

**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**

	<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	73,338,120	40.5	103,011,050	1.1X	48,189,650
Less: Plant Use	<u>6,331,320</u>	62.4	<u>10,279,826</u>	64.4	<u>6,252,351</u>
Net Generation/Wholesale Sales	<u><u>67,006,800</u></u>	38.4	<u><u>92,731,224</u></u>	1.2X	<u><u>41,937,299</u></u>
<b><u>Net Capacity Factors</u></b>					
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
<b><u>KWH Distribution</u></b>					
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	<u><u>68,309,917</u></u>	0.4	<u><u>68,601,561</u></u>	(3.2)	<u><u>70,856,981</u></u>
Distributed/Purchased Power					
<b><u>STEAM SALES - 1000 lbs</u></b>	<u><u>---</u></u>	---	<u><u>179,129</u></u>	(30.2)	<u><u>256,747</u></u>

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

Page 2

	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	1,022,307,047	(32.4)	690,947,013	(19.8)	861,730,331
Less: Plant Use	<u>97,704,105</u>	<u>(14.6)</u>	<u>83,483,280</u>	<u>(8.3)</u>	<u>90,994,311</u>
Net Generation/Wholesale Sales	<u>924,602,942</u>	<u>(34.3)</u>	<u>607,463,733</u>	<u>(21.2)</u>	<u>770,736,020</u>
<b><u>Net Capacity Factors</u></b>					
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
<b><u>KWH Distribution</u></b>					
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>	<u>(6.9)</u>	<u>13,665,874</u>	<u>(3.8)</u>	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	1,022,307,047	(32.4)	690,947,013	(19.8)	861,730,331
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Unit 7	29.45	(64.3)	10.52	(64.9)	29.95

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - November 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	\$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	
<b><u>Steam Sales</u></b>	---		661,787	3.69	939,828	3.66
<b><u>Other Revenue</u></b>						
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	
<b><u>Operating Expense</u></b>						
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)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
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	<u>\$154,399,745</u>		<u>\$164,237,702</u>		<u>\$172,837,717</u>	
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**

	<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	\$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	
<b><u>Steam Sales</u></b>	6,151,798	4.96	8,708,192	3.62	8,855,763	3.47
<b><u>Other Revenue</u></b>						
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	
<b><u>Operating Expense</u></b>						
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)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
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	<u>\$154,399,745</u>		<u>\$164,237,702</u>		<u>\$172,837,717</u>	
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>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$2,059,456
Investments	---	5,348,975
	<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	490,176
	<u>36,886,462</u>	<u>44,713,524</u>
Total Unrestricted Current Assets	<u>36,886,462</u>	<u>44,713,524</u>
Total Current Assets	<u>42,919,072</u>	<u>52,121,955</u>
<b>Property and Equipment:</b>		
At Cost	409,605,097	407,748,742
Less Accumulated Depreciation	311,055,022	301,294,931
	<u>98,550,075</u>	<u>106,453,811</u>
Net Property and Equipment	<u>98,550,075</u>	<u>106,453,811</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	116,964	131,139
	<u>35,443,964</u>	<u>35,458,139</u>
Total Other Assets	<u>35,443,964</u>	<u>35,458,139</u>
<b>TOTAL ASSETS</b>	<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><b>2012</b></u>	<u><b>2011</b></u>
<b>Current Liabilities:</b>		
<u><b>Restricted</b></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	---	13,574,215
<u><b>Unrestricted</b></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	13,850	52,850
Total Unrestricted Current Liabilities	4,737,828	5,627,289
Total Current Liabilities	4,737,828	19,201,504
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,557,587	1,856,633
Post-Employment Health Benefit Provision	166,758	138,051
Consumer Advances for Construction	180,370	---
Total Non-Current Liabilities	1,904,715	1,994,684
<b>Deferred Revenue - Extraordinary O &amp; M</b>	6,032,866	---
<b>Net Position:</b>		
Invested in capital assets, net of related debt	98,550,075	93,185,973
Restricted	6,032,610	7,104,327
Unrestricted	59,655,017	72,547,417
Total Net Position	164,237,702	172,837,717
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$176,913,111</u></u>	<u><u>\$194,033,905</u></u>



