

**Muscatine Power and Water**

**Electric Utility**

**Operating Statements and Balance Sheets**

**June 2012**

**Muscatine Power and Water  
Electric Utility**

**Table of Contents**

	<b>Page</b>
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Assets.....	3 - 4
Balance Sheets.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - June 2012**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	88,848,720	(24.2)	67,313,872	(23.3)	87,819,048
Less: Plant Use	<u>7,582,320</u>	8.6	<u>8,233,548</u>	(14.9)	<u>9,680,164</u>
Net Generation/Wholesale Sales	<u><b>81,266,400</b></u>	<b>(27.3)</b>	<u><b>59,080,324</b></u>	<b>(24.4)</b>	<u><b>78,138,884</b></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	65.00	(39.0)	39.66	(22.9)	51.45
Unit 8/8A	---	---	34.07	(26.8)	46.54
Unit 7	30.00	(62.1)	11.37	(27.6)	15.71
Total Plant	49.03	(27.3)	35.65	(24.2)	47.01
<b><u>KWH Distribution</u></b>					
Residential	8,472,983	17.8	9,982,665	7.4	9,298,808
Commercial I	3,350,996	4.0	3,486,361	5.5	3,306,002
Commercial II	8,841,616	(3.5)	8,535,139	(1.0)	8,617,996
Industrial I	10,503,360	1.8	10,688,840	(3.6)	11,090,600
Industrial II	34,743,362	3.4	35,912,819	(2.1)	36,700,368
City Enterprise Funds	466,708	(27.6)	337,765	(19.1)	417,738
Water & Communications Utilities	<u>1,331,685</u>	<u>(7.9)</u>	<u>1,226,387</u>	<u>(3.9)</u>	<u>1,275,891</u>
Native System Sales	67,710,710	3.6	70,169,976	(0.8)	70,707,403
City Lighting	180,173	(1.2)	177,949	11.0	160,293
City Buildings	545,847	16.3	634,794	12.7	563,170
Offline Power Plant Usage	---	---	582,354	89.4	307,404
Losses & Cycle Billing	<u>3,600,455</u>	<u>(11.2)</u>	<u>3,197,251</u>	<u>(31.0)</u>	<u>4,636,614</u>
Total Native System KWH Distributed/Purchased Power	<u><b>72,037,185</b></u>	<b>3.8</b>	<u><b>74,762,324</b></u>	<b>(2.1)</b>	<u><b>76,374,884</b></u>
<b><u>STEAM SALES - 1000 lbs</u></b>					
	---	---	252,433	21.6	207,598

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - June 2012**

Page 2

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	557,380,839	(49.4)	281,914,673	(25.7)	379,326,297
Less: Plant Use	<u>53,556,615</u>	(26.6)	<u>39,314,206</u>	(2.6)	<u>40,374,472</u>
Net Generation/Wholesale Sales	<u>503,824,224</u>	(51.8)	<u>242,600,467</u>	(28.4)	<u>338,951,825</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	62.18	(57.6)	26.36	(13.9)	30.60
Unit 8/8A	16.27	61.2	26.22	(43.4)	46.31
Unit 7	29.67	(82.7)	5.14	(84.3)	32.68
Total Plant	50.11	(51.9)	24.12	(28.6)	33.79
<b><u>KWH Distribution</u></b>					
Residential	46,648,717	3.0	48,039,818	(3.1)	49,552,989
Commercial I	18,481,136	(1.6)	18,183,912	(2.9)	18,718,619
Commercial II	50,090,293	(2.9)	48,636,753	(1.7)	49,486,789
Industrial I	55,424,104	---	55,431,560	(4.2)	57,848,240
Industrial II	220,172,072	3.0	226,856,753	1.4	223,814,097
City Enterprise Funds	2,957,341	(25.3)	2,208,297	(22.5)	2,848,156
Water & Communications Utilities	<u>7,904,067</u>	(8.8)	<u>7,207,542</u>	(2.2)	<u>7,368,756</u>
Native System Sales	401,677,730	1.2	406,564,635	(0.8)	409,637,646
City Lighting	1,023,817	(0.9)	1,014,537	4.6	970,203
City Buildings	3,187,059	---	3,187,614	(4.1)	3,322,925
Offline Power Plant Usage	638,400	---	3,591,962	(17.3)	4,342,422
Losses & Cycle Billing	<u>13,375,152</u>	(5.2)	<u>12,673,045</u>	3.0	<u>12,305,236</u>
Total Native System KWH Distributed/Purchased Power	<u>419,902,158</u>	1.7	<u>427,031,793</u>	(0.8)	<u>430,578,432</u>
<b>STEAM SALES - 1000 lbs</b>	<u>736,254</u>	76.4	<u>1,298,627</u>	(0.8)	<u>1,309,721</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - June 2012**

