

**Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
January 2013**

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - January 2013

	<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	113,055,264	(22.1)	88,112,888	51.0	58,347,966
Less: Plant Use	<u>11,026,006</u>	(2.9)	<u>10,710,636</u>	14.9	<u>9,320,869</u>
Net Generation/Wholesale Sales	<u>102,029,258</u>	(24.1)	<u>77,402,252</u>	57.9	<u>49,027,097</u>
<u>Net Capacity Factors</u>					
Unit 9	67.00	(15.9)	56.32	76.6	31.90
Unit 8/8A	40.99	(29.5)	28.89	(5.9)	30.71
Unit 7	40.00	--	--	--	--
Total Plant	59.40	(23.9)	45.22	58.4	28.55
<u>KWH Distribution</u>					
Residential	9,670,170	(3.6)	9,324,872	3.6	9,001,201
Commercial I	3,344,190	4.8	3,505,411	8.6	3,227,658
Commercial II	8,791,670	(5.9)	8,269,489	(0.3)	8,296,039
Industrial I	9,154,657	(0.5)	9,105,800	2.1	8,916,820
Industrial II	39,991,005	(6.4)	37,451,082	(3.7)	38,885,663
City Enterprise Funds	511,075	(17.2)	423,092	1.4	417,238
Water & Communications Utilities	<u>1,361,273</u>	(7.3)	<u>1,261,752</u>	4.6	<u>1,206,311</u>
Native System Sales	72,824,040	(4.8)	69,341,498	(0.9)	69,950,930
City Lighting	166,720	(0.3)	166,296	0.2	166,038
City Buildings	622,206	(0.3)	620,328	1.6	610,443
Offline Power Plant Usage	--	--	127,360	(26.7)	173,735
Losses & Cycle Billing	<u>2,332,514</u>	(9.3)	<u>2,115,439</u>	39.0	<u>1,521,391</u>
Total Native System KWH					
Distributed/Purchased Power	<u>75,945,480</u>	(4.7)	<u>72,370,921</u>	(0.1)	<u>72,422,537</u>
<u>STEAM SALES - 1000 lbs</u>					
	<u>256,563</u>	3.2	<u>264,657</u>	0.9	<u>262,426</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - January 2013

	<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	\$812,166	0.0840	\$838,565	0.0899	\$740,054	0.0822
Commercial I	270,569	0.0809	283,433	0.0809	256,552	0.0795
Commercial II	533,592	0.0607	494,133	0.0598	492,429	0.0594
Industrial I	495,843	0.0542	487,415	0.0535	466,478	0.0523
Industrial II	1,857,064	0.0464	1,770,148	0.0473	1,744,971	0.0449
City Enterprise Funds	29,168	0.0571	24,427	0.0577	23,405	0.0561
Water & Communication Utilities	<u>67,885</u>	<u>0.0499</u>	<u>64,611</u>	<u>0.0512</u>	<u>60,784</u>	<u>0.0504</u>
Native System Sales	4,066,287	0.0558	3,962,732	0.0571	3,784,673	0.0541
Wholesale Sales	<u>2,754,790</u>	<u>0.0270</u>	<u>1,879,076</u>	<u>0.0243</u>	<u>1,135,540</u>	<u>0.0232</u>
Energy Sales	<u>6,821,077</u>		<u>5,841,808</u>		<u>4,920,213</u>	
<u>Steam Sales</u>	<u>950,057</u>	3.70	<u>978,711</u>	3.70	<u>961,357</u>	3.66
<u>Other Revenue</u>						
Rail Car Lease	18,167		59,443		107,143	
By-Product Revenue	29,950		4,355		4,771	
Miscellaneous Revenue	<u>48,667</u>		<u>58,927</u>		<u>32,337</u>	
Total Other Revenue	<u>96,784</u>		<u>122,725</u>		<u>144,251</u>	
Operating Revenue	<u>7,867,918</u>		<u>6,943,244</u>		<u>6,025,821</u>	
<u>Operating Expense</u>						
Purchased Power	1,898,637	0.0250	1,526,816	0.0211	1,490,939	0.0206
Production Fuel	2,579,202		2,130,475		1,608,524	
Emissions Allowance	5,261		7,767		6,674	
Operation	1,937,889		1,848,958		1,743,730	
Maintenance	833,722		710,319		571,500	
Depreciation	<u>944,954</u>		<u>937,001</u>		<u>929,362</u>	
Total Operating Expense	<u>8,199,665</u>		<u>7,161,336</u>		<u>6,350,729</u>	
Operating Loss	<u>(331,747)</u>		<u>(218,092)</u>		<u>(324,908)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	110,136		104,547		102,230	
Interest Expense	<u>(450)</u>		<u>(111)</u>		<u>(147)</u>	
Total Nonoperating Revenue (Expense)	<u>109,686</u>		<u>104,436</u>		<u>102,083</u>	
Net Loss Before Revenue Adjustment	<u>(222,061)</u>		<u>(113,656)</u>		<u>(222,825)</u>	
Revenue Adjustment-Extraordinary O&M	<u>—</u>		<u>—</u>		<u>4,000,000</u>	
Change in Net Position	<u>(222,061)</u>		<u>(113,656)</u>		<u>3,777,175</u>	
Beginning Net Position	<u>163,853,950</u>		<u>163,853,950</u>		<u>162,377,260</u>	
Ending Net Position	<u>\$163,631,889</u>		<u>\$163,740,294</u>		<u>\$166,154,435</u>	
Net Loss Before Rev Adj to Op Revenue	(2.8)		(1.6)		(3.7)	
Change in Net Position to Operating Revenue	(2.8)		(1.6)		62.7	

