

**Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
November 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 - November 2012

	<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	73,338,120	40.5	103,011,050	1.1X	48,189,650
Less: Plant Use	6,331,320	62.4	10,279,826	64.4	6,252,351
Net Generation/Wholesale Sales	<u>67,006,800</u>	38.4	<u>92,731,224</u>	1.2X	<u>41,937,299</u>
<u>Net Capacity Factors</u>					
Unit 9	55.00	15.3	63.44	1.9X	21.94
Unit 8/8A	---	---	59.16	58.6	37.30
Unit 7	15.00	-1.0X	---	-1.0X	25.89
Total Plant	40.43	38.5	56.01	1.2X	25.24
<u>KWH Distribution</u>					
Residential	6,884,155	8.1	7,440,615	8.1	6,881,886
Commercial I	2,822,245	3.5	2,920,069	7.1	2,726,944
Commercial II	8,274,594	(8.4)	7,580,744	(2.8)	7,802,759
Industrial I	8,831,833	4.1	9,197,360	4.6	8,793,320
Industrial II	36,772,980	1.9	37,487,714	(5.3)	39,580,907
City Enterprise Funds	452,511	(30.2)	315,674	(19.5)	392,320
Water & Communications Utilities	<u>1,274,745</u>	(8.7)	<u>1,163,322</u>	(7.8)	<u>1,261,413</u>
Native System Sales	65,313,063	1.2	66,105,498	(2.0)	67,439,549
City Lighting	161,007	3.8	167,134	1.9	163,998
City Buildings	461,349	8.1	498,689	15.8	430,650
Offline Power Plant Usage	248,640	(1.2)	245,564	(72.3)	885,202
Losses & Cycle Billing	<u>2,125,858</u>	(25.5)	<u>1,584,676</u>	(18.2)	<u>1,937,582</u>
Total Native System KWH Distributed/Purchased Power	<u>68,309,917</u>	0.4	<u>68,601,561</u>	(3.2)	<u>70,856,981</u>
<u>STEAM SALES - 1000 lbs</u>					
	<u>---</u>	---	<u>179,129</u>	(30.2)	<u>256,747</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - November 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	1,022,307,047	(32.4)	690,947,013	(19.8)	861,730,331
Less: Plant Use	<u>97,704,105</u>	(14.6)	<u>83,483,280</u>	(8.3)	<u>90,994,311</u>
Net Generation/Wholesale Sales	<u>924,602,942</u>	(34.3)	<u>607,463,733</u>	(21.2)	<u>770,736,020</u>
<u>Net Capacity Factors</u>					
Unit 9	62.23	(44.3)	34.69	(15.8)	41.22
Unit 8/8A	15.41	1.5X	38.11	(22.7)	49.28
Unit 7	29.45	(64.3)	10.52	(64.9)	29.95
Total Plant	49.96	(34.3)	32.82	(21.2)	41.65
<u>KWH Distribution</u>					
Residential	91,893,156	6.4	97,787,453	(0.6)	98,414,462
Commercial I	35,553,405	(0.3)	35,432,631	(1.3)	35,916,508
Commercial II	95,368,317	(3.5)	91,990,317	(2.3)	94,146,118
Industrial I	106,289,542	1.7	108,135,400	(2.4)	110,823,140
Industrial II	405,874,037	1.3	411,280,241	(0.7)	414,263,373
City Enterprise Funds	5,188,789	(27.7)	3,749,576	(22.0)	4,809,983
Water & Communications Utilities	<u>14,673,132</u>	(6.9)	<u>13,665,874</u>	(3.8)	<u>14,203,631</u>

Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - November 2012

	<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>
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Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - November 2012