	<u>Budget</u> <u>Estimate</u>	<u>Avg.</u> <u>Price</u>	<u>This</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>	<u>Last</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$705,143	0.0832	\$816,956	0.0818	\$695,023	0.0747
Commercial I	268,178	0.0800	278,670	0.0799	259,073	0.0784
Commercial II	534,097	0.0604	514,583	0.0603	508,483	0.0590
Industrial I	553,935	0.0527	543,980	0.0509	541,233	0.0488
Industrial II	1,583,505	0.0456	1,631,056	0.0454	1,600,592	0.0436
City Enterprise Funds	26,281	0.0563	21,933	0.0649	24,131	0.0578
Water & Communication Utilities	62,998	0.0473	62,752	0.0512	60,394	0.0473
Native System Sales	3,734,137	0.0551	3,869,930	0.0552	3,688,929	0.0522
Wholesale Sales	3,106,261	0.0382	1,638,596	0.0277	2,709,580	0.0347
Energy Sales	<u>6,840,398</u>		<u>5,508,526</u>		<u>6,398,509</u>	
<b><u>Steam Sales</u></b>						
	---	--	901,103	3.57	691,931	3.33
<b><u>Other Revenue</u></b>						
Rail Car Lease	33,333		57,525		---	
By-Product Revenue	39,133		17,648		13,625	
Miscellaneous Revenue	40,022		83,013		41,132	
Total Other Revenue	<u>112,488</u>		<u>158,186</u>		<u>54,757</u>	
Operating Revenue	<u>6,952,886</u>		<u>6,567,815</u>		<u>7,145,197</u>	
<b><u>Operating Expense</u></b>						
Purchased Power	2,415,996	0.0335	1,563,924	0.0209	2,249,769	0.0295
Production Fuel	1,841,520		1,834,659		1,961,333	
Emissions Allowance	---		5,726		28,995	
Operation	2,281,621		1,971,363		1,974,012	
Maintenance	865,520		609,318		794,554	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	<u>8,340,678</u>		<u>6,914,352</u>		<u>7,930,269</u>	
Operating Loss	<u>(1,387,792)</u>		<u>(346,537)</u>		<u>(785,072)</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	122,595		101,599		111,523	
Interest Expense	(93,913)		(115)		(63,270)	
Total Nonoperating Revenue (Expense)	<u>28,682</u>		<u>101,484</u>		<u>48,253</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(1,359,110)</u>		<u>(245,053)</u>		<u>(736,819)</u>	
Capital Contributions	---		10,443		---	
Revenue Adjustment-Extraordinary O&M	---		---		15,155,162	
Change in Net Assets	<u>(1,359,110)</u>		<u>(234,610)</u>		<u>14,418,343</u>	
Beginning Net Assets	<u>158,357,067</u>		<u>163,928,274</u>		<u>158,099,527</u>	
Ending Net Assets	<u>\$156,997,957</u>		<u>\$163,693,664</u>		<u>\$172,517,870</u>	
Net Income (Loss) to Total Income Before Revenue Adj	(19.2)		(3.7)		(10.2)	
Net Income (Loss) to Total Income After Revenue Adj	(19.2)		(3.5)		198.7	
Debt Service Coverage Before Revenue Adj	(3.65)		---		0.22	
Debt Service Coverage After Revenue Adj	(3.65)		---		13.21	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - June 2012**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$3,900,183	0.0836	\$4,022,439	0.0837	\$3,737,052	0.0754
Commercial I	1,475,634	0.0798	1,456,280	0.0801	1,466,075	0.0783
Commercial II	3,023,499	0.0604	2,930,603	0.0603	2,897,609	0.0586
Industrial I	2,966,988	0.0535	2,885,323	0.0521	2,869,339	0.0496
Industrial II	9,974,163	0.0453	10,248,018	0.0452	9,746,888	0.0435
City Enterprise Funds	166,002	0.0561	133,555	0.0605	160,353	0.0563
Water & Communications Utilities	<u>372,876</u>	<u>0.0472</u>	<u>358,124</u>	<u>0.0497</u>	<u>357,565</u>	<u>0.0485</u>
Native System Sales	21,879,345	0.0545	22,034,342	0.0542	21,234,881	0.0518
Wholesale Sales	<u>17,689,371</u>	<u>0.0351</u>	<u>6,231,696</u>	<u>0.0257</u>	<u>11,225,606</u>	<u>0.0331</u>
Energy Sales	<u>39,568,716</u>		<u>28,266,038</u>		<u>32,460,487</u>	
<b>Steam Sales</b>	<b>3,396,091</b>	<b>4.61</b>	<b>4,740,252</b>	<b>3.65</b>	<b>4,564,394</b>	<b>3.49</b>
<b><u>Other Revenue</u></b>						
Rail Car Lease	200,000		420,535		219,956	
By-Product Revenue	102,786		136,969		51,763	
Miscellaneous Revenue	<u>266,741</u>		<u>326,675</u>		<u>274,130</u>	
Total Other Revenue	<u>569,527</u>		<u>884,179</u>		<u>545,849</u>	
Operating Revenue	<u>43,534,334</u>		<u>33,890,469</u>		<u>37,570,730</u>	
<b><u>Operating Expense</u></b>						
Purchased Power	13,717,430	0.0327	8,545,185	0.0200	12,350,704	0.0287
Production Fuel	12,145,837		8,033,734		9,258,880	
Emissions Allowance	---		28,070		226,197	
Operation	11,432,635		10,434,479		10,328,383	
Maintenance	6,172,335		4,600,208		8,658,885	
Depreciation	<u>5,616,131</u>		<u>5,576,172</u>		<u>5,529,636</u>	
Total Operating Expense	<u>49,084,368</u>		<u>37,217,848</u>		<u>46,352,685</u>	
Operating Loss	<u>(5,550,034)</u>		<u>(3,327,379)</u>		<u>(8,781,955)</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	734,208		634,123		674,387	
Interest Expense	<u>(563,481)</u>		<u>(783)</u>		<u>(380,909)</u>	
Total Nonoperating Revenue (Expense)	<u>170,727</u>		<u>633,340</u>		<u>293,478</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(5,379,307)</u>		<u>(2,694,039)</u>		<u>(8,488,477)</u>	
Capital Contributions	---		10,443		8,873	
Revenue Adjustment-Extraordinary O & M	<u>---</u>		<u>4,000,000</u>		<u>17,155,162</u>	
Change in Net Assets	<u>(5,379,307)</u>		<u>1,316,404</u>		<u>8,675,558</u>	
Beginning Net Assets	<u>162,377,260</u>		<u>162,377,260</u>		<u>163,842,312</u>	
Ending Net Assets	<u>\$156,997,953</u>		<u>\$163,693,664</u>		<u>\$172,517,870</u>	
Net Income (Loss) to Total Income Before Revenue Adj	(12.2)		(7.8)		(22.2)	
Net Income (Loss) to Total Income After Revenue Adj	(12.2)		3.8		22.7	
Debt Service Coverage Before Revenue Adj	1.47		---		(0.36)	
Debt Service Coverage After Revenue Adj	1.47		---		2.09	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**June 2012**

**ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current Assets:</b>		
<b><u>Restricted</u></b>		
Cash - interest bearing	\$5,312,165	\$2,101,286
Investments	788,275	5,731,147
	<hr/>	<hr/>
Total Restricted Current Assets	6,100,440	7,832,433
<b><u>Unrestricted</u></b>		
Cash - interest bearing	4,391,129	6,782,607
Investments	---	5,216,354
Receivables:		
Consumer Accounts	4,995,632	4,472,111
Wholesale	93,033	461,685
Steam Sales	1,152,571	1,236,329
Interest	627,004	633,516
Intercompanies	13,748	24,630
Inventories	6,497,536	6,517,356
Fuel	15,489,783	14,494,813
Prepaid Expenses	870,019	766,185
	<hr/>	<hr/>
Total Unrestricted Current Assets	34,130,455	40,605,586
	<hr/>	<hr/>
Total Current Assets	40,230,895	48,438,019
<b>Property and Equipment:</b>		
At Cost	408,383,296	407,089,521
Less Accumulated Depreciation	306,813,573	296,978,169
	<hr/>	<hr/>
Net Property and Equipment	101,569,723	110,111,352
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	111,095	137,694
	<hr/>	<hr/>
Total Other Assets	35,438,095	35,464,694
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$177,238,713</b>	<b>\$194,014,065</b>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Assets**  
**June 2012**