Muscatine Power and Water - Electric Utility
Statements of Net Position
January 2013

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$5,228,661
Investments	—	878,914
	<u>6,032,610</u>	<u>6,107,575</u>
<u>Unrestricted</u>		
Cash - interest bearing	13,325,369	4,940,098
Receivables:		
Consumer Accounts	4,900,763	4,856,400
Wholesale	217,865	2,243
Steam Sales	1,036,398	1,184,781
Interest	104,024	107,686
Intercompanies	—	23,865
Inventories	6,671,034	6,712,006
Fuel	10,755,291	14,109,273
Prepaid Expenses	709,835	658,922
	<u>37,720,579</u>	<u>32,595,274</u>
Total Unrestricted Current Assets	<u>37,720,579</u>	<u>32,595,274</u>
Total Current Assets	<u>43,753,189</u>	<u>38,702,849</u>
Property and Equipment:		
At Cost	409,482,247	407,210,657
Less Accumulated Depreciation	312,630,340	302,253,995
	<u>96,851,907</u>	<u>104,956,662</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	119,355	136,198
	<u>35,446,355</u>	<u>35,463,198</u>
TOTAL ASSETS	<u><u>\$176,051,451</u></u>	<u><u>\$179,122,709</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
January 2013

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
Unrestricted		
Accounts Payable	\$682,703	\$1,289,630
Pension Provision	192,317	184,190
Health & Dental Insurance Provision	173,826	196,533
Accrued Payroll	524,828	396,848
Accrued Vacation	1,140,501	1,093,631
Accrued Emission Allowance Expense	73,792	288,482
Consumers' Deposits	576,601	583,924
Accrued Property Taxes	114,843	115,251
Miscellaneous Accrued Expenses	752,293	558,839
Miscellaneous Deferred Credits	<u>10,350</u>	<u>10,350</u>
Total Unrestricted Current Liabilities	<u>4,242,054</u>	<u>4,717,678</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,685,114	1,895,434
Post-Employment Health Benefit Provision	170,753	141,926
Consumer Advances for Construction	<u>180,370</u>	<u>180,370</u>
Total Non-Current Liabilities	<u>2,036,237</u>	<u>2,217,730</u>
Deferred Revenue - Extraordinary O & M	<u>6,032,866</u>	<u>6,032,866</u>
Net Position:		
Invested in capital assets, net of related debt	96,851,907	104,956,662
Restricted	6,032,610	6,107,575
Unrestricted	<u>60,855,777</u>	<u>55,090,198</u>
Total Net Position	<u>163,740,294</u>	<u>166,154,435</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$176,051,451</u></u>	<u><u>\$179,122,709</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
January 2013

	<u>Current Month</u>
Cash flows from operating activities:	
Cash received from:	
Retail electric sales	\$3,809,584
MISO sales	1,854,405
Steam sales	877,129
Coal & transportation allowances	3,925
Railcar leasing	59,443
By-product sales	22,037
Miscellaneous sources	27,503
Cash paid to/for:	
Suppliers	(1,086,456)
MISO purchases/administration fees	(1,641,492)
Coal	(418,261)
Employees payroll, taxes and benefits	<u>(1,632,609)</u>
Net cash flows from operating activities	<u>1,875,208</u>
Cash flows from capital and related financing activities:	
Capital expenditures, net	<u>(97,056)</u>
Net cash flows from capital and related financing activities	<u>(97,056)</u>
Cash flows from investing activities:	
Purchase of joint venture rights	(19,280)
Interest received on investments and note receivable	<u>624,133</u>
Net cash flows from investing activities	<u>604,853</u>
Net increase in cash and investments	<u>2,383,005</u>
Cash and investments at beginning of period	<u>16,974,974</u>
Cash and investments at end of period	<u>\$19,357,979</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
January 2013

