

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

February 2014

**Muscatine Power and Water
Electric Utility**

Table of Contents

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

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - February 2014

	<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	81,333,571	59.8	129,956,793	38.7	93,679,618
Less: Plant Use	<u>8,176,493</u>	46.8	<u>12,006,153</u>	20.8	<u>9,934,793</u>
Net Generation/Wholesale Sales	<u><u>73,157,078</u></u>	61.2	<u><u>117,950,640</u></u>	40.8	<u><u>83,744,825</u></u>
<u>Net Capacity Factors</u>					
Unit 9	52.00	54.3	80.21	19.9	66.90
Unit 8/8A	47.70	51.6	72.32	1.2X	33.38
Unit 7	11.00	4.3X	58.19	---	---
Total Plant	47.16	61.9	76.36	41.5	53.96
<u>KWH Distribution</u>					
Residential	8,200,000	18.6	9,726,948	13.8	8,548,901
Commercial I	3,052,975	16.0	3,542,634	10.3	3,211,987
Commercial II	8,309,475	(2.7)	8,086,700	6.9	7,563,372
Industrial I	8,505,840	(9.0)	7,739,540	(9.7)	8,567,280
Industrial II	34,917,970	0.2	34,984,136	(1.5)	35,524,187
City Enterprise Funds	495,000	(9.5)	448,066	15.7	387,371
Water & Communications Utilities	<u>1,257,723</u>	3.2	<u>1,298,277</u>	10.4	<u>1,176,274</u>
Native System Sales	64,738,983	1.7	65,826,301	1.3	64,979,372
City Lighting	164,850	(3.8)	158,647	(1.3)	160,787
City Buildings	531,667	29.9	690,666	16.9	590,733
Offline Power Plant Usage	22,814	3.7X	107,321	(50.7)	217,909
Losses & Cycle Billing	<u>2,629,715</u>	(44.1)	<u>1,469,803</u>	31.8	<u>1,115,119</u>
Total Native System KWH Distributed/Purchased Power	<u><u>68,088,029</u></u>	0.2	<u><u>68,252,738</u></u>	1.8	<u><u>67,063,920</u></u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u><u>237,537</u></u>	(1.4)	<u><u>234,164</u></u>	5.3	<u><u>222,457</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - February 2014

	<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	196,716,662	31.0	257,639,519	41.7	181,792,506
Less: Plant Use	<u>19,315,884</u>	<u>28.0</u>	<u>24,717,016</u>	<u>19.7</u>	<u>20,645,429</u>
Net Generation/Wholesale Sales	<u>177,400,778</u>	<u>31.3</u>	<u>232,922,503</u>	<u>44.5</u>	<u>161,147,077</u>
<u>Net Capacity Factors</u>					
Unit 9	60.93	21.4	73.99	21.3	60.98
Unit 8/8A	47.87	53.5	73.50	1.4X	31.02
Unit 7	18.36	1.9X	52.34	---	---
Total Plant	54.27	31.9	71.59	45.2	49.30
<u>KWH Distribution</u>					
Residential	17,400,000	18.6	20,628,244	15.4	17,873,773
Commercial I	6,358,175	13.3	7,203,760	7.2	6,717,398
Commercial II	17,213,475	(1.1)	17,022,760	7.5	15,832,861
Industrial I	17,576,475	(6.7)	16,402,140	(7.2)	17,673,080
Industrial II	73,996,045	(4.6)	70,597,180	(3.3)	72,975,269
City Enterprise Funds	1,040,000	(10.4)	931,622	14.9	810,463
Water & Communications Utilities	<u>2,626,490</u>	<u>2.2</u>	<u>2,685,426</u>	<u>10.1</u>	<u>2,438,026</u>
Native System Sales	136,210,660	(0.5)	135,471,132	0.9	134,320,870
City Lighting	334,209	(3.6)	322,021	(1.3)	326,254
City Buildings	1,133,195	26.7	1,435,472	18.4	1,212,660
Offline Power Plant Usage	48,019	3.5X	217,076	(23.5)	283,646
Losses & Cycle Billing	<u>4,388,278</u>	<u>(33.5)</u>	<u>2,916,988</u>	<u>(11.4)</u>	<u>3,291,410</u>
Total Native System KWH Distributed/Purchased Power	<u>142,114,361</u>	<u>(1.2)</u>	<u>140,362,689</u>	<u>0.7</u>	<u>139,434,840</u>
<u>STEAM SALES - 1000 lbs</u>					
	<u>500,373</u>	<u>(1.6)</u>	<u>492,325</u>	<u>1.1</u>	<u>487,114</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - February 2014