**LIABILITIES AND NET ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current Liabilities:</b>		
<b><u>Restricted</u></b>		
2001 Revenue Bonds - Plus Unamortized Premium of \$46,836 in 2011 and Less Deferred Amount on Refunding of \$36,184 in 2011	---	\$13,270,652
Accrued Interest	---	<u>364,925</u>
Total Restricted Current Liabilities	---	<u>13,635,577</u>
<b><u>Unrestricted</u></b>		
Accounts Payable	1,084,511	1,592,427
Pension Provision	1,108,272	956,256
Health & Dental Insurance Provision	196,533	233,632
Accrued Payroll	281,956	217,446
Accrued Vacation	1,136,043	1,148,112
Accrued Emission Allowance Expense	309,877	208,380
Consumers' Deposits	591,383	595,609
Retained Percentage on Contracts	19,365	---
Accrued Property Taxes	106,211	96,793
Miscellaneous Accrued Expenses	586,093	747,632
Miscellaneous Deferred Credits	13,850	<u>52,850</u>
Total Unrestricted Current Liabilities	<u>5,434,094</u>	<u>5,849,137</u>
Total Current Liabilities	<u>5,434,094</u>	<u>19,484,714</u>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,746,118	1,878,543
Post-Employment Health Benefit Provision	151,601	132,938
Consumer Advances for Construction	180,370	---
Total Non-Current Liabilities	<u>2,078,089</u>	<u>2,011,481</u>
<b>Deferred Revenue - Extraordinary O &amp; M</b>	<u>6,032,866</u>	<u>15,155,162</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	101,569,723	96,854,341
Restricted	6,100,440	7,467,508
Unrestricted	56,023,501	<u>53,040,859</u>
Total Net Assets	<u>163,693,664</u>	<u>157,362,708</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$177,238,713</b></u>	<u><b>\$194,014,065</b></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**June 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
<b>Cash received from:</b>		
Retail electric sales	\$3,445,386	\$21,776,651
MISO sales	1,457,268	6,038,657
Steam sales	203,170	4,745,338
Coal & transportation allowances	---	280,234
Railcar leasing	59,443	340,000
By-product sales	---	81,029
Miscellaneous sources	59,664	434,781
<b>Cash paid to/for:</b>		
Suppliers	(913,384)	(4,307,028)
MISO purchases/administration fees	(1,517,448)	(8,354,460)
Coal	(1,162,654)	(8,874,416)
Employees payroll, taxes and benefits	<u>(1,426,981)</u>	<u>(10,100,610)</u>
Net cash flows from operating activities	<u>204,464</u>	<u>2,060,176</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	(257,585)	(1,656,536)
Bond principal payments	---	---
Bond interest payments	---	---
Net cash flows from capital and related financing activities	<u>(257,585)</u>	<u>(1,656,536)</u>
<b>Cash flows from investing activities:</b>		
Purchase of joint venture rights	---	(39,533)
Interest received on investments and note receivable	3,585	22,779
Accrued Interest Purchased	---	---
Amortization/accretion of investments	253	424
Mark to market	<u>(6,125)</u>	<u>(12,089)</u>
Net cash flows from investing activities	<u>(2,287)</u>	<u>(28,419)</u>
Net increase (decrease) in cash and investments	<u>(55,408)</u>	<u>375,221</u>
Cash and investments at beginning of period	<u>10,546,977</u>	<u>10,116,348</u>
Cash and investments at end of period	<u>\$10,491,569</u>	<u>\$10,491,569</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**June 2012**

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
<b>Reconciliation of operating loss to net cash flows from operating activities</b>		
Operating loss	(\$346,537)	(\$3,327,379)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	5,576,172
Amortization of joint venture rights	8,967	51,658
Changes in assets and liabilities:		
Consumer accounts receivable	(526,230)	(112)
Wholesale receivable	(73,447)	102,404
Steam sales receivable	(698,247)	3,438
Intercompany receivable	(1,097)	12,074
Inventories	85,701	243,588
Fuel	1,484,122	128,987
Prepaid expenses	101,136	(372,248)
Accounts payable	(1,032,496)	(1,461,679)
Pension provision	187,322	1,108,272
Health & dental insurance provision	46,594	(125,299)
Other post-employment benefit provision	1,935	11,610
Accrued payroll	53,995	(23,723)
Accrued vacation	(37,435)	75,322
Accrued emission allowance expense	5,726	28,070
Consumers' deposits	(4,458)	118
Retained percentage	5,581	19,365
Accrued property taxes	8,425	(615)
Miscellaneous accrued expenses	2,045	49,153
Miscellaneous deferred credits	3,500	(39,000)
Net cash flows from operating activities	<u><u>\$204,464</u></u>	<u><u>\$2,060,176</u></u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
June 2012**

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	---	\$7,467,508
Bond Sinking Fund	\$364,925	
Extraordinary Operation & Maintenance Account	<u>6,100,440</u>	---
 Total Cash and Investments Appropriated for Specific Purposes	 <u>\$6,100,440</u>	 <u>\$7,832,433</u>

## Muscatine Power and Water - Electric Utility

## Summary of Expenses

Current Month - June 2012

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b>Purchased Power</b>	<b>\$2,415,996</b>	34.7	<b>\$1,563,924</b>
Average price per kWh	\$0.0335	\$0.0209	\$0.0295
<b>Generation</b>			
Operation Supervision	79,197	71,430	77,588
Fuel:			
Coal	1,725,527	1,696,344	1,860,627
Fuel Oil	17,500	66,157	20,905
Gas	15,800	17,011	15,093
Coal Handling Expense	69,266	48,590	59,233
Landfill Operation Expense	13,427	6,557	5,475
Emissions Allowance Expense	---	5,726	28,995
Steam Expense:			
Boiler	113,605	95,402	90,568
Pollution Control	50,921	43,801	32,427
Electric Expense	108,503	99,399	89,607
Miscellaneous Steam Power Expense	487,009	430,540	444,130
Maintenance:			
Supervision	79,574	76,030	84,502
Structures	59,551	45,026	85,637
Boiler Plant:			
Boiler	179,570	108,022	108,399
Pollution Control	21,156	21,311	83,739
Electric Plant	52,454	26,609	123,657
System Control	20,833	10,232	18,974
Miscellaneous Steam Plant	60,961	80,638	42,603
Coal Handling Equipment	112,960	44,600	52,118
System Control and Load Dispatch	188,420	19,009	67,042
Vacation, Holiday, Sick Leave	76,174	63,961	73,764
Depreciation	623,299	622,359	620,375
Total Generation Expense	<b>\$4,155,707</b>	59.8	<b>\$3,698,754</b>
		56.3	<b>\$4,085,458</b>
		57.2	

