

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

May 2014

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - May 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	65,044,349	73.8	113,035,371	15.7	97,690,498
Less: Plant Use	<u>7,231,680</u>	<u>54.2</u>	<u>11,150,895</u>	<u>24.3</u>	<u>8,972,342</u>
Net Generation/Wholesale Sales	<u>57,812,669</u>	<u>76.2</u>	<u>101,884,476</u>	<u>14.8</u>	<u>88,718,156</u>
<u>Net Capacity Factors</u>					
Unit 9	40.00	72.7	69.07	3.1	66.98
Unit 8/8A	27.31	89.8	51.83	5.1X	8.47
Unit 7	---	---	11.03	(60.4)	27.84
Total Plant	33.66	77.0	59.59	15.3	51.70
<u>KWH Distribution</u>					
Residential	7,100,000	(3.0)	6,886,933	(4.2)	7,187,257
Commercial I	2,810,750	(3.4)	2,716,377	(7.9)	2,948,186
Commercial II	9,043,800	(7.5)	8,366,480	(0.3)	8,391,037
Industrial I	10,244,425	(8.6)	9,358,700	(9.6)	10,349,800
Industrial II	38,545,530	2.4	39,462,284	7.0	36,870,822
City Enterprise Funds	565,000	(31.9)	384,679	(15.5)	455,101
Water & Communications Utilities	<u>1,306,093</u>	<u>7.3</u>	<u>1,400,928</u>	<u>10.9</u>	<u>1,262,824</u>
Native System Sales	69,615,598	(1.5)	68,576,381	1.6	67,465,027
City Lighting	172,871	1.2	174,943	(2.3)	179,125
City Buildings	431,523	11.0	479,115	3.0	465,200
Offline Power Plant Usage	70,608	2.2X	226,440	(43.6)	401,479
Losses & Cycle Billing	<u>4,859,390</u>	<u>(36.6)</u>	<u>3,079,597</u>	<u>18.9</u>	<u>2,590,650</u>
Total Native System KWH	<u>75,149,990</u>	<u>(3.5)</u>	<u>72,536,476</u>	<u>2.0</u>	<u>71,101,481</u>
Distributed/Purchased Power					
<u>STEAM SALES - 1000 lbs</u>	<u>265,172</u>	<u>(11.4)</u>	<u>234,885</u>	<u>11.2X</u>	<u>19,327</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - May 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	387,103,341	32.7	513,744,384	(0.1)	514,006,449
Less: Plant Use	<u>40,465,260</u>	28.1	<u>51,840,355</u>	(0.9)	<u>52,327,659</u>
Net Generation/Wholesale Sales	<u>346,638,081</u>	33.3	<u>461,904,029</u>	---	<u>461,678,790</u>
<u>Net Capacity Factors</u>					
Unit 9	46.19	28.9	59.52	(10.5)	66.49
Unit 8/8A	40.18	31.8	52.96	37.7	38.47
Unit 7	9.36	2.5X	33.07	2.2X	10.45
Total Plant	41.43	33.8	55.45	0.4	55.22
<u>KWH Distribution</u>					
Residential	39,250,000	8.7	42,668,511	5.5	40,460,680
Commercial I	15,050,725	3.6	15,589,626	(1.3)	15,790,218
Commercial II	43,040,675	(4.1)	41,290,264	3.2	40,007,791
Industrial I	46,478,800	(8.0)	42,769,560	(8.7)	46,847,860
Industrial II	190,691,875	(1.0)	188,848,880	1.4	186,217,558
City Enterprise Funds	2,680,000	(19.0)	2,171,981	(0.7)	2,187,830
Water & Communications Utilities	<u>6,644,682</u>	3.6	<u>6,883,203</u>	8.0	<u>6,372,025</u>
Native System Sales	343,836,757	(1.1)	340,222,025	0.7	337,883,962
City Lighting	853,193	(4.4)	815,729	(2.3)	834,882
City Buildings	2,515,537	20.0	3,019,483	10.3	2,738,000
Offline Power Plant Usage	436,622	2.6X	1,566,594	26.1	1,241,924
Losses & Cycle Billing	<u>10,947,210</u>	(14.0)	<u>9,410,741</u>	1.4	<u>9,277,752</u>
Total Native System KWH	<u>358,589,319</u>	(1.0)	<u>355,034,572</u>	0.9	<u>351,976,520</u>
Distributed/Purchased Power					
<u>STEAM SALES - 1000 lbs</u>	<u>1,279,059</u>	(5.6)	<u>1,207,460</u>	16.8	<u>1,034,098</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - May 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	\$698,986	0.09845	\$690,787	0.10030	\$674,744	0.09388
Commercial I	249,148	0.08864	240,865	0.08867	242,004	0.08209
Commercial II	592,677	0.06553	559,009	0.06682	506,981	0.06042
Industrial I	572,327	0.05587	543,185	0.05804	549,715	0.05311