	<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	\$785,050	0.09574	\$917,983	0.09438	\$778,131	0.09102
Commercial I	267,835	0.08773	306,928	0.08664	261,013	0.08126
Commercial II	561,935	0.06763	540,448	0.06683	467,571	0.06182
Industrial I	484,613	0.05697	466,731	0.06030	469,428	0.05479
Industrial II	1,706,570	0.04887	1,706,067	0.04877	1,711,042	0.04817
City Enterprise Funds	29,127	0.05884	28,651	0.06394	23,757	0.06133
Water & Communication Utilities	63,520	0.05050	72,868	0.05613	60,279	0.05125
Native System Sales	3,898,650	0.06022	4,039,676	0.06137	3,771,221	0.05804
Wholesale Sales	2,048,398	0.02800	6,674,094	0.05658	2,230,466	0.02663
Energy Sales	5,947,048		10,713,770		6,001,687	
Steam Sales	907,574	3.82	894,944	3.82	822,908	3.70
<u>Other Revenue</u>						
Rail Car Lease	27,600		29,670		53,690	
By-Product Revenue	20,189		4,360		6,031	
Miscellaneous Revenue	43,732		39,207		35,535	
Total Other Revenue	91,521		73,237		95,256	
Operating Revenue	6,946,143		11,681,951		6,919,851	
<u>Operating Expense</u>						
Purchased Power	1,753,267	0.02575	3,553,564	0.05206	1,632,842	0.02435
Production Fuel	2,027,968		3,102,422		2,166,102	
Emissions Allowance	7,290		6,981		6,883	
Operation	1,921,684		1,757,218		1,700,115	
Maintenance	754,880		802,011		575,671	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	7,415,606		10,167,690		7,018,614	
Operating Income (Loss)	(469,463)		1,514,261		(98,763)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,383		105,826		104,587	
Interest Expense	(133)		(71)		(97)	
Total Nonoperating Revenue (Expense)	114,250		105,755		104,490	
Net Income (Loss) Before Revenue Adjustment	(355,213)		1,620,016		5,727	
Capital Contributions	6,278		---		11,825	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(348,935)		1,620,016		17,552	
Beginning Net Position	154,808,569		156,136,549		163,740,294	
Ending Net Position	<u>\$154,459,634</u>		<u>\$157,756,565</u>		<u>\$163,757,846</u>	
Net Loss Before Rev Adj to Op Revenue	(5.1)		13.9		0.1	
Change in Net Position to Operating Revenue	(5.0)		13.9		0.3	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - February 2014