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 2012**

Page 11

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b>Purchased Power</b>	<b>\$13,717,430</b>	<b>31.5</b>	<b>\$8,545,185</b>
Average price per kWh	\$0.0327	\$0.0200	\$0.0287
<b><u>Generation</u></b>			
Operation Supervision	494,284	447,322	484,416
Fuel:			
Coal	11,489,572	7,472,831	8,543,258
Fuel Oil	106,616	111,423	223,023
Gas	113,400	74,746	115,072
Coal Handling Expense	401,840	339,212	347,750
Landfill Operation Expense	34,409	35,522	29,777
Emissions Allowance Expense	---	28,070	226,197
Steam Expense:			
Boiler	666,210	535,850	594,012
Pollution Control	280,862	159,840	166,077
Electric Expense	591,103	549,188	507,706
Miscellaneous Steam Power Expense	1,143,660	1,054,430	1,038,297
Maintenance:			
Supervision	487,489	472,326	535,718
Structures	464,043	321,080	432,237
Boiler Plant:			
Boiler	2,061,503	1,251,756	2,610,325
Pollution Control	268,886	338,084	862,235
Electric Plant	527,140	232,090	2,237,314
System Control	123,483	93,286	128,702
Miscellaneous Steam Plant	388,588	388,222	353,530
Coal Handling Equipment	665,481	574,863	498,802
System Control and Load Dispatch	460,777	204,111	260,010
Vacation, Holiday, Sick Leave	556,878	574,040	502,403
Depreciation	<u>3,739,796</u>	<u>3,734,154</u>	<u>3,722,250</u>
Total Generation Expense	<u>\$25,066,020</u>	<u>57.6</u>	<u>\$18,992,446</u>
		56.0	<u>\$24,419,111</u>
		65.0	

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - June 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Transmission</u></b>			
Operation Supervision	\$3,901	\$4,025	\$1,178
Load Dispatching	7,244	55,039	7,702
Station Expense	6,980	6,297	9,133
Overhead Line Expense	124	---	---
Transmission of Electricity by Others	---	2,723	---
Miscellaneous Transmission Expense	12,364	5,692	7,029
Maintenance:			
Supervision	2,041	1,942	1,379
Structures	2,972	---	---
Station Equipment	7,145	4,643	5,282
Overhead Lines	61,231	54,030	1,540
Vacation, Holiday, Sick Leave	4,672	3,790	3,411
Depreciation	30,643	30,625	30,592
Tax on Rural Property	<u>5,606</u>	<u>5,606</u>	<u>5,822</u>
 Total Transmission Expense	 <u>144,923</u>	 2.1	 <u>174,412</u> 2.7
			73,068 1.0
 <b><u>Distribution</u></b>			
Operation Supervision	11,448	11,244	8,567
Load Dispatching	31,581	30,165	29,377
Station Expense	6,973	3,283	7,154
Overhead Line Expense	6,679	262	9,408
Vehicle Expense	16,497	13,497	20,981
Underground Line Expense	3,671	3,011	4,659
Street Lighting	1,598	3,411	2,417
Signal Expense	733	285	75
Meter Expense	8,346	8,245	8,431
Consumer Installation Expense	1,211	985	1,905
Miscellaneous Distribution Expense	58,110	46,803	63,982
Maintenance:			
Supervision	10,579	10,185	8,498
Structures	2,795	---	1,691
Station Equipment	9,546	9,744	7,295
Overhead Lines	58,928	43,003	50,705
Underground Lines	8,320	5,752	5,238
Line Transformers	3,271	11,834	4,130
Street Lighting	5,612	1,657	9,461
Signal System	2,102	3,149	5,723
Meters	2,527	175	(693)
Miscellaneous Distribution Plant	3,007	1,329	1,225
Vacation, Holiday, Sick Leave	21,301	23,085	18,170
Depreciation	152,683	152,158	148,879
Tax on Rural Property	<u>1,674</u>	<u>1,674</u>	<u>1,739</u>
 Total Distribution Expense	 <u>\$429,192</u>	 6.2	 <u>\$384,936</u> 5.9
			\$419,017 5.9