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$646,136	0.0939	\$693,547	0.0932	\$588,756	0.0856
Commercial I	232,141	0.0823	239,612	0.0821	219,897	0.0806
Commercial II	502,377	0.0607	462,916	0.0611	472,715	0.0606
Industrial I	501,598	0.0568	492,960	0.0536	463,182	0.0527
Industrial II	1,747,328	0.0475	1,764,035	0.0471	1,769,817	0.0447
City Enterprise Funds	26,515	0.0586	20,239	0.0641	22,277	0.0568
Water & Communication Utilities	61,406	0.0482	61,617	0.0530	62,436	0.0495
Native System Sales	3,717,501	0.0569	3,734,926	0.0565	3,599,080	0.0534
Wholesale Sales	1,595,220	0.0238	2,527,927	0.0273	906,167	0.0216
Energy Sales	5,312,721		6,262,853		4,505,247	
Steam Sales	---		661,787	3.69	939,828	3.66
<u>Other Revenue</u>						
Rail Car Lease	33,333		183,820		—	
By-Product Revenue	10,366		16,406		21,474	
Miscellaneous Revenue	47,403		53,347		52,747	
Total Other Revenue	91,102		253,573		74,221	
Operating Revenue	5,403,823		7,178,213		5,519,296	
<u>Operating Expense</u>						
Purchased Power	1,503,219	0.0220	1,636,947	0.0239	1,369,924	0.0193
Production Fuel	1,566,046		2,246,443		1,413,646	
Emissions Allowance	—		20,711		6,051	
Operation	1,922,173		1,853,179		1,678,037	
Maintenance	850,871		531,857		763,619	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	6,778,330		7,218,499		6,152,883	
Operating Loss	(1,374,507)		(40,286)		(633,587)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	123,049		104,576		106,132	
Interest Expense	(93,913)		(22)		(63,397)	
Total Nonoperating Revenue (Expense)	29,136		104,554		42,735	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,345,371)		64,268		(590,852)	
Capital Contributions	—		—		—	
Revenue Adjustment-Extraordinary O&M	—		—		—	
Change in Net Position	(1,345,371)		64,268		(590,852)	
Beginning Net Position	155,745,116		164,173,434		173,428,569	
Ending Net Position	\$154,399,745		\$164,237,702		\$172,837,717	
Net Income (Loss) to Total Income Before Revenue Adj	(24.3)		0.9		(10.5)	
Net Income (Loss) to Total Income After Revenue Adj	(24.3)		0.9		(10.5)	
Debt Service Coverage Before Revenue Adj	(3.50)		N/A		0.35	
Debt Service Coverage After Revenue Adj	(3.50)		N/A		0.35	

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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$7,910,336	0.0861	\$8,387,617	0.0858	\$7,637,862	0.0776
Commercial I	2,860,674	0.0805	2,855,402	0.0806	2,827,580	0.0787
Commercial II	5,711,996	0.0599	5,504,135	0.0598	5,523,809	0.0587
Industrial I	5,744,166	0.0540	5,625,199	0.0520	5,541,917	0.0500
Industrial II	18,632,840	0.0459	18,831,890	0.0458	18,233,659	0.0440
City Enterprise Funds	293,582	0.0566	231,402	0.0617	272,800	0.0567
Water & Communications Utilities	698,071	0.0476	685,930	0.0502	686,126	0.0483
Native System Sales	41,851,665	0.0554	42,121,575	0.0553	40,723,753	0.0527
Wholesale Sales	32,980,693	0.0357	17,321,911	0.0285	25,881,406	0.0336
Energy Sales	74,832,358		59,443,486		66,605,159	
<u>Steam Sales</u>	6,151,798	4.96	8,708,192	3.62	8,855,763	3.47
<u>Other Revenue</u>						
Rail Car Lease	366,667		780,765		348,638	
By-Product Revenue	244,704		511,018		307,602	
Miscellaneous Revenue	474,398		563,974		568,879	
Total Other Revenue	1,085,769		1,855,757		1,225,119	
Operating Revenue	82,069,925		70,007,435		76,686,041	
<u>Operating Expense</u>						
Purchased Power	25,716,727	0.0327	17,591,951	0.0221	23,208,849	0.0287
Production Fuel	22,943,532		17,915,843		20,489,401	
Emissions Allowance	—		81,417		294,448	
Operation	20,742,662		19,355,673		18,614,022	
Maintenance	10,663,768		8,143,300		12,621,282	
Depreciation	10,296,245		10,222,982		10,137,666	
Total Operating Expense	90,362,934		73,311,166		85,365,668	
Operating Loss	(8,293,009)		(3,303,731)		(8,679,627)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,348,542		1,153,658		1,205,786	
Interest Expense	(1,033,048)		(1,428)		(696,792)	
Gain on Land Disposal	—		—		490	
Total Nonoperating Revenue (Expense)	315,494		1,152,230		509,484	
Net Loss Before Revenue Adjustment and Capital Contributions	(7,977,515)		(2,151,501)		(8,170,143)	
Capital Contributions	—		11,943		10,386	
Revenue Adjustment-Extraordinary O & M	—		4,000,000		17,155,162	
Change in Net Position	(7,977,515)		1,860,442		8,995,405	
Beginning Net Position	162,377,260		162,377,260		163,842,312	
Ending Net Position	\$154,399,745		\$164,237,702		\$172,837,717	
Net Income (Loss) to Total Income Before Revenue Adj	(9.6)		(3.0)		(10.5)	
Net Income (Loss) to Total Income After Revenue Adj	(9.6)		2.6		11.6	
Debt Service Coverage Before Revenue Adj	3.37		N/A		0.22	
Debt Service Coverage After Revenue Adj	3.37		N/A		1.55	