Industrial II	1,806,822	0.04688	1,844,566	0.04674	1,731,829	0.04697
City Enterprise Funds	32,866	0.05817	25,200	0.06551	26,776	0.05884
Water & Communication Utilities	65,622	0.05024	76,779	0.05481	67,093	0.05313
Native System Sales	4,018,448	0.05772	3,980,391	0.05804	3,799,142	0.05631
Wholesale Sales	1,532,036	0.02650	3,869,883	0.03798	2,942,553	0.03317
Energy Sales	5,550,484		7,850,274		6,741,695	
<u>Steam Sales</u>	1,018,601	3.84	922,775	3.93	69,575	3.60
<u>Other Revenue</u>						
Rail Car Lease	---		---		---	
By-Product Revenue	73,636		22,982		27,109	
Miscellaneous Revenue	43,777		80,947		39,839	
Total Other Revenue	117,413		103,929		66,948	
Operating Revenue	6,686,498		8,876,978		6,878,218	
<u>Operating Expense</u>						
Purchased Power	2,104,200	0.02800	2,386,604	0.03290	2,028,970	0.02854
Production Fuel	1,694,569		2,756,048		1,837,937	
Emissions Allowance	1,967		10,775		734	
Operation	1,973,693		1,872,151		1,874,386	
Maintenance	862,521		837,059		1,293,534	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	7,587,467		8,808,131		7,972,562	
Operating Income (Loss)	(900,969)		68,847		(1,094,344)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,270		108,269		106,302	
Interest Expense	(133)		(440)		(121)	
Total Nonoperating Revenue (Expense)	114,137		107,829		106,181	
Net Income (Loss) Before Revenue Adjustment	(786,832)		176,676		(988,163)	
Capital Contributions	6,278		---		10,175	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(780,554)		176,676		(977,988)	
Beginning Net Position	153,266,688		157,384,763		164,100,511	
Ending Net Position	\$152,486,134		\$157,561,439		\$163,122,523	
Net Loss Before Rev Adj to Op Revenue	(11.8)		2.0		(14.4)	
Change in Net Position to Operating Revenue	(11.7)		2.0		(14.2)	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - May 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	\$3,781,064	0.09633	\$4,113,338	0.09640	\$3,716,874	0.09186
Commercial I	1,322,709	0.08788	1,364,076	0.08750	1,286,537	0.08148
Commercial II	2,869,053	0.06666	2,742,052	0.06641	2,424,843	0.06061
Industrial I	2,591,076	0.05575	2,493,722	0.05831	2,506,068	0.05349
Industrial II	9,006,982	0.04723	8,955,301	0.04742	8,789,897	0.04720
City Enterprise Funds	158,082	0.05899	138,673	0.06385	129,299	0.05910
Water & Communications Utilities	335,571	0.05050	383,631	0.05573	325,761	0.05112
Native System Sales	20,064,537	0.05835	20,190,793	0.05935	19,179,279	0.05676
Wholesale Sales	9,556,254	0.02757	21,315,623	0.04615	13,887,904	0.03008
Energy Sales	29,620,791		41,506,416		33,067,183	
<u>Steam Sales</u>	4,932,356	3.86	4,652,318	3.85	3,825,689	3.70
<u>Other Revenue</u>						
Rail Car Lease	110,400		68,627		172,575	
By-Product Revenue	140,430		50,403		58,562	
Miscellaneous Revenue	259,446		265,893		266,740	
Total Other Revenue	510,276		384,923		497,877	
Operating Revenue	35,063,423		46,543,657		37,390,749	
<u>Operating Expense</u>						
Purchased Power	9,155,029	0.02553	13,123,839	0.03696	9,281,941	0.02637
Production Fuel	9,955,643		12,908,061		11,536,173	
Emissions Allowance	32,631		38,513		32,431	
Operation	9,785,268		9,322,380		9,083,640	
Maintenance	4,264,644		4,120,461		4,054,929	
Depreciation	4,752,581		4,727,470		4,685,005	
Total Operating Expense	37,945,796		44,240,724		38,674,119	
Operating Income (Loss)	(2,882,373)		2,302,933		(1,283,370)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	571,728		533,920		525,720	
Interest Expense	(667)		(1,471)		(824)	
Total Nonoperating Revenue (Expense)	571,061		532,449		524,896	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,311,312)		2,835,382		(758,474)	