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Transmission</u></b>			
Operation Supervision	\$23,276	\$21,647	\$15,464
Load Dispatching	44,276	268,957	47,109
Station Expense	46,271	46,477	42,083
Overhead Line Expense	441	2,422	870
Transmission of Electricity by Others	---	15,534	---
Miscellaneous Transmission Expense	71,319	37,104	55,064
Maintenance:			
Supervision	12,046	9,306	10,186
Structures	6,494	---	---
Station Equipment	35,538	22,673	30,264
Overhead Lines	92,385	94,959	42,629
Vacation, Holiday, Sick Leave	33,847	29,687	31,757
Depreciation	183,858	183,750	183,552
Tax on Rural Property	<u>33,634</u>	<u>33,722</u>	<u>33,701</u>
Total Transmission Expense	<u>583,385</u>	<u>1.3</u>	<u>492,679</u> 1.3
<b><u>Distribution</u></b>			
Operation Supervision	67,154	55,282	60,857
Load Dispatching	192,147	174,748	181,425
Station Expense	42,600	44,476	43,743
Overhead Line Expense	26,373	7,892	21,946
Vehicle Expense	99,010	79,184	92,519
Underground Line Expense	20,111	16,372	15,947
Street Lighting	9,289	17,668	13,238
Signal Expense	6,440	1,701	873
Meter Expense	52,610	55,283	52,843
Consumer Installation Expense	7,061	8,503	9,655
Miscellaneous Distribution Expense	346,687	314,987	322,631
Maintenance:			
Supervision	61,695	49,193	57,458
Structures	6,626	---	1,691
Station Equipment	58,539	40,305	58,067
Overhead Lines	352,442	276,074	307,930
Underground Lines	50,101	35,775	27,419
Line Transformers	30,154	37,173	40,955
Street Lighting	31,570	19,819	31,302
Signal System	13,633	20,440	29,666
Meters	13,529	7,354	11,088
Miscellaneous Distribution Plant	18,043	14,059	11,244
Vacation, Holiday, Sick Leave	156,431	147,806	151,983
Depreciation	916,100	912,948	893,274
Tax on Rural Property	<u>10,047</u>	<u>10,085</u>	<u>10,083</u>
Total Distribution Expense	<u>\$2,588,392</u>	<u>5.9</u>	<u>\$2,347,127</u> 6.9 <u>\$2,447,837</u> 6.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - June 2012**

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Customer Service Expense</u></b>			
Customer Information Expense	\$32,314	\$14,331	15,305
Energy Efficiency Rebates	21,788	7,026	8,643
Electric Ranges/Dryers Maintenance	458	822	789
Electric Water Heaters Maintenance	154	42	859
 Total Customer Service Expense	 54,714	 0.8	 22,221
	 0.3	 25,596	 0.4
 <b><u>Consumer Accounts</u></b>			
Supervision	1,955	2,047	2,281
Meter Reading Expense	8,429	7,257	8,228
Consumer Records and Collection	31,501	29,396	29,548
Uncollectible Accounts Expense	2,402	2,403	1,942
Vacation, Holiday, Sick Leave	3,160	3,937	3,237
 Total Consumer Accounts Expense	 47,447	 0.7	 45,040
	 0.7	 45,236	 0.6
 <b><u>Administrative and General</u></b>			
Administrative and General Salaries	168,405	163,858	160,863
Office Supplies and Expenses	17,987	19,416	13,477
Outside Services Employed	64,772	51,377	55,403
Property Insurance	46,880	46,620	38,809
Casualty Ins, Injuries & Damages	37,800	52,063	29,833
Employee Pensions and Benefits	489,989	477,214	476,698
Fringe Benefits Charged to Constr.	(18,725)	(14,878)	(20,120)
Regulatory Commission	4,400	14,371	3,651
Miscellaneous General Expense	30,929	25,845	37,883
Maintenance of General Plant	25,626	21,708	26,705
Maintenance of A/O Center	72,759	27,699	66,746
Vacation, Holiday, Sick Leave	22,481	15,552	20,417
Depreciation	129,396	124,220	121,760
 Total Administrative and General	 1,092,699	 15.7	 1,025,065
	 15.6	 1,032,125	 14.4
 Total Operating Expense	 \$8,340,678	 \$6,914,352	 \$7,930,269
 Percent to Operating Revenue	 120.0	 105.3	 111.0