Muscatine Power and Water - Electric Utility
Statement of Net Position
November 2012

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$2,059,456
Investments	---	<u>5,348,975</u>
	<u>6,032,610</u>	<u>7,408,431</u>
<u>Unrestricted</u>		
Cash - interest bearing	8,765,410	15,724,503
Investments	---	---
Receivables:		
Consumer Accounts	4,870,180	5,120,002
Wholesale	517,949	2,276
Steam Sales	710,261	1,152,573
Interest	519,684	569,163
Intercompanies	---	22,228
Inventories	6,964,117	6,547,806
Fuel	13,847,574	14,930,092
Prepaid Pension	187,324	154,705
Prepaid Expenses	503,963	<u>490,176</u>
	<u>36,886,462</u>	<u>44,713,524</u>
	<u>42,919,072</u>	<u>52,121,955</u>
Property and Equipment:		
At Cost	409,605,097	407,748,742
Less Accumulated Depreciation	<u>311,055,022</u>	<u>301,294,931</u>
	<u>98,550,075</u>	<u>106,453,811</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>116,964</u>	<u>131,139</u>
	<u>35,443,964</u>	<u>35,458,139</u>
TOTAL ASSETS	<u><u>\$176,913,111</u></u>	<u><u>\$194,033,905</u></u>