Capital Contributions	71,389		---		27,047	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(2,239,923)		2,835,382		(731,427)	
Beginning Net Position	154,726,057		154,726,057		163,853,950	
Ending Net Position	<u>\$152,486,134</u>		<u>\$157,561,439</u>		<u>\$163,122,523</u>	
Net Loss Before Rev Adj to Op Revenue	(6.6)		6.1		(2.0)	
Change in Net Position to Operating Revenue	(6.4)		6.1		(2.0)	

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,042,488	\$1,231,242
Investments	11,000,000	4,800,550
	<hr/>	<hr/>
Total Restricted Current Assets	13,042,488	6,031,792
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	19,158,601	12,727,393
Investments	5,500,000	9,201,435
Receivables:		
Consumer Accounts	4,967,811	4,550,976
Refined Coal	4,208,885	---
Wholesale	1,097,451	418,023
Steam Sales	949,912	93,805
Interest	525,774	524,517
Intercompanies	---	---
Inventories	6,354,816	6,594,443
Fuel	2,795,573	6,505,139
Prepaid Expenses	1,076,694	1,045,349
	<hr/>	<hr/>
Total Unrestricted Current Assets	46,635,517	41,661,080
	<hr/>	<hr/>
Total Current Assets	59,678,005	47,692,872
	<hr/>	<hr/>
Property and Equipment:		
At Cost	413,219,879	410,915,975
Less Accumulated Depreciation	325,769,883	316,374,077
	<hr/>	<hr/>
Net Property and Equipment	87,449,996	94,541,898
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	900,000	---
Joint Venture Rights	105,649	103,261
	<hr/>	<hr/>
Total Other Assets	36,332,649	35,430,261
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$183,460,650</u></u>	<u><u>\$177,665,031</u></u>

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$6,748,715	\$2,890,652
Pension Provision	892,730	388,447
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	287,037	315,673
Accrued Vacation	1,177,740	1,208,142
Accrued Emission Allowance Expense	49,308	32,431
Consumers' Deposits	631,947	583,956
Retained Percentage on Contracts	—	7,618
Accrued Property Taxes	90,530	102,728
Miscellaneous Accrued Expenses	765,305	795,141
Unearned Mooring Lease	832	—
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	10,873,244	6,498,614
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,449,853	1,651,951
Post-Employment Health Benefit Provision	362,878	178,707
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,993,101	2,011,028
	<hr/>	<hr/>
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	6,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets	87,449,996	94,541,898
Restricted	13,042,488	6,031,792
Unrestricted	57,068,955	62,548,833
	<hr/>	<hr/>
Total Net Position	157,561,439	163,122,523
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$183,460,650</u></u>	<u><u>\$177,665,031</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 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	\$3,875,224	\$20,271,941
MISO sales	2,470,590	20,848,156
Steam sales	907,795	4,723,402
Railcar/facilities leasing	5,000	162,832
By-product sales	5,083	167,848
Miscellaneous sources	14,214	194,849
Cash paid to/for:		
Suppliers	2,540,404	9,704,379
MISO purchases/administration fees	(1,560,258)	(13,492,265)
Coal	(5,268,293)	(24,016,530)
Employees payroll, taxes and benefits	(1,845,875)	(8,819,987)
Net cash flows from operating activities	<u>1,143,884</u>	<u>9,744,625</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(280,923)	(1,250,016)
Loan to Water Utility	<u>(250,000)</u>	<u>(500,000)</u>
Net cash flows from capital and related financing activities	<u>(530,923)</u>	<u>(1,750,016)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(22,235)	(44,470)