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - June 2012**

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>
<b><u>Customer Service Expense</u></b>					
Customer Information Expense	\$127,141		\$69,918		105,648
Energy Efficiency Rebates	130,730		108,749		53,962
Electric Ranges/Dryers Maintenance	3,047		2,795		5,732
Electric Water Heaters Maintenance	1,027		550		5,238
 Total Customer Service Expense	<u>\$261,945</u>	0.6	<u>\$182,012</u>	0.5	<u>\$170,580</u> 0.5
 <b><u>Consumer Accounts</u></b>					
Supervision	11,775		12,460		12,244
Meter Reading Expense	51,109		52,767		48,766
Consumer Records and Collection	184,469		171,579		168,316
Uncollectible Accounts Expense	14,415		14,415		11,650
Vacation, Holiday, Sick Leave	23,598		26,503		21,897
 Total Consumer Accounts Expense	<u>285,366</u>	0.7	<u>277,724</u>	0.8	<u>262,873</u> 0.7
 <b><u>Administrative and General</u></b>					
Administrative and General Salaries	1,011,609		945,824		1,001,507
Office Supplies and Expenses	116,698		96,113		83,056
Outside Services Employed	417,463		255,952		378,166
Property Insurance	257,066		256,287		239,463
Casualty Ins, Injuries & Damages	226,803		268,838		278,726
Employee Pensions and Benefits	3,056,898		2,963,248		2,919,332
Fringe Benefits Charged to Constr.	(105,700)		(105,926)		(122,623)
Regulatory Commission	26,400		36,371		21,906
Miscellaneous General Expense	230,328		187,833		188,333
Maintenance of General Plant	156,342		135,154		147,076
Maintenance of A/O Center	246,585		166,217		193,047
Vacation, Holiday, Sick Leave	164,961		155,885		150,352
Depreciation	776,377		745,320		730,560
 Total Administrative and General	<u>6,581,830</u>	15.1	<u>6,107,116</u>	18.0	<u>6,208,901</u> 16.5
 Total Operating Expense	<u><u>\$49,084,368</u></u>		<u><u>\$37,217,848</u></u>		<u><u>\$46,352,685</u></u>
 Percent to Operating Revenue		112.7		109.8	123.4

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**June 2012**

**Per KWH Delivered to Wholesale Customers**

	Current Month <u>2012 Budget</u>	Current Month <u>2012 Actual</u>	Current Month <u>2011 Actual</u>	Year-To-Date <u>2012 Budget</u>	Year-To-Date <u>2012 Actual</u>	Year-To-Date <u>2011 Actual</u>
Wholesale Sales KWHs	<u>81,266,400</u>	<u>59,080,324</u>	<u>78,138,884</u>	<u>503,824,224</u>	<u>242,600,467</u>	<u>338,951,825</u>
Wholesale Sales	<u>\$0.03822</u>	<u>\$0.02774</u>	<u>\$0.03468</u>	<u>\$0.03511</u>	<u>\$0.02569</u>	<u>\$0.03312</u>
Less:						
Generation	<u>0.05084</u>	<u>0.05252</u>	<u>0.04557</u>	<u>0.04503</u>	<u>0.06549</u>	<u>0.06281</u>
Transmission	<u>0.00178</u>	<u>0.00295</u>	<u>0.00094</u>	<u>0.00116</u>	<u>0.00316</u>	<u>0.00145</u>
Subtotal	<u>0.05262</u>	<u>0.05547</u>	<u>0.04651</u>	<u>0.04619</u>	<u>0.06865</u>	<u>0.06426</u>
Wholesale Margin	<u>(\$0.01440)</u>	<u>(\$0.02773)</u>	<u>(\$0.01183)</u>	<u>(\$0.01108)</u>	<u>(\$0.04296)</u>	<u>(\$0.03114)</u>

**Per KWH Delivered to Paying Native System Customers**

	Current Month <u>2012 Budget</u>	Current Month <u>2012 Actual</u>	Current Month <u>2011 Actual</u>	Year-To-Date <u>2012 Budget</u>	Year-To-Date <u>2012 Actual</u>	Year-To-Date <u>2011 Actual</u>
Native System Sales KWHs	<u>67,710,710</u>	<u>70,169,976</u>	<u>70,707,403</u>	<u>401,677,730</u>	<u>406,564,635</u>	<u>409,637,646</u>
Native System Sales	<u>\$0.05515</u>	<u>\$0.05515</u>	<u>\$0.05217</u>	<u>\$0.05447</u>	<u>\$0.05420</u>	<u>\$0.05184</u>
Less:						
Purchased Power	<u>0.03568</u>	<u>0.02229</u>	<u>0.03182</u>	<u>0.03415</u>	<u>0.02102</u>	<u>0.03015</u>
Distribution	<u>0.00634</u>	<u>0.00549</u>	<u>0.00593</u>	<u>0.00644</u>	<u>0.00577</u>	<u>0.00598</u>
Customer Service	<u>0.00081</u>	<u>0.00032</u>	<u>0.00036</u>	<u>0.00065</u>	<u>0.00045</u>	<u>0.00042</u>
Consumers Accounts	<u>0.00070</u>	<u>0.00064</u>	<u>0.00064</u>	<u>0.00071</u>	<u>0.00068</u>	<u>0.00064</u>
Administrative & General	<u>0.01614</u>	<u>0.01461</u>	<u>0.01460</u>	<u>0.01639</u>	<u>0.01502</u>	<u>0.01516</u>
Subtotal	<u>0.05967</u>	<u>0.04334</u>	<u>0.05334</u>	<u>0.05834</u>	<u>0.04294</u>	<u>0.05234</u>
Native System Margin	<u>(0.00452)</u>	<u>0.01181</u>	<u>(0.00117)</u>	<u>(0.00387)</u>	<u>0.01125</u>	<u>(0.00050)</u>
Wholesale Margin	<u>(0.01728)</u>	<u>(0.02335)</u>	<u>(0.01307)</u>	<u>(0.01389)</u>	<u>(0.02564)</u>	<u>(0.02577)</u>
Net Electric Margin before Steam Sales	<u>(\$0.02180)</u>	<u>(\$0.01154)</u>	<u>(\$0.01424)</u>	<u>(\$0.01777)</u>	<u>(\$0.01438)</u>	<u>(\$0.02627)</u>
Net Electric Margin after Steam Sales	<u>(\$0.02216)</u>	<u>(\$0.00719)</u>	<u>(\$0.01188)</u>	<u>(\$0.01524)</u>	<u>(\$0.01036)</u>	<u>(\$0.02277)</u>