	<u>Current</u> <u>Month</u>
Reconciliation of operating loss to net cash flows from operating activities	
Operating loss	(\$218,092)
Noncash items in operating income:	
Depreciation of electric utility plant	937,001
Amortization of joint venture rights	10,483
Changes in assets and liabilities:	
Consumer accounts receivable	(130,153)
Wholesale receivable	(123,286)
Steam sales receivable	(101,867)
Intercompany receivable	17,211
Inventories	14,276
Fuel	2,032,869
Prepaid expenses	(233,288)
Accounts payable	(727,418)
Pension provision	192,317
Health & dental insurance provision	35,379
Other post-employment benefit provision	1,989
Accrued payroll	133,042
Accrued vacation	28,657
Accrued emission allowance expense	7,767
Consumers' deposits	1,685
Accrued property taxes	8,524
Miscellaneous accrued expenses	(8,388)
Miscellaneous deferred credits	<u>(3,500)</u>
Net cash flows from operating activities	<u><u>\$1,875,208</u></u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
January 2013

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$6,032,610</u>	<u>\$6,107,575</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$6,032,610</u>	<u>\$6,107,575</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - January 2013

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
Purchased Power	\$1,898,637	24.1	\$1,526,816	22.0	\$1,490,939
Average price per kWh	\$0.0250		\$0.0211		\$0.0206
Generation					
Operation Supervision	77,081		83,126		76,845
Fuel:					
Coal	2,458,086		2,046,448		1,522,209
Fuel Oil	14,999		275		1,071
Gas	25,800		7,743		13,386
Coal Handling Expense	78,697		69,732		65,376
Landfill Operation Expense	1,620		6,277		6,482
Emissions Allowance Expense	5,261		7,767		6,674
Steam Expense:					
Boiler	114,990		91,935		95,218
Pollution Control	47,264		34,414		32,820
Electric Expense	96,548		97,914		97,531
Miscellaneous Steam Power Expense	196,652		163,804		136,102
Maintenance:					
Supervision	74,803		85,373		75,382
Structures	54,983		54,931		47,956
Boiler Plant:					
Boiler	292,365		127,131		76,619
Pollution Control	23,022		51,310		66,337
Electric Plant	50,291		43,578		45,937
System Control	18,328		25,586		18,783
Miscellaneous Steam Plant	72,562		59,054		55,631
Coal Handling Equipment	56,639		81,564		41,597
System Control and Load Dispatch	27,977		25,854		53,868
Vacation, Holiday, Sick Leave	99,344		120,630		117,254
Depreciation	<u>624,688</u>		<u>622,373</u>		<u>622,359</u>
Total Generation Expense	<u>\$4,512,000</u>	57.3	<u>\$3,906,819</u>	56.3	<u>\$3,275,437</u>
					54.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - January 2013

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>			
<u>Transmission</u>						
Operation Supervision	\$3,633	\$4,142	\$3,373			
Load Dispatching	47,126	60,701	25,749			
Station Expense	7,737	6,336	8,217			
Overhead Line Expense	---	84	274			
Transmission of Electricity by Others	10,933	12,646	---			
Miscellaneous Transmission Expense	11,783	7,451	8,727			
Maintenance:						
Supervision	1,827	1,979	1,327			
Structures	110	---	---			
Station Equipment	7,178	4,055	4,415			
Overhead Lines	11,461	25,437	10,080			
Vacation, Holiday, Sick Leave	7,170	7,282	6,272			
Depreciation	30,745	30,625	30,625			
Tax on Rural Property	<u>5,682</u>	<u>5,682</u>	<u>5,606</u>			
Total Transmission Expense	<u>145,385</u>	1.8	166,420	2.4	<u>104,665</u>	1.7
<u>Distribution</u>						
Operation Supervision	10,294	11,802	7,981			
Load Dispatching	35,712	29,007	29,463			
Station Expense	8,700	7,599	10,325			
Overhead Line Expense	3,546	2,508	922			
Vehicle Expense	15,625	18,109	13,210			
Underground Line Expense	3,170	1,850	1,560			
Street Lighting	1,655	1,616	3,512			
Signal Expense	4,007	---	176			
Meter Expense	7,822	10,997	9,072			
Consumer Installation Expense	686	490	1,676			
Miscellaneous Distribution Expense	52,454	46,338	54,928			
Maintenance:						
Supervision	9,392	10,683	7,020			
Structures	391	---	---			
Station Equipment	11,305	6,838	6,272			
Overhead Lines	57,972	58,370	45,679			
Underground Lines	8,597	3,033	5,445			
Line Transformers	3,656	6,341	1,174			
Street Lighting	5,040	4,560	2,594			
Signal System	2,794	2,092	1,280			
Meters	2,321	1,504	3,454			
Miscellaneous Distribution Plant	2,278	2,067	1,371			
Vacation, Holiday, Sick Leave	31,802	40,464	28,882			
Depreciation	156,137	155,502	152,158			
Tax on Rural Property	<u>1,697</u>	<u>1,697</u>	<u>1,674</u>			
Total Distribution Expense	<u>\$437,053</u>	5.6	\$423,467	6.1	<u>\$389,828</u>	6.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - January 2013