Interest received on investments and note receivable	2,328	656,689
Amortization/accretion of investments	---	(568)
Mark to Market	<u>---</u>	<u>(72)</u>
Net cash flows from investing activities	<u>(19,907)</u>	<u>611,579</u>
Net increase in cash and investments	<u>593,054</u>	<u>8,606,188</u>
Cash and investments at beginning of period	<u>37,108,035</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$37,701,089</u></u>	<u><u>\$37,701,089</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 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	\$68,847	\$2,302,933
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	4,727,470
Amortization of joint venture rights	8,245	40,442
Changes in assets and liabilities:		
Consumer accounts receivable	(158,625)	1,792,816
Refined coal	(1,146,020)	(4,208,885)
Wholesale receivable	(561,479)	(55,975)
Steam sales receivable	43,910	128,678
Intercompany receivable	58	0
Inventories	(248,834)	(36,208)
Fuel	290,196	2,273,595
Prepaid expenses	102,442	(436,461)
Accounts payable	1,835,383	2,434,331
Pension provision	178,546	892,730
Health & dental insurance provision	(45,130)	(44,665)
Other post-employment benefit provision	8,229	41,146
Accrued payroll	113,230	(175,796)
Accrued vacation	(18,705)	84,260
Accrued emission allowance expense	(49,125)	(21,387)
Consumers' deposits	13,853	38,006
Accrued property taxes	8,590	(7,030)
Miscellaneous accrued expenses	(244,361)	(23,240)
Unearned mooring lease	(860)	(2,135)
Net cash flows from operating activities	<u><u>\$1,143,884</u></u>	<u><u>\$9,744,625</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,042,488</u>	<u>\$6,031,792</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,042,488</u></u>	<u><u>\$6,031,792</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,104,200</u>	31.5	<u>\$2,386,604</u>	26.9	<u>\$2,028,970</u>	29.5
Average price per kWh	\$0.0280		\$0.0329		\$0.0285	
<u>Generation</u>						
Operation Supervision	80,446		77,718		79,152	
Fuel:						
Coal	1,595,473		2,623,224		1,779,607	
Fuel Oil	15,749		19,652		389	
Gas	10,450		51,508		4,310	
Coal Handling Expense	62,658		60,144		48,340	
Landfill Operation Expense	10,239		1,520		5,291	
Emissions Allowance Expense	1,967		10,775		734	
Steam Expense:						
Boiler	94,619		95,140		91,562	
Pollution Control	37,904		39,372		35,360	
Electric Expense	77,440		89,976		87,802	
Miscellaneous Steam Power Expense	251,911		152,744		181,187	
Maintenance:						
Supervision	80,066		78,173		94,856	
Structures	67,710		85,113		41,540	
Boiler Plant:						
Boiler	239,066		184,942		388,783	
Pollution Control	46,612		77,223		60,143	
Electric Plant	73,965		38,988		186,977	
System Control	19,001		17,830		17,116	
Miscellaneous Steam Plant	74,507		53,400		65,126	
Coal Handling Equipment	69,927		148,923		188,654	
System Control and Load Dispatch	28,785		28,647		27,852	
Vacation, Holiday, Sick Leave	101,271		114,616		99,114	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
Total Generation Expense	<u>\$3,665,175</u>	54.8	<u>\$4,674,335</u>	52.7	<u>\$4,106,268</u>	59.7

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

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$9,155,029</u>	26.1	<u>\$13,123,839</u>	28.2	<u>\$9,281,941</u>	24.8
Average price per kWh	\$0.0255		\$0.0370		\$0.0264	
<u>Generation</u>						
Operation Supervision	388,722		401,077		391,071	
Fuel:						
Coal	9,440,250		12,213,895		11,104,970	
Fuel Oil	79,768		93,991		31,221	
Gas	82,900		243,976		45,224	