	<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	\$1,647,486	0.09468	\$1,932,631	0.09369	\$1,616,696	0.09045
Commercial I	555,640	0.08739	623,264	0.08652	544,446	0.08105
Commercial II	1,150,861	0.06686	1,118,329	0.06570	961,704	0.06074
Industrial I	988,236	0.05622	963,436	0.05874	956,843	0.05414
Industrial II	3,541,848	0.04787	3,410,548	0.04831	3,481,189	0.04770
City Enterprise Funds	61,096	0.05875	58,386	0.06267	48,185	0.05945
Water & Communications Utilities	132,926	0.05061	149,953	0.05584	124,890	0.05123
Native System Sales	8,078,093	0.05931	8,256,547	0.06095	7,733,953	0.05758
Wholesale Sales	5,071,465	0.02859	12,709,966	0.05457	4,109,542	0.02550
Energy Sales	13,149,558		20,966,513		11,843,495	
<u>Steam Sales</u>	1,906,083	3.81	1,880,019	3.82	1,801,619	3.70
<u>Other Revenue</u>						
Rail Car Lease	55,200		50,439		113,132	
By-Product Revenue	50,139		6,925		10,387	
Miscellaneous Revenue	87,465		80,059		94,462	
Total Other Revenue	192,804		137,423		217,981	
Operating Revenue	15,248,445		22,983,955		13,863,095	
<u>Operating Expense</u>						
Purchased Power	3,733,471	0.02627	6,780,686	0.04831	3,159,658	0.02266
Production Fuel	4,707,869		6,212,010		4,296,575	
Emissions Allowance	15,215		14,813		14,650	
Operation	3,908,291		3,684,693		3,549,073	
Maintenance	1,490,084		1,582,594		1,285,992	
Depreciation	1,901,031		1,890,988		1,874,002	
Total Operating Expense	15,755,961		20,165,784		14,179,950	
Operating Income (Loss)	(507,516)		2,818,171		(316,855)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	228,804		212,841		209,134	
Interest Expense	(267)		(504)		(208)	
Total Nonoperating Revenue (Expense)	228,537		212,337		208,926	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(278,979)		3,030,508		(107,929)	
Capital Contributions	12,556		---		11,825	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(266,423)		3,030,508		(96,104)	
Beginning Net Position	154,726,057		154,726,057		163,853,950	
Ending Net Position	<u>\$154,459,634</u>		<u>\$157,756,565</u>		<u>\$163,757,846</u>	
Net Loss Before Rev Adj to Op Revenue	(1.8)		13.2		(0.8)	
Change in Net Position to Operating Revenue	(1.8)		13.2		(0.7)	

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2014

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$8,036,642	\$6,032,610
Investments	<u>5,000,520</u>	<u>---</u>
Total Restricted Current Assets	<u>13,037,162</u>	<u>6,032,610</u>
<u>Unrestricted</u>		
Cash - interest bearing	18,114,269	16,733,436
Investments	3,500,000	---
Receivables:		
Consumer Accounts	5,200,986	4,708,850
Refined Coal	4,197,150	---
Wholesale	2,099,333	267,707
Steam Sales	963,015	886,635
Interest	220,919	207,944
Intercompanies	---	---
Inventories	6,118,507	6,700,711
Fuel	2,528,600	8,686,279
Prepaid Expenses	<u>644,881</u>	<u>601,086</u>
Total Unrestricted Current Assets	<u>43,587,660</u>	<u>38,792,648</u>
Total Current Assets	<u>56,624,822</u>	<u>44,825,258</u>
Property and Equipment:		
At Cost	412,434,080	409,738,156
Less Accumulated Depreciation	<u>323,149,225</u>	<u>313,564,797</u>
Net Property and Equipment	<u>89,284,855</u>	<u>96,173,359</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	650,000	---
Joint Venture Rights	<u>107,322</u>	<u>110,790</u>
Total Other Assets	<u>36,084,322</u>	<u>35,437,790</u>
 TOTAL ASSETS	 <u><u>\$181,993,999</u></u>	 <u><u>\$176,436,407</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
February 2014

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$5,395,327	\$901,599
Pension Provision	357,092	384,633
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	610,654	532,200
Accrued Vacation	1,149,285	1,163,739
Accrued Emission Allowance Expense	85,509	80,675
Consumers' Deposits	607,366	580,653
Accrued Property Taxes	111,436	123,366
Miscellaneous Accrued Expenses	774,710	700,086
Unearned Mooring Lease	2,967	---
Economic Development Reserves	---	10,350
	<u>9,323,446</u>	<u>4,651,127</u>
Total Unrestricted Current Liabilities		
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,362,561	1,641,457
Post-Employment Health Benefit Provision	338,191	172,741
Consumer Advances for Construction	180,370	180,370
	<u>1,881,122</u>	<u>1,994,568</u>
Total Non-Current Liabilities		
Deferred Inflows of Resources - Extraordinary O & M	<u>13,032,866</u>	<u>6,032,866</u>
Net Position:		
Net Investment in Capital Assets	89,284,855	96,173,359
Restricted	13,037,162	6,032,610
Unrestricted	55,434,548	61,551,877
	<u>157,756,565</u>	<u>163,757,846</u>
Total Net Position		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$181,993,999</u></u>	<u><u>\$176,436,407</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2014