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

	<u><b>Current Month</b></u>	<u><b>Year- To-Date</b></u>
<b>Cash flows from operating activities:</b>		
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>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(219,155)</u>	<u>(3,297,606)</u>
Bond principal payments	---	---
Bond interest payments	<u>---</u>	<u>---</u>
Net cash flows from capital and related financing activities	<u>(219,155)</u>	<u>(3,297,606)</u>
<b>Cash flows from investing activities:</b>		
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>---</u>	<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><u>\$14,798,020</u></u>	<u><u>\$14,798,020</u></u>

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

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
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	---	(39,000)
Net cash flows from operating activities	<u>(\$359,198)</u>	<u>\$7,430,141</u>

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

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Bond Reserve Fund	---	\$7,408,431
Extraordinary Operation & Maintenance Account	<u>6,032,610</u>	<u>---</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>	
<b><u>Purchased Power</u></b>	<u>\$1,503,219</u>	27.8	<u>\$1,636,947</u>	22.8	<u>\$1,369,924</u>	24.8
Average price per kWh	\$0.0220		\$0.0239		\$0.0193	
<b><u>Generation</u></b>						
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>	
<b>Total Generation Expense</b>	<u>\$3,557,243</u>	65.8	<u>\$3,833,491</u>	53.4	<u>\$3,268,057</u>	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>	
<b>Purchased Power</b>	<u>\$25,716,727</u>	31.3	<u>\$17,591,951</u>	25.1	<u>\$23,208,849</u>	30.3
Average price per kWh	\$0.0327		\$0.0221		\$0.0287	
<b><u>Generation</u></b>						
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>	
<b>Total Generation Expense</b>	<u>\$45,654,655</u>	55.6	<u>\$37,584,517</u>	53.7	<u>\$44,926,040</u>	58.6

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

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Transmission</u></b>						
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	89,065	1.6	187,179	2.6	88,893	1.6
<b><u>Distribution</u></b>						
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	1,674		1,775		1,739	
Total Distribution Expense	\$435,670	8.1	\$400,593	5.6	\$392,461	7.1

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

	<b><u>Budget</u></b> <b><u>Estimate</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
<b><u>Transmission</u></b>						
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	61,662		61,628		63,374	
Total Transmission Expense	<u>1,026,702</u>	1.3	<u>1,456,003</u>	2.1	<u>1,096,697</u>	1.4
<b><u>Distribution</u></b>						
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	18,419		18,413		18,941	
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</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
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
<b><u>Consumer Accounts</u></b>						
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
<b><u>Administrative and General</u></b>						
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	<u>\$6,778,330</u>		<u>\$7,218,499</u>		<u>\$6,152,883</u>	
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>	
<b><u>Customer Service Expense</u></b>						
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	<u>\$471,634</u>	0.6	<u>\$272,830</u>	0.4	<u>\$313,070</u>	0.4
<b><u>Consumer Accounts</u></b>						
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	<u>529,864</u>	0.6	<u>523,682</u>	0.7	<u>491,725</u>	0.6
<b><u>Administrative and General</u></b>						
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	<u>12,100,116</u>	14.7	<u>11,514,393</u>	16.4	<u>10,955,068</u>	14.3
Total Operating Expense	<u>\$90,362,934</u>		<u>\$73,311,166</u>		<u>\$85,365,668</u>	
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)**

	<b><u>Current Month</u></b>		<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
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**

<b><u>Services</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
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	33	33
<b>Total</b>	<b><u>11,294</u></b>	<b><u>11,305</u></b>

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

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

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	\$0.50	\$0.50
YTD SO <sup>2</sup>	30.00	1.27	4.49
fn2 SO <sup>2</sup> (CSAPR)	1,000.00	—	—
fn3 NO <sub>x</sub> annual	500.00	40.00	40.00
NO <sub>x</sub> seasonal	1,300.00	0.00	0.00
fn3 YTD NO <sub>x</sub> annual	400.00	40.89	162.82
YTD NO <sub>x</sub> 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.