0000	488	0.0000	5,233	0.0000
NO _x Allowances ^{fn2}	44,131	0.0005	33,268	0.0003	56,345	0.0005
Other ^{fn4}	<u>283,062</u>	<u>0.0029</u>	<u>278,856</u>	<u>0.0022</u>	<u>284,544</u>	<u>0.0025</u>
Total Variable Costs	<u>2,137,629</u>	<u>0.0220</u>	<u>2,635,260</u>	<u>0.0212</u>	<u>2,229,224</u>	<u>0.0197</u>
Gross Margin	<u>\$2,174,848</u>	<u>\$0.0224</u>	<u>\$2,719,688</u>	<u>\$0.0219</u>	<u>\$2,845,600</u>	<u>\$0.0251</u>
Percent Gross Margin	50.4%		50.8%		56.1%	

Calendar Year To Date

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>519,199,200</u>		<u>463,245,479</u>		<u>691,668,907</u>	
<u>Wholesale Sales</u>	<u>\$19,689,860</u>	<u>\$0.0379</u>	<u>\$16,580,554</u>	<u>\$0.0358</u>	<u>\$25,840,394</u>	<u>\$0.0374</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	9,516,846	0.0183	8,480,394	0.0183	10,178,052	0.0147
SO ² Allowances ^{fn1}	2,234	0.0000	2,840	0.0000	20,496	0.0000
NO _x Allowances ^{fn3}	243,707	0.0005	171,899	0.0004	464,980	0.0007
Other ^{fn4}	<u>1,981,434</u>	<u>0.0038</u>	<u>1,934,372</u>	<u>0.0042</u>	<u>2,050,233</u>	<u>0.0030</u>
Total Variable Costs	<u>11,744,221</u>	<u>0.0226</u>	<u>10,589,505</u>	<u>0.0229</u>	<u>12,713,761</u>	<u>0.0184</u>
Gross Margin	<u>\$7,945,639</u>	<u>\$0.0153</u>	<u>\$5,991,049</u>	<u>\$0.0129</u>	<u>\$13,126,633</u>	<u>\$0.0190</u>
Percent Gross Margin	40.4%		36.1%		50.8%	

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

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
fn1 SO ²	\$30.00	\$4.00	\$56.00
YTD SO ²	30.00	6.25	49.29
fn2 NO _x annual	400.00	142.50	302.00
NO _x seasonal	50.00	15.00	41.00
fn3 YTD NO _x annual	400.00	218.36	476.55
YTD NO _x seasonal	50.00	14.94	38.97

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