Muscatine Power and Water - Electric Utility
Statement of Net Position
November 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$6,140 in 2011 and Less Deferred Amount on Refunding of \$6,029 in 2011	---	\$13,270,111
Accrued Interest	---	304,104
Total Restricted Current Liabilities	---	<u>13,574,215</u>
<u>Unrestricted</u>		
Accounts Payable	1,457,055	2,383,108
Intercompanies	143,751	---
Health & Dental Insurance Provision	196,533	233,632
Accrued Payroll	283,944	170,278
Accrued Vacation	1,094,511	1,066,245
Accrued Emission Allowance Expense	334,807	276,631
Consumers' Deposits	577,674	590,832
Accrued Property Taxes	98,431	94,051
Miscellaneous Accrued Expenses	537,272	759,662
Miscellaneous Deferred Credits	<u>13,850</u>	<u>52,850</u>
Total Unrestricted Current Liabilities	<u>4,737,828</u>	<u>5,627,289</u>
Total Current Liabilities	<u>4,737,828</u>	<u>19,201,504</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,557,587	1,856,633
Post-Employment Health Benefit Provision	166,758	138,051
Consumer Advances for Construction	<u>180,370</u>	---
Total Non-Current Liabilities	<u>1,904,715</u>	<u>1,994,684</u>
Deferred Revenue - Extraordinary O & M	<u>6,032,866</u>	---
Net Position:		
Invested in capital assets, net of related debt	98,550,075	93,185,973
Restricted	6,032,610	7,104,327
Unrestricted	<u>59,655,017</u>	<u>72,547,417</u>
Total Net Position	<u>164,237,702</u>	<u>172,837,717</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$176,913,111</u>	<u>\$194,033,905</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,809,484	\$41,961,790
MISO sales	1,228,787	16,760,584
Steam sales	829,540	8,929,874
Coal & transportation allowances	3,348	310,901
Railcar leasing	—	631,460
By-product sales	59,356	539,290
Miscellaneous sources	91,734	869,134
Cash paid to/for:		
Suppliers	(708,553)	(8,347,594)
MISO purchases/administration fees	(1,497,824)	(17,521,478)
Coal	(1,596,386)	(16,002,568)
Employees payroll, taxes and benefits	<u>(2,578,684)</u>	<u>(20,701,252)</u>
Net cash flows from operating activities	<u>(359,198)</u>	<u>7,430,141</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(219,155)</u>	<u>(3,297,606)</u>
Bond principal payments	—	---
Bond interest payments	—	---
Net cash flows from capital and related financing activities	<u>(219,155)</u>	<u>(3,297,606)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	—	(88,833)
Interest received on investments and note receivable	641	655,672
Amortization/accretion of investments	—	424
Mark to market	—	<u>(18,126)</u>
Net cash flows from investing activities	<u>641</u>	<u>549,137</u>
Net increase (decrease) in cash and investments	<u>(577,712)</u>	<u>4,681,672</u>
Cash and investments at beginning of period	<u>15,375,732</u>	<u>10,116,348</u>
Cash and investments at end of period	<u>\$14,798,020</u>	<u>\$14,798,020</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
November 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	(\$40,286)	(\$3,303,731)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	10,222,982
Amortization of joint venture rights	8,540	95,089
Changes in assets and liabilities:		
Consumer accounts receivable	(6,455)	125,340
Wholesale receivable	(515,423)	(322,512)
Steam sales receivable	394,617	445,748
Intercompany receivable	169,916	169,573
Inventories	(364,825)	(222,993)
Fuel	606,582	1,771,196
Prepaid expenses	77,437	(6,192)
Accounts payable	(927,861)	(1,073,728)
Pension provision	(556,747)	(187,324)
Health & dental insurance provision	(100,603)	(313,830)
Other post-employment benefit provision	7,417	26,767
Accrued payroll	111,521	(21,735)
Accrued vacation	55,796	33,790
Accrued emission allowance expense	(7,706)	53,000
Consumers' deposits	(6,354)	(13,591)
Retained percentage	(10,000)	---
Accrued property taxes	7,792	(8,395)
Miscellaneous accrued expenses	(191,918)	(313)
Miscellaneous deferred credits	---	<u>(39,000)</u>
Net cash flows from operating activities	<u><u>(\$359,198)</u></u>	<u><u>\$7,430,141</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	---	\$7,408,431
Extraordinary Operation & Maintenance Account	<u>6,032,610</u>	---
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$6,032,610</u></u>	<u><u>\$7,408,431</u></u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$1,503,219	27.8	\$1,369,924
Average price per kWh	\$0.0220	\$0.0239	\$0.0193
Generation			
Operation Supervision	81,563	81,621	75,392
Fuel:			
Coal	1,470,050	2,163,181	1,329,252
Fuel Oil	17,587	2,707	13,995
Gas	10,000	13,760	7,560
Coal Handling Expense	63,776	63,738	60,668
Landfill Operation Expense	4,633	3,057	2,171
Emissions Allowance Expense	---	20,711	6,051
Steam Expense:			
Boiler	159,850	93,073	103,487
Pollution Control	45,254	30,198	38,748
Electric Expense	84,646	94,904	95,995
Miscellaneous Steam Power Expense	112,397	113,431	92,071
Maintenance:			
Supervision	85,217	77,322	76,402
Structures	62,832	59,515	54,974
Boiler Plant:			
Boiler	166,192	52,596	170,820
Pollution Control	29,975	17,505	23,262
Electric Plant	69,114	33,986	23,692
System Control	20,129	19,215	17,393
Miscellaneous Steam Plant	61,274	56,772	49,361
Coal Handling Equipment	191,141	38,490	210,397
System Control and Load Dispatch	53,555	28,692	53,982
Vacation, Holiday, Sick Leave	144,759	146,658	142,009
Depreciation	<u>623,299</u>	<u>622,359</u>	<u>620,375</u>
Total Generation Expense	<u>\$3,557,243</u>	65.8	<u>\$3,268,057</u>
		53.4	59.2

