

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
June 2012

**Muscatine Power and Water
Electric Utility**

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
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><u>81,266,400</u></u>	(27.3)	<u><u>59,080,324</u></u>	(24.4)	<u><u>78,138,884</u></u>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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>	(7.9)	<u>1,226,387</u>	(3.9)	<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>	(11.2)	<u>3,197,251</u>	(31.0)	<u>4,636,614</u>
Total Native System KWH Distributed/Purchased Power	<u><u>72,037,185</u></u>	3.8	<u><u>74,762,324</u></u>	(2.1)	<u><u>76,374,884</u></u>
<u>STEAM SALES - 1000 lbs</u>					
	<u><u>---</u></u>	---	<u><u>252,433</u></u>	21.6	<u><u>207,598</u></u>

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

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	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	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>
<u>Net Capacity Factors</u>					
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
<u>KWH Distribution</u>					
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>
 <u>STEAM SALES - 1000 lbs</u>					
	<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 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	\$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	6,840,398		5,508,526		6,398,509	
Steam Sales	---	---	901,103	3.57	691,931	3.33
<u>Other Revenue</u>						
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	112,488		158,186		54,757	
Operating Revenue	6,952,886		6,567,815		7,145,197	
<u>Operating Expense</u>						
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	8,340,678		6,914,352		7,930,269	
Operating Loss	(1,387,792)		(346,537)		(785,072)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	122,595		101,599		111,523	
Interest Expense	(93,913)		(115)		(63,270)	
Total Nonoperating Revenue (Expense)	28,682		101,484		48,253	
Net Loss Before Revenue Adjustment and Capital Contributions	(1,359,110)		(245,053)		(736,819)	
Capital Contributions	---		10,443		---	
Revenue Adjustment-Extraordinary O&M	---		---		15,155,162	
Change in Net Assets	(1,359,110)		(234,610)		14,418,343	
Beginning Net Assets	158,357,067		163,928,274		158,099,527	
Ending Net Assets	\$156,997,957		\$163,693,664		\$172,517,870	
Net Income (Loss) to Total Income Before Revenue Adj	(19.2)		(3.7)		(10.2)	
Net Income (Loss) to Total Income Afer 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>
<u>Sales of Electricity</u>						
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	372,876	0.0472	358,124	0.0497	357,565	0.0485
Native System Sales	21,879,345	0.0545	22,034,342	0.0542	21,234,881	0.0518
Wholesale Sales	17,689,371	0.0351	6,231,696	0.0257	11,225,606	0.0331
Energy Sales	39,568,716		28,266,038		32,460,487	
<u>Steam Sales</u>	3,396,091	4.61	4,740,252	3.65	4,564,394	3.49
<u>Other Revenue</u>						
Rail Car Lease	200,000		420,535		219,956	
By-Product Revenue	102,786		136,969		51,763	
Miscellaneous Revenue	266,741		326,675		274,130	
Total Other Revenue	569,527		884,179		545,849	
Operating Revenue	43,534,334		33,890,469		37,570,730	
<u>Operating Expense</u>						
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	5,616,131		5,576,172		5,529,636	
Total Operating Expense	49,084,368		37,217,848		46,352,685	
Operating Loss	(5,550,034)		(3,327,379)		(8,781,955)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	734,208		634,123		674,387	
Interest Expense	(563,481)		(783)		(380,909)	
Total Nonoperating Revenue (Expense)	170,727		633,340		293,478	
Net Loss Before Revenue Adjustment and Capital Contributions	(5,379,307)		(2,694,039)		(8,488,477)	
Capital Contributions	---		10,443		8,873	
Revenue Adjustment-Extraordinary O & M	---		4,000,000		17,155,162	
Change in Net Assets	(5,379,307)		1,316,404		8,675,558	
Beginning Net Assets	162,377,260		162,377,260		163,842,312	
Ending Net Assets	\$156,997,953		\$163,693,664		\$172,517,870	
Net Income (Loss) to Total Income Before Revenue Adj	(12.2)		(7.8)		(22.2)	
Net Income (Loss) to Total Income Afer 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>
Current Assets:		
<u>Restricted</u>		
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
	<hr/>	<hr/>
<u>Unrestricted</u>		
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
	<hr/>	<hr/>
Property and Equipment:		
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
	<hr/>	<hr/>
Other Assets:		
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/>
 TOTAL ASSETS	 <u><u>\$177,238,713</u></u>	 <u><u>\$194,014,065</u></u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
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	---	364,925
Total Restricted Current Liabilities	---	13,635,577
<u>Unrestricted</u>		
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	52,850
Total Unrestricted Current Liabilities	5,434,094	5,849,137
Total Current Liabilities	5,434,094	19,484,714
Non-Current Liabilities:		
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	2,078,089	2,011,481
Deferred Revenue - Extraordinary O & M	6,032,866	15,155,162
Net Assets:		
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	53,040,859
Total Net Assets	163,693,664	157,362,708
TOTAL LIABILITIES AND NET ASSETS	<u>\$177,238,713</u>	<u>\$194,014,065</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
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
Cash paid to/for:		
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	(1,426,981)	(10,100,610)
Net cash flows from operating activities	<u>204,464</u>	<u>2,060,176</u>
Cash flows from capital and related financing activities:		
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>
Cash flows from investing activities:		
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	(6,125)	(12,089)
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><u>\$10,491,569</u></u>	<u><u>\$10,491,569</u></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>
Reconciliation of operating loss to net cash flows from operating activities		
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>\$204,464</u>	<u>\$2,060,176</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>	<u>---</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u><u>\$6,100,440</u></u>	 <u><u>\$7,832,433</u></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>	
<u>Purchased Power</u>	<u>\$2,415,996</u>	34.7	<u>\$1,563,924</u>	23.8	<u>\$2,249,769</u>	31.5
Average price per kWh	\$0.0335		\$0.0209		\$0.0295	
<u>Generation</u>						
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	<u>623,299</u>		<u>622,359</u>		<u>620,375</u>	
Total Generation Expense	<u>\$4,155,707</u>	59.8	<u>\$3,698,754</u>	56.3	<u>\$4,085,458</u>	57.2