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,087,994	\$8,174,868
MISO sales	7,613,384	10,470,439
Steam sales	978,515	1,996,247
Railcar/facilities leasing	25,769	99,974
By-product sales	50,549	51,750
Miscellaneous sources	1,457	96,315
Cash paid to/for:		
Suppliers	1,111,789	2,821,328
MISO purchases/administration fees	(4,030,180)	(6,346,827)
Coal	(4,517,197)	(8,414,728)
Employees payroll, taxes and benefits	(1,664,627)	(3,457,712)
Net cash flows from operating activities	<u>3,657,453</u>	<u>5,491,654</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(159,085)	(302,714)
Loan to Water Utility	<u>---</u>	<u>(250,000)</u>
Net cash flows from capital and related financing activities	<u>(159,085)</u>	<u>(552,714)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(22,235)
Interest received on investments and note receivable	624	639,945
Amortization/accretion of investments	(143)	(286)
Mark to Market	<u>(297)</u>	<u>166</u>
Net cash flows from investing activities	<u>184</u>	<u>617,590</u>
Net increase in cash and investments	<u>3,498,552</u>	<u>5,556,530</u>
Cash and investments at beginning of period	<u>31,152,879</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$34,651,431</u></u>	<u><u>\$34,651,431</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2014

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$1,514,261	\$2,818,171
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	1,890,988
Amortization of joint venture rights	8,348	16,534
Changes in assets and liabilities:		
Consumer accounts receivable	2,589,414	1,559,641
Refined coal	(4,197,150)	(4,197,150)
Wholesale receivable	(310,167)	(1,057,857)
Steam sales receivable	83,260	115,575
Inventories	113,638	200,101
Fuel	1,720,494	2,540,568
Prepaid expenses	112,792	(152,555)
Accounts payable	940,757	1,283,170
Pension provision	178,546	357,092
Health & dental insurance provision	(114,002)	(131,957)
Other post-employment benefit provision	8,230	16,459
Accrued payroll	(10,326)	147,821
Accrued vacation	36,150	55,805
Accrued emission allowance expense	6,981	14,814
Consumers' deposits	11,752	13,425
Accrued property taxes	8,138	13,876
Miscellaneous accrued expenses	10,843	(12,867)
Net cash flows from operating activities	<u>\$3,657,453</u>	<u>\$5,491,654</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
February 2014**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,037,162</u>	<u>\$6,032,610</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,037,162</u></u>	<u><u>\$6,032,610</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2014

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,753,267</u>	25.2	<u>\$3,553,564</u>	30.4	<u>\$1,632,842</u>	23.6
Average price per kWh	\$0.0258		\$0.0521		\$0.0243	
<u>Generation</u>						
Operation Supervision	77,490		80,830		73,931	
Fuel:						
Coal	1,921,704		2,961,899		2,074,089	
Fuel Oil	15,749		13,563		6,423	
Gas	20,000		52,790		11,890	
Coal Handling Expense	69,003		73,284		67,935	
Landfill Operation Expense	1,512		886		5,765	
Emissions Allowance Expense	7,290		6,981		6,883	
Steam Expense:						
Boiler	102,236		85,040		83,935	
Pollution Control	37,774		30,090		33,271	
Electric Expense	93,420		86,765		88,394	
Miscellaneous Steam Power Expense	230,192		139,939		158,982	
Maintenance:						
Supervision	78,115		82,489		69,777	
Structures	48,565		43,986		43,935	
Boiler Plant:						
Boiler	193,071		187,483		62,483	
Pollution Control	37,462		59,777		42,168	
Electric Plant	41,417		43,176		25,091	
System Control	19,310		25,738		17,209	
Miscellaneous Steam Plant	91,289		78,667		64,810	
Coal Handling Equipment	60,432		107,730		59,886	
System Control and Load Dispatch	31,520		23,343		25,061	
Vacation, Holiday, Sick Leave	69,014		83,336		74,052	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
Total Generation Expense	<u>\$3,871,974</u>	55.7	<u>\$4,892,499</u>	41.9	<u>\$3,718,343</u>	53.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2014