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$11,997	\$3,561	\$9,073
Energy Efficiency Rebates	19,893	5,279	10,663
Electric Ranges/Dryers Maintenance	548	730	1,081
Electric Water Heaters Maintenance	<u>143</u>	<u>173</u>	<u>339</u>
Total Customer Service Expense	<u>32,581</u>	<u>0.4</u>	<u>21,156</u>
0.4			
<u>Consumer Accounts</u>			
Supervision	2,629	3,144	2,115
Meter Reading Expense	8,290	10,110	9,369
Consumer Records and Collection	30,681	34,664	28,328
Uncollectible Accounts Expense	3,297	3,297	2,402
Vacation, Holiday, Sick Leave	<u>4,867</u>	<u>5,382</u>	<u>4,655</u>
Total Consumer Accounts Expense	<u>49,764</u>	<u>0.6</u>	<u>46,869</u>
0.8			
<u>Administrative and General</u>			
Administrative and General Salaries	159,415	175,926	149,980
Office Supplies and Expenses	28,116	19,258	13,395
Outside Services Employed	61,863	38,106	31,645
Property Insurance	46,378	46,621	38,809
Casualty Ins, Injuries & Damages	36,613	24,933	59,787
Employee Pensions and Benefits	533,812	516,654	503,904
Fringe Benefits Charged to Constr.	(14,481)	(14,883)	(17,638)
Regulatory Commission	8,567	8,268	4,400
Miscellaneous General Expense	34,944	37,421	24,586
Maintenance of General Plant	27,987	25,313	26,701
Maintenance of A/O Center	38,420	29,520	26,446
Vacation, Holiday, Sick Leave	29,227	35,836	35,600
Depreciation	<u>133,384</u>	<u>128,501</u>	<u>124,220</u>
Total Administrative and General	<u>1,124,245</u>	<u>14.3</u>	<u>1,021,835</u>
17.0			
Total Operating Expense	<u>\$8,199,665</u>	<u>\$7,161,336</u>	<u>\$6,350,729</u>
Percent to Operating Revenue	104.2	103.1	105.4

Muscatine Power and Water - Electric Utility
Statistical Data
January 2013

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2013</u>	<u>2012</u>
Per Million Btu.	\$1.819	\$1.846
Per Net MW Generated	\$20.23	\$21.03
Net Peak Monthly Demand-KW	114,150	113,810
Date of Peak	1/31	1/20
Hour of Peak	1900	0800
Average Temperature	24°	28°
<u>Services</u>		
Residential	9,752	9,733
Commercial I	1,386	1,388
Commercial II	112	117
Industrial I	10	11
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	<u>34</u>	<u>33</u>
Total	<u>11,318</u>	<u>11,306</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - January 2013

	<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>102,029,258</u>		<u>77,402,252</u>		<u>49,027,097</u>	
<u>Wholesale Sales</u>	<u>\$2,754,790</u>	<u>\$0.0270</u>	<u>\$1,879,076</u>	<u>\$0.0243</u>	<u>\$1,135,540</u>	<u>\$0.0232</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,926,775	0.0189	1,474,468	0.0190	947,933	0.0193
Emissions:						
SO ² Allowances ^{fn1}	187	0.0000	21	0.0000	56	0.0000
NO _x Allowances ^{fn2}	5,075	0.0000	3,571	0.0000	4,014	0.0001
Other ^{fn3}	<u>191,059</u>	<u>0.0019</u>	<u>191,059</u>	<u>0.0025</u>	<u>193,544</u>	<u>0.0039</u>
Total Variable Costs	<u>2,123,096</u>	<u>0.0208</u>	<u>1,669,119</u>	<u>0.0216</u>	<u>1,145,547</u>	<u>0.0234</u>
Gross Margin	<u>\$631,694</u>	<u>\$0.0062</u>	<u>\$209,957</u>	<u>\$0.0027</u>	<u>(\$10,007)</u>	<u>(\$0.0002)</u>
Percent Gross Margin	22.9%		11.2%		-0.9%	

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

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$1.75
fn2 NO _x annual	42.50	40.00	60.00
NO _x seasonal	10.00	0.00	0.00

fn3 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.