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

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$13,717,430</u>	31.5	<u>\$8,545,185</u>	25.2	<u>\$12,350,704</u>	32.9
Average price per kWh	\$0.0327		\$0.0200		\$0.0287	
<u>Generation</u>						
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>	57.6	<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>	
<u>Transmission</u>						
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	5,606		5,606		5,822	
Total Transmission Expense	144,923	2.1	174,412	2.7	73,068	1.0
<u>Distribution</u>						
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	1,674		1,674		1,739	
Total Distribution Expense	\$429,192	6.2	\$384,936	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>	
<u>Transmission</u>						
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	33,634		33,722		33,701	
Total Transmission Expense	583,385	1.3	766,238	2.3	492,679	1.3
<u>Distribution</u>						
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	10,047		10,085		10,083	
Total Distribution Expense	\$2,588,392	5.9	\$2,347,127	6.9	\$2,447,837	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>	
<u>Customer Service Expense</u>						
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
<u>Consumer Accounts</u>						
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
<u>Administrative and General</u>						
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	<u>\$8,340,678</u>		<u>\$6,914,352</u>		<u>\$7,930,269</u>	
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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
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	<u>1,027</u>		<u>550</u>		<u>5,238</u>	
Total Customer Service Expense	<u>\$261,945</u>	0.6	<u>\$182,012</u>	0.5	<u>\$170,580</u>	0.5
<u>Consumer Accounts</u>						
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	<u>23,598</u>		<u>26,503</u>		<u>21,897</u>	
Total Consumer Accounts Expense	<u>285,366</u>	0.7	<u>277,724</u>	0.8	<u>262,873</u>	0.7
<u>Administrative and General</u>						
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	<u>776,377</u>		<u>745,320</u>		<u>730,560</u>	
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>\$49,084,368</u>		<u>\$37,217,848</u>		<u>\$46,352,685</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

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

Per KWH Delivered to Paying Native System Customers

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

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

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

**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>
<u>Wholesale kWh Sales</u>	<u>81,266,400</u>		<u>59,080,324</u>		<u>78,138,884</u>	
<u>Wholesale Sales</u>	<u>\$3,106,261</u>	<u>\$0.0382</u>	<u>\$1,638,596</u>	<u>\$0.0277</u>	<u>\$2,709,580</u>	<u>\$0.0347</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,754,172	0.0216	1,207,589	0.0204	1,441,718	0.0185
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	13,011	0.0002	27	0.0000	245	0.0000
NO _x Allowances ^{fn3}	116,869	0.0014	3,186	0.0001	18,591	0.0002
Other ^{fn4}	<u>196,292</u>	<u>0.0024</u>	<u>192,761</u>	<u>0.0033</u>	<u>278,856</u>	<u>0.0036</u>
Total Variable Costs	<u>2,080,344</u>	<u>0.0256</u>	<u>1,403,563</u>	<u>0.0238</u>	<u>1,739,410</u>	<u>0.0223</u>
Gross Margin	<u>\$1,025,917</u>	<u>\$0.0126</u>	<u>\$235,033</u>	<u>\$0.0040</u>	<u>\$970,170</u>	<u>\$0.0124</u>
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>
<u>Wholesale kWh Sales</u>	<u>503,824,224</u>		<u>242,600,467</u>		<u>338,951,825</u>	
<u>Wholesale Sales</u>	<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>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	10,027,844	0.0199	4,737,548	0.0195	6,157,746	0.0182
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	156,936	0.0003	239	0.0000	2,351	0.0000
NO _x Allowances ^{fn3}	425,896	0.0008	15,382	0.0001	120,040	0.0004
Other ^{fn4}	<u>1,177,752</u>	<u>0.0023</u>	<u>1,160,481</u>	<u>0.0048</u>	<u>1,655,516</u>	<u>0.0049</u>
Total Variable Costs	<u>11,788,428</u>	<u>0.0234</u>	<u>5,913,650</u>	<u>0.0244</u>	<u>7,935,653</u>	<u>0.0234</u>
Gross Margin	<u>\$5,900,943</u>	<u>\$0.0117</u>	<u>\$318,046</u>	<u>\$0.0013</u>	<u>\$3,289,953</u>	<u>\$0.0097</u>
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 ² (Acid Rain Program)	\$2.00	\$0.75	\$4.00
YTD SO ²	30.00	1.49	7.07
fn2 SO ² (CSAPR)	1,000.00	—	—
fn3 NO _x annual	500.00	37.50	142.50
NO _x seasonal	1,300.00	5.00	15.00
fn3 YTD NO _x annual	400.00	46.09	247.36
YTD NO _x 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.