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

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	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$25,716,727	31.3	25.1
Average price per kWh	\$0.0327	\$0.0221	\$0.0287
<u>Generation</u>			
Operation Supervision	904,829	834,949	872,424
Fuel:			
Coal	21,760,683	16,882,107	19,236,304
Fuel Oil	195,733	178,970	284,524
Gas	180,000	133,579	176,050
Coal Handling Expense	727,782	658,881	678,731
Landfill Operation Expense	79,334	62,306	113,792
Emissions Allowance Expense	---	81,417	294,448
Steam Expense:			
Boiler	1,289,030	1,043,144	1,138,317
Pollution Control	573,382	371,993	407,539
Electric Expense	1,087,473	1,025,827	992,936
Miscellaneous Steam Power Expense	1,754,634	1,756,664	1,613,127
Maintenance:			
Supervision	898,810	866,068	941,460
Structures	877,523	589,761	737,665
Boiler Plant:			
Boiler	3,109,999	1,974,509	3,477,560
Pollution Control	591,621	740,591	1,132,346
Electric Plant	784,219	451,314	2,468,056
System Control	256,749	185,857	222,840
Miscellaneous Steam Plant	686,450	711,921	619,959
Coal Handling Equipment	1,230,581	805,546	1,157,899
System Control and Load Dispatch	728,257	319,464	533,584
Vacation, Holiday, Sick Leave	1,081,272	1,063,700	1,002,354
Depreciation	<u>6,856,294</u>	<u>6,845,949</u>	<u>6,824,125</u>
Total Generation Expense	<u>\$45,654,655</u>	55.6	53.7
			<u>\$44,926,040</u>
			58.6

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

	Budget <u>Estimate</u>	This Year	Last Year			
<u>Transmission</u>						
Operation Supervision	\$3,936	\$3,834	\$1,599			
Load Dispatching	7,766	65,060	9,784			
Station Expense	6,795	7,585	6,752			
Overhead Line Expense	68	469	769			
Transmission of Electricity by Others	---	2,536	---			
Miscellaneous Transmission Expense	10,516	20,245	19,212			
Maintenance:						
Supervision	2,061	1,862	1,485			
Structures	114	---	---			
Station Equipment	5,030	2,851	3,823			
Overhead Lines	7,760	33,818	1,912			
Vacation, Holiday, Sick Leave	8,770	12,350	7,143			
Depreciation	30,643	30,625	30,592			
Tax on Rural Property	5,606	5,944	5,822			
Total Transmission Expense	<u>89,065</u>	1.6	<u>187,179</u>	2.6	<u>88,893</u>	1.6
<u>Distribution</u>						
Operation Supervision	11,079	10,906	8,949			
Load Dispatching	33,052	28,604	31,261			
Station Expense	6,162	(2,477)	5,530			
Overhead Line Expense	2,684	2,522	5,313			
Vehicle Expense	16,526	16,160	12,768			
Underground Line Expense	3,197	2,503	2,105			
Street Lighting	1,514	4,157	2,226			
Signal Expense	428	---	94			
Meter Expense	8,091	11,196	8,525			
Consumer Installation Expense	1,157	1,353	1,307			
Miscellaneous Distribution Expense	54,899	51,916	49,637			
Maintenance:						
Supervision	10,140	9,921	8,735			
Structures	402	---	---			
Station Equipment	7,770	9,669	8,040			
Overhead Lines	57,405	24,812	48,824			
Underground Lines	8,402	5,095	3,012			
Line Transformers	3,885	7,731	3,237			
Street Lighting	5,098	3,363	2,980			
Signal System	2,725	6,980	3,429			
Meters	2,454	1,325	2,131			
Miscellaneous Distribution Plant	3,007	1,288	2,460			
Vacation, Holiday, Sick Leave	41,236	49,636	31,280			
Depreciation	152,683	152,158	148,879			
Tax on Rural Property	<u>1,674</u>	<u>1,775</u>	<u>1,739</u>			
Total Distribution Expense	<u>\$435,670</u>	8.1	<u>\$400,593</u>	5.6	<u>\$392,461</u>	7.1