Page 11

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$3,733,471</u>	24.5	<u>\$6,780,686</u>	29.5	<u>\$3,159,658</u>	22.8
Average price per kWh	\$0.0263		\$0.0483		\$0.0227	
<u>Generation</u>						
Operation Supervision	154,566		163,349		157,058	
Fuel:						
Coal	4,490,187		5,911,973		4,120,536	
Fuel Oil	31,498		31,944		6,697	
Gas	40,450		110,563		19,633	
Coal Handling Expense	143,206		153,909		137,666	
Landfill Operation Expense	2,528		3,621		12,043	
Emissions Allowance Expense	15,215		14,813		14,650	
Steam Expense:						
Boiler	206,599		195,274		175,870	
Pollution Control	76,245		65,223		67,685	
Electric Expense	188,599		182,657		186,307	
Miscellaneous Steam Power Expense	395,320		282,032		322,786	
Maintenance:						
Supervision	155,506		172,030		155,151	
Structures	119,290		92,823		98,866	
Boiler Plant:						
Boiler	318,931		342,966		189,614	
Pollution Control	99,664		160,952		93,478	
Electric Plant	81,468		88,846		68,669	
System Control	38,704		44,078		42,795	
Miscellaneous Steam Plant	173,989		162,250		123,865	
Coal Handling Equipment	120,421		148,091		141,450	
System Control and Load Dispatch	67,491		52,304		50,915	
Vacation, Holiday, Sick Leave	170,340		207,846		194,683	
Depreciation	<u>1,250,817</u>		<u>1,249,414</u>		<u>1,244,746</u>	
Total Generation Expense	<u>\$8,341,034</u>	54.7	<u>\$9,836,958</u>	42.8	<u>\$7,625,163</u>	55.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2014

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,840		\$4,505		\$3,928	
Load Dispatching	50,462		49,664		55,943	
Station Expense	6,793		16,121		5,896	
Overhead Line Expense	129		1,360		532	
Transmission of Electricity by Others	28,433		26,628		11,927	
Miscellaneous Transmission Expense	10,333		4,283		6,204	
Maintenance:						
Supervision	1,925		2,000		1,867	
Structures	24		---		---	
Station Equipment	7,878		5,232		11,660	
Overhead Lines	11,285		13,879		18,980	
Vacation, Holiday, Sick Leave	5,104		4,604		5,621	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,642		5,682	
Total Transmission Expense	162,963	2.3	164,606	1.4	158,865	2.3
<u>Distribution</u>						
Operation Supervision	10,375		11,790		10,926	
Load Dispatching	27,225		27,939		21,206	
Station Expense	6,365		9,998		3,926	
Overhead Line Expense	6,753		1,550		1,887	
Vehicle Expense	17,761		13,726		16,722	
Underground Line Expense	3,431		974		1,049	
Street Lighting	1,618		3,021		1,062	
Signal Expense	522		460		---	
Meter Expense	7,634		7,889		7,319	
Consumer Installation Expense	608		177		1,388	
Miscellaneous Distribution Expense	44,892		51,371		54,709	
Maintenance:						
Supervision	9,409		10,591		9,861	
Structures	434		---		---	
Station Equipment	9,985		7,736		5,047	
Overhead Lines	56,356		48,698		66,326	
Underground Lines	9,554		10,400		7,312	
Line Transformers	3,566		3,246		8,693	
Street Lighting	5,100		3,529		1,345	
Signal System	2,139		1,055		935	
Meters	1,870		2,970		6,458	
Miscellaneous Distribution Plant	2,318		2,390		1,667	
Vacation, Holiday, Sick Leave	21,716		23,223		26,487	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,685		1,697	
Total Distribution Expense	\$410,811	5.9	\$402,655	3.4	\$411,524	5.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2014