**Total Fuel Cost**  
 (To & Including Ash Handling, Gas & Oil)

	Current Month		Calendar Year-To-Date	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Per Million Btu.	<u>\$1.932</u>	<u>\$1.805</u>	<u>\$1.908</u>	<u>\$1.653</u>
Per Net MW Generated	<u>\$21.57</u>	<u>\$19.48</u>	<u>\$21.30</u>	<u>\$18.05</u>
Net Peak Monthly Demand-KW	<u>137,530</u>	<u>136,500</u>	<u>137,530</u>	<u>136,500</u>
Date of Peak	<u>6/28</u>	<u>6/6</u>	<u>6/28</u>	<u>6/6</u>
Hour of Peak	<u>1300</u>	<u>1600</u>	<u>1300</u>	<u>1600</u>
Average Temperature	<u>71.8°</u>	<u>70°</u>		
<b>Services</b>	<b><u>2012</u></b>	<b><u>2011</u></b>		
Residential	<u>9,718</u>	<u>9,678</u>		
Commercial I	<u>1,391</u>	<u>1,387</u>		
Commercial II	<u>116</u>	<u>118</u>		
Industrial I	<u>11</u>	<u>11</u>		
Industrial II	<u>2</u>	<u>2</u>		
City Enterprise Funds	<u>22</u>	<u>22</u>		
Water & Communications Utility	<u>33</u>	<u>32</u>		
Total	<u>11,293</u>	<u>11,250</u>		

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis**  
**Current Month - June 2012**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b>81,266,400</b>		<b>59,080,324</b>		<b>78,138,884</b>	
<b>Wholesale Sales</b>	<b>\$3,106,261</b>	<b>\$0.0382</b>	<b>\$1,638,596</b>	<b>\$0.0277</b>	<b>\$2,709,580</b>	<b>\$0.0347</b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	1,754,172	0.0216	1,207,589	0.0204	1,441,718	0.0185
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	13,011	0.0002	27	0.0000	245	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	116,869	0.0014	3,186	0.0001	18,591	0.0002
Other <sup>fn4</sup>	196,292	0.0024	192,761	0.0033	278,856	0.0036
Total Variable Costs	2,080,344	0.0256	1,403,563	0.0238	1,739,410	0.0223
<b>Gross Margin</b>	<b>\$1,025,917</b>	<b>\$0.0126</b>	<b>\$235,033</b>	<b>\$0.0040</b>	<b>\$970,170</b>	<b>\$0.0124</b>
Percent Gross Margin	33.0%		14.3%		35.8%	

**Calendar Year To Date**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b>503,824,224</b>		<b>242,600,467</b>		<b>338,951,825</b>	
<b>Wholesale Sales</b>	<b>\$17,689,371</b>	<b>\$0.0351</b>	<b>\$6,231,696</b>	<b>\$0.0257</b>	<b>\$11,225,606</b>	<b>\$0.0331</b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	10,027,844	0.0199	4,737,548	0.0195	6,157,746	0.0182
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	156,936	0.0003	239	0.0000	2,351	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	425,896	0.0008	15,382	0.0001	120,040	0.0004
Other <sup>fn4</sup>	1,177,752	0.0023	1,160,481	0.0048	1,655,516	0.0049
Total Variable Costs	11,788,428	0.0234	5,913,650	0.0244	7,935,653	0.0234
<b>Gross Margin</b>	<b>\$5,900,943</b>	<b>\$0.0117</b>	<b>\$318,046</b>	<b>\$0.0013</b>	<b>\$3,289,953</b>	<b>\$0.0097</b>
Percent Gross Margin	33.4%		5.1%		29.3%	

**fn1** CSAPR was to be in place 1/1/12 and allowances granted were expected to meet our native system electric needs.

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

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
fn2 SO <sup>2</sup> (Acid Rain Program)	\$2.00	\$0.75	\$4.00
YTD SO <sup>2</sup>	30.00	1.49	7.07
fn2 SO <sup>2</sup> (CSAPR)	1,000.00	—	—
fn3 NO <sub>x</sub> annual	500.00	37.50	142.50
NO <sub>x</sub> seasonal	1,300.00	5.00	15.00
fn3 YTD NO <sub>x</sub> annual	400.00	46.09	247.36
YTD NO <sub>x</sub> seasonal	50.00	5.00	14.84

**fn4** Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.