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

	Budget				
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Transmission</u>					
Operation Supervision	\$43,210		\$41,192		\$22,215
Load Dispatching	82,325		562,725		124,631
Station Expense	83,652		82,788		89,034
Overhead Line Expense	825		3,219		9,534
Transmission of Electricity by Others	---		29,223		---
Miscellaneous Transmission Expense	127,119		81,083		139,045
Maintenance:					
Supervision	22,402		18,726		17,739
Structures	9,580		---		7,955
Station Equipment	66,653		45,487		51,634
Overhead Lines	126,436		132,333		177,398
Vacation, Holiday, Sick Leave	65,764		60,724		57,626
Depreciation	337,074		336,875		336,512
Tax on Rural Property	<u>61,662</u>		<u>61,628</u>		<u>63,374</u>
Total Transmission Expense	<u>1,026,702</u>	1.3	<u>1,456,003</u>	2.1	<u>1,096,697</u>
					1.4
<u>Distribution</u>					
Operation Supervision	124,305		111,003		106,829
Load Dispatching	358,183		311,870		321,607
Station Expense	77,505		65,089		79,793
Overhead Line Expense	39,793		21,265		52,088
Vehicle Expense	181,599		154,912		160,997
Underground Line Expense	36,667		34,158		29,565
Street Lighting	17,159		16,511		24,460
Signal Expense	9,935		2,511		1,550
Meter Expense	94,645		107,605		95,103
Consumer Installation Expense	12,894		15,686		17,306
Miscellaneous Distribution Expense	633,272		582,280		581,496
Maintenance:					
Supervision	114,307		99,779		102,620
Structures	9,643		---		3,094
Station Equipment	131,543		76,649		105,628
Overhead Lines	727,404		521,227		514,996
Underground Lines	92,205		82,507		51,018
Line Transformers	56,390		61,182		56,069
Street Lighting	58,418		31,118		49,756
Signal System	26,261		53,285		47,602
Meters	25,941		7,929		28,186
Miscellaneous Distribution Plant	33,079		21,682		18,500
Vacation, Holiday, Sick Leave	304,151		297,391		269,346
Depreciation	1,679,518		1,673,738		1,637,669
Tax on Rural Property	<u>18,419</u>		<u>18,413</u>		<u>18,941</u>
Total Distribution Expense	<u>\$4,863,236</u>	5.9	<u>\$4,367,790</u>	6.2	<u>\$4,374,219</u>
					5.7

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Customer Service Expense</u>					
Customer Information Expense	\$18,884		\$8,629		11,964
Energy Efficiency Rebates	21,788		19,598		9,400
Electric Ranges/Dryers Maintenance	488		553		1,679
Electric Water Heaters Maintenance	183		197		268
 Total Customer Service Expense	 41,343	 0.8	 28,977	 0.4	 23,311 0.4
 <u>Consumer Accounts</u>					
Supervision	2,024		1,996		2,155
Meter Reading Expense	8,374		9,589		8,380
Consumer Records and Collection	31,179		30,887		27,364
Uncollectible Accounts Expense	2,403		2,403		1,942
Vacation, Holiday, Sick Leave	6,413		6,485		5,614
 Total Consumer Accounts Expense	 50,393	 0.9	 51,360	 0.7	 45,455 0.8
 <u>Administrative and General</u>					
Administrative and General Salaries	173,880		171,569		144,802
Office Supplies and Expenses	17,076		19,652		16,576
Outside Services Employed	80,019		59,122		60,243
Property Insurance	46,880		46,620		38,808
Casualty Ins, Injuries & Damages	37,801		41,954		16,538
Employee Pensions and Benefits	498,816		484,780		446,645
Fringe Benefits Charged to Constr.	(15,106)		(34,954)		(21,896)
Regulatory Commission	4,400		4,400		22,812
Miscellaneous General Expense	35,493		46,881		33,028
Maintenance of General Plant	25,262		24,292		22,636
Maintenance of A/O Center	23,482		43,449		24,614
Vacation, Holiday, Sick Leave	43,998		47,967		38,216
Depreciation	129,396		124,220		121,760
 Total Administrative and General	 1,101,397	 20.4	 1,079,952	 15.0	 964,782 17.5
 Total Operating Expense	 \$6,778,330		 \$7,218,499		 \$6,152,883
 Percent to Operating Revenue		 125.4		 100.6	
					 111.5

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$219,573	\$98,999	171,608
Energy Efficiency Rebates	244,672	167,766	123,613
Electric Ranges/Dryers Maintenance	5,476	5,051	10,205
Electric Water Heaters Maintenance	1,913	1,014	7,644
 Total Customer Service Expense	 \$471,634	 0.6	 \$313,070
 <u>Consumer Accounts</u>			
Supervision	21,938	22,744	22,616
Meter Reading Expense	93,314	94,908	89,949
Consumer Records and Collection	342,039	329,746	314,208
Uncollectible Accounts Expense	26,427	26,428	21,358
Vacation, Holiday, Sick Leave	46,146	49,856	43,594
 Total Consumer Accounts Expense	 529,864	 0.6	 491,725
 <u>Administrative and General</u>			
Administrative and General Salaries	1,881,450	1,820,274	1,761,861
Office Supplies and Expenses	219,050	182,522	151,576
Outside Services Employed	806,550	624,441	621,595
Property Insurance	491,466	489,389	433,506
Casualty Ins, Injuries & Damages	415,805	492,023	424,452
Employee Pensions and Benefits	5,554,688	5,395,420	5,132,936
Fringe Benefits Charged to Constr.	(184,224)	(240,439)	(255,097)
Regulatory Commission	48,400	58,371	54,555
Miscellaneous General Expense	393,446	364,198	369,970
Maintenance of General Plant	282,902	251,375	260,051
Maintenance of A/O Center	444,652	414,454	371,251
Vacation, Holiday, Sick Leave	322,572	295,945	289,052
Depreciation	1,423,359	1,366,420	1,339,360
 Total Administrative and General	 12,100,116	 14.7	 10,955,068
 Total Operating Expense	 \$90,362,934	 \$73,311,166	 \$85,365,668
 Percent to Operating Revenue	 110.1	 104.7	 111.3