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$7,733		\$8,890		\$8,070	
Load Dispatching	144,526		105,374		116,645	
Station Expense	15,909		34,093		12,233	
Overhead Line Expense	129		1,466		615	
Transmission of Electricity by Others	56,867		55,182		24,573	
Miscellaneous Transmission Expense	23,129		8,748		13,654	
Maintenance:						
Supervision	3,850		4,119		3,847	
Structures	137		---		---	
Station Equipment	15,493		12,937		15,715	
Overhead Lines	23,169		31,962		44,418	
Vacation, Holiday, Sick Leave	12,621		11,231		12,903	
Depreciation	62,082		61,376		61,250	
Tax on Rural Property	11,432		11,284		11,364	
Total Transmission Expense	<u>377,077</u>	2.5	<u>346,662</u>	1.5	<u>325,287</u>	2.3
<u>Distribution</u>						
Operation Supervision	21,211		24,578		22,728	
Load Dispatching	54,845		57,861		50,213	
Station Expense	15,371		21,775		11,525	
Overhead Line Expense	20,656		3,694		4,395	
Vehicle Expense	35,509		33,562		34,831	
Underground Line Expense	6,530		2,307		2,899	
Street Lighting	3,235		6,839		2,678	
Signal Expense	1,143		989		---	
Meter Expense	15,884		18,051		18,316	
Consumer Installation Expense	1,316		1,474		1,878	
Miscellaneous Distribution Expense	92,909		105,523		101,046	
Maintenance:						
Supervision	19,258		21,888		20,544	
Structures	838		---		---	
Station Equipment	21,279		16,125		11,884	
Overhead Lines	116,036		109,104		124,696	
Underground Lines	19,549		17,189		10,345	
Line Transformers	7,372		5,015		15,034	
Street Lighting	11,400		8,423		5,905	
Signal System	5,026		2,028		3,027	
Meters	4,310		5,603		7,962	
Miscellaneous Distribution Plant	4,635		4,069		3,734	
Vacation, Holiday, Sick Leave	54,196		58,584		66,950	
Depreciation	318,943		316,474		311,004	
Tax on Rural Property	3,416		3,370		3,394	
Total Distribution Expense	<u>\$854,867</u>	5.6	<u>\$844,525</u>	3.7	<u>\$834,988</u>	6.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2014

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$12,023		\$3,126		\$13,611	
Energy Efficiency Rebates	20,116		4,414		6,098	
Electric Ranges/Dryers Maintenance	441		203		508	
Electric Water Heaters Maintenance	168		107		86	
Total Customer Service Expense	32,748	0.5	7,850	0.1	20,303	0.3
<u>Consumer Accounts</u>						
Supervision	2,761		2,996		3,076	
Meter Reading Expense	8,678		9,857		8,411	
Consumer Records and Collection	32,208		30,024		28,416	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	3,318		3,794		4,551	
Total Consumer Accounts Expense	51,282	0.7	50,988	0.4	47,751	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	165,875		171,719		152,705	
Office Supplies and Expenses	16,997		12,040		22,203	
Outside Services Employed	86,335		86,385		54,182	
Property Insurance	55,053		55,169		46,620	
Casualty Ins, Injuries & Damages	41,720		40,355		15,324	
Employee Pensions and Benefits	512,053		502,320		502,749	
Fringe Benefits Charged to Constr.	(20,826)		(15,074)		(8,151)	
Regulatory Commission	8,608		6,797		7,893	
Miscellaneous General Expense	47,866		22,194		30,197	
Maintenance of General Plant	31,981		28,795		24,099	
Maintenance of A/O Center	31,395		32,444		26,062	
Vacation, Holiday, Sick Leave	20,909		20,522		26,602	
Depreciation	134,595		131,862		128,501	
Total Administrative and General	1,132,561	16.3	1,095,528	9.4	1,028,986	14.9
Total Operating Expense	<u>\$7,415,606</u>		<u>\$10,167,690</u>		<u>\$7,018,614</u>	
Percent to Operating Revenue		106.8		87.0		101.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2014

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$25,284		\$7,485		\$17,173	
Energy Efficiency Rebates	40,231		14,550		11,377	
Electric Ranges/Dryers Maintenance	982		771		1,238	
Electric Water Heaters Maintenance	400		176		259	
Total Customer Service Expense	<u>\$66,897</u>	0.4	<u>\$22,982</u>	0.1	<u>\$30,047</u>	0.2
<u>Consumer Accounts</u>						
Supervision	5,476		6,306		6,220	
Meter Reading Expense	17,301		21,162		18,520	
Consumer Records and Collection	64,347		61,279		63,081	
Uncollectible Accounts Expense	8,633		8,633		6,594	
Vacation, Holiday, Sick Leave	8,327		9,902		9,933	
Total Consumer Accounts Expense	<u>104,084</u>	0.7	<u>107,282</u>	0.5	<u>104,348</u>	0.8
<u>Administrative and General</u>						
Administrative and General Salaries	331,761		361,837		328,631	
Office Supplies and Expenses	43,038		32,387		41,461	
Outside Services Employed	150,354		125,465		92,288	
Property Insurance	110,106		110,338		93,241	
Casualty Ins, Injuries & Damages	85,041		81,510		40,257	
Employee Pensions and Benefits	1,034,880		1,027,115		1,019,403	
Fringe Benefits Charged to Constr.	(40,722)		(34,535)		(23,034)	
Regulatory Commission	17,217		13,885		16,161	
Miscellaneous General Expense	95,822		59,744		67,618	
Maintenance of General Plant	68,815		65,937		49,411	
Maintenance of A/O Center	60,944		66,159		55,582	
Vacation, Holiday, Sick Leave	52,086		53,123		62,438	
Depreciation	269,189		263,724		257,002	
Total Administrative and General	<u>2,278,531</u>	14.9	<u>2,226,689</u>	9.7	<u>2,100,459</u>	15.2
Total Operating Expense	<u>\$15,755,961</u>		<u>\$20,165,784</u>		<u>\$14,179,950</u>	
Percent to Operating Revenue		103.3		87.7		102.3

**Muscatine Power and Water - Electric Utility
Statistical Data
February 2014**

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

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.873	\$1.839
Per Net MW Generated	\$21.92	\$20.15
Net Peak Monthly Demand-KW	115,760	114,210
Date of Peak	2/10	2/1
Hour of Peak	800	1000

	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.879	\$1.829
Per Net MW Generated	\$21.96	\$20.19
Net Peak Monthly Demand-KW	115,760	114,210
Date of Peak	2/10	2/1
Hour of Peak	800	1000

Average Temperature	12.8°	25.8°
---------------------	-------	-------

<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,747	9,759
Commercial I	1,365	1,381
Commercial II	117	113
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
Total	<u>11,296</u>	<u>11,320</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - February 2014

	<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>73,157,078</u>		<u>117,950,640</u>		<u>83,744,825</u>	
<u>Wholesale Sales</u>	<u>\$2,048,398</u>	<u>\$0.02800</u>	<u>\$6,674,094</u>	<u>\$0.05658</u>	<u>\$2,230,466</u>	<u>\$0.02663</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,409,285	0.01926	2,452,633	0.02079	1,596,931	0.01907
Emissions:						
SO ² Allowances ^{fn1}	432	0.00001	69	0.00000	25	0.00000
NO _x Allowances ^{fn2}	6,601	0.00009	8,347	0.00007	4,121	0.00005
Other ^{fn3}	<u>186,673</u>	<u>0.00255</u>	<u>186,673</u>	<u>0.00158</u>	<u>191,059</u>	<u>0.00228</u>
Total Variable Costs	<u>1,602,991</u>	<u>0.02191</u>	<u>2,647,722</u>	<u>0.02245</u>	<u>1,792,136</u>	<u>0.02140</u>
Gross Margin	<u>\$445,407</u>	<u>\$0.00609</u>	<u>\$4,026,372</u>	<u>\$0.03414</u>	<u>\$438,330</u>	<u>\$0.00523</u>
Percent Gross Margin	21.7%		60.3%		19.7%	

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>177,400,778</u>		<u>232,922,503</u>		<u>161,147,077</u>	
<u>Wholesale Sales</u>	<u>\$5,071,465</u>	<u>\$0.02859</u>	<u>\$12,709,966</u>	<u>\$0.05457</u>	<u>\$4,109,542</u>	<u>\$0.02550</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	3,411,932	0.01923	4,884,440	0.02097	3,071,399	0.01906
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	910	0.00001	138	0.00000	46	0.00000
NO _x Allowances ^{fn3}	13,791	0.00008	17,425	0.00007	7,692	0.00005
Other ^{fn4}	<u>373,346</u>	<u>0.00210</u>	<u>373,346</u>	<u>0.00160</u>	<u>382,118</u>	<u>0.00237</u>
Total Variable Costs	<u>3,799,979</u>	<u>0.02142</u>	<u>5,275,349</u>	<u>0.02265</u>	<u>3,461,255</u>	<u>0.02148</u>
Gross Margin	<u>\$1,271,486</u>	<u>\$0.00717</u>	<u>\$7,434,617</u>	<u>\$0.03192</u>	<u>\$648,287</u>	<u>\$0.00402</u>
Percent Gross Margin	25.1%		58.5%		15.8%	

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

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$0.75
YTD SO ²	2.00	0.75	0.75
fn2 NO _x annual	42.50	45.00	40.00
NO _x seasonal	10.00	21.50	0.00
fn3 YTD NO _x annual	42.50	45.00	40.00
YTD 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.