Muscatine Power and Water - Electric Utility
Statistical Data
November 2012

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

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Per Million Btu.	\$1,811	\$1,902	\$1,859	\$1,724
Per Net MW Generated	\$21.05	\$21.80	\$20.91	\$19.26
Net Peak Monthly Demand-KW	113,430	116,790	138,450	140,880
Date of Peak	11/27	11/29	7/5	7/20
Hour of Peak	1100	1800	1500	1500
Average Temperature				
<u>Services</u>	<u>2012</u>	<u>2011</u>		
Residential	9,728	9,726		
Commercial I	1,387	1,393		
Commercial II	111	118		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	<u>33</u>	<u>33</u>		
Total	<u>11,294</u>	<u>11,305</u>		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - November 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>67,006,800</u>		<u>92,731,224</u>		<u>41,937,299</u>	
<u>Wholesale Sales</u>	<u>\$1,595,220</u>	<u>\$0.0238</u>	<u>\$2,527,927</u>	<u>\$0.0273</u>	<u>\$906,167</u>	<u>\$0.0216</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,492,948	0.0223	1,787,079	0.0193	794,030	0.0189
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	12,592	0.0002	39	0.0000	19	0.0000
NO _x Allowances ^{fn3}	31,416	0.0005	6,062	0.0001	2,496	0.0001
Other ^{fn4}	196,292	0.0029	192,761	0.0021	278,856	0.0066
Total Variable Costs	<u>1,733,248</u>	<u>0.0259</u>	<u>1,985,941</u>	<u>0.0214</u>	<u>1,075,401</u>	<u>0.0256</u>
<u>Gross Margin</u>	<u>(\$138,028)</u>	<u>(\$0.0021)</u>	<u>\$541,986</u>	<u>\$0.0058</u>	<u>(\$169,234)</u>	<u>(\$0.0040)</u>
Percent Gross Margin	-8.7%		21.4%		-18.7%	

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>924,602,942</u>		<u>607,463,733</u>		<u>770,736,020</u>	
<u>Wholesale Sales</u>	<u>\$32,980,693</u>	<u>\$0.0357</u>	<u>\$17,321,911</u>	<u>\$0.0285</u>	<u>\$25,881,406</u>	<u>\$0.0336</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	19,173,123	0.0207	11,858,107	0.0195	14,342,407	0.0186
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	519,213	0.0006	640	0.0000	3,000	0.0000
NO _x Allowances ^{fn3}	1,578,884	0.0017	42,444	0.0001	203,627	0.0003
Other ^{fn4}	2,159,212	0.0023	2,124,286	0.0035	2,770,940	0.0036
Total Variable Costs	<u>23,430,432</u>	<u>0.0253</u>	<u>14,025,477</u>	<u>0.0231</u>	<u>17,319,974</u>	<u>0.0225</u>
<u>Gross Margin</u>	<u>\$9,550,261</u>	<u>\$0.0103</u>	<u>\$3,296,434</u>	<u>\$0.0054</u>	<u>\$8,561,432</u>	<u>\$0.0111</u>
Percent Gross Margin	29.0%		19.0%		33.1%	

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	\$0.50	\$0.50
YTD SO ²	30.00	1.27	4.49
fn2 SO ² (CSAPR)	1,000.00	—	—
fn3 NO _x annual	500.00	40.00	40.00
NO _x seasonal	1,300.00	0.00	0.00
fn3 YTD NO _x annual	400.00	40.89	162.82
YTD NO _x seasonal	50.00	8.96	12.70

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