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
February 2014

Delivered to Wholesale Customers

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Wholesale Sales KWHs	73,157,078	117,950,640	83,744,825	177,400,778	232,922,503	161,147,077
Wholesale Sales	\$2,048,398	\$6,674,094	\$2,230,466	\$5,071,465	\$12,709,966	\$4,109,542
Less:						
Production Fuel	1,484,317	2,578,895	1,675,084	3,568,968	5,098,880	3,230,392
Generation-Other	1,814,151	1,763,288	1,522,504	3,572,820	3,561,984	3,269,216
Transmission	162,963	164,606	158,865	377,077	346,662	325,287
Subtotal	3,461,431	4,506,789	3,356,453	7,518,865	9,007,526	6,824,895
Wholesale Margin	<u>(\$1,413,033)</u>	<u>\$2,167,305</u>	<u>(\$1,125,987)</u>	<u>(\$2,447,400)</u>	<u>\$3,702,440</u>	<u>(\$2,715,353)</u>

Delivered to Steam Customer

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Steam Sales - 1,000 lbs.	237,537	234,164	222,457	500,373	492,325	487,114
Steam Sales	\$907,574	\$894,944	\$822,908	\$1,906,083	\$1,880,019	\$1,801,619
Less:						
Production Fuel	543,651	523,527	491,018	1,138,901	1,113,130	1,066,183
Generation-Other	29,855	26,789	29,737	60,345	62,964	59,372
Steam sales Margin	<u>\$334,068</u>	<u>\$344,628</u>	<u>\$302,153</u>	<u>\$706,837</u>	<u>\$703,925</u>	<u>\$676,064</u>

Delivered to Paying Native System Customers

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>	<u>Year-To-Date 2014 Budget</u>	<u>Year-To-Date 2014 Actual</u>	<u>Year-To-Date 2013 Actual</u>
Native System Sales KWHs	64,738,983	65,826,301	64,979,372	136,210,660	135,471,132	134,320,870
Native System Sales	\$3,898,650	\$4,039,676	\$3,771,221	\$8,078,093	\$8,256,547	\$7,733,953
Less:						
Purchased Power	1,753,267	3,553,564	1,632,842	3,733,471	6,780,686	3,159,658
Distribution	410,811	402,655	411,524	854,867	844,525	834,988
Customer Service	32,748	7,850	20,303	66,897	22,982	30,047
Consumers Accounts	51,282	50,988	47,751	104,084	107,282	104,348
Administrative & General	1,132,561	1,095,528	1,028,986	2,278,531	2,226,689	2,100,459
Subtotal	3,380,669	5,110,585	3,141,406	7,037,850	9,982,164	6,229,500
Native System Margin	517,981	(1,070,909)	629,815	1,040,243	(1,725,617)	1,504,453
Steam Sales Margin	334,068	344,628	302,153	706,837	703,925	676,064
Wholesale Margin	<u>(1,413,033)</u>	<u>2,167,305</u>	<u>(1,125,987)</u>	<u>(2,447,400)</u>	<u>3,702,440</u>	<u>(2,715,353)</u>
Net Electric Margin	(560,984)	1,441,024	(194,019)	(700,320)	2,680,748	(534,836)
Other Revenue	91,521	73,237	95,256	192,804	137,423	217,981
Nonoperating Revenue (Expense)	114,250	105,755	104,490	228,537	212,337	208,926
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(\$355,213)</u>	<u>\$1,620,016</u>	<u>\$5,727</u>	<u>(\$278,979)</u>	<u>\$3,030,508</u>	<u>(\$107,929)</u>