Coal Handling Expense	332,125		346,966		331,203	
Landfill Operation Expense	20,600		9,233		23,555	
Emissions Allowance Expense	32,631		38,513		32,431	
Steam Expense:						
Boiler	509,960		506,711		510,780	
Pollution Control	191,490		175,707		176,005	
Electric Expense	449,216		467,111		453,675	
Miscellaneous Steam Power Expense	1,084,940		775,947		826,953	
Maintenance:						
Supervision	405,022		419,686		417,577	
Structures	356,263		304,689		329,494	
Boiler Plant:						
Boiler	1,116,505		980,321		927,043	
Pollution Control	289,808		394,225		226,342	
Electric Plant	260,352		261,894		342,303	
System Control	95,660		96,858		93,860	
Miscellaneous Steam Plant	413,467		337,642		312,001	
Coal Handling Equipment	315,143		399,692		413,527	
System Control and Load Dispatch	155,135		135,924		136,209	
Vacation, Holiday, Sick Leave	441,335		520,962		472,766	
Depreciation	<u>3,127,043</u>		<u>3,123,535</u>		<u>3,111,865</u>	
Total Generation Expense	<u>\$19,588,335</u>	55.9	<u>\$22,248,555</u>	47.8	<u>\$20,710,075</u>	55.4

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,893		\$4,168		\$4,134	
Load Dispatching	53,021		59,706		55,131	
Station Expense	8,362		11,338		6,112	
Overhead Line Expense	---		606		---	
Transmission of Electricity by Others	28,433		30,917		13,291	
Miscellaneous Transmission Expense	10,665		2,566		7,599	
Maintenance:						
Supervision	1,925		1,949		1,798	
Structures	2,674		---		---	
Station Equipment	7,935		4,088		7,400	
Overhead Lines	10,386		14,779		5,897	
Vacation, Holiday, Sick Leave	7,517		5,560		7,462	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,642		5,682	
Total Transmission Expense	<u>171,568</u>	2.6	<u>172,007</u>	1.9	<u>145,131</u>	2.1
<u>Distribution</u>						
Operation Supervision	10,668		11,331		10,809	
Load Dispatching	29,417		27,097		24,787	
Station Expense	8,211		12,900		7,045	
Overhead Line Expense	4,702		935		2,750	
Vehicle Expense	17,780		13,741		19,215	
Underground Line Expense	3,492		3,670		3,543	
Street Lighting	1,718		1,768		2,755	
Signal Expense	688		(5,014)		286	
Meter Expense	7,862		7,908		9,244	
Consumer Installation Expense	608		502		458	
Miscellaneous Distribution Expense	45,048		48,141		49,767	
Maintenance:						
Supervision	9,850		10,188		9,633	
Structures	2,234		---		---	
Station Equipment	9,424		2,160		31,894	
Overhead Lines	42,281		35,027		85,878	
Underground Lines	7,291		27,678		5,553	
Line Transformers	11,918		2,803		2,965	
Street Lighting	5,116		2,269		3,732	
Signal System	1,904		4,205		2,701	
Meters	1,965		1,866		1,607	
Miscellaneous Distribution Plant	2,318		4,937		3,119	
Vacation, Holiday, Sick Leave	32,483		28,616		32,794	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,685		1,697	
Total Distribution Expense	<u>\$418,158</u>	6.3	<u>\$402,650</u>	4.5	<u>\$467,734</u>	6.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$19,463		\$21,479		\$20,395	
Load Dispatching	300,959		318,696		285,421	
Station Expense	41,264		71,317		31,950	
Overhead Line Expense	330		2,072		1,526	
Transmission of Electricity by Others	142,167		145,392		61,746	
Miscellaneous Transmission Expense	58,422		19,605		30,812	
Maintenance:						
Supervision	9,677		10,137		9,474	
Structures	4,068		---		---	
Station Equipment	41,789		31,543		36,423	
Overhead Lines	54,325		67,501		80,030	
Vacation, Holiday, Sick Leave	32,740		33,309		31,769	
Depreciation	155,206		153,440		153,125	
Tax on Rural Property	28,580		28,315		28,506	
Total Transmission Expense	888,990	2.5	902,806	1.9	771,177	2.1
<u>Distribution</u>						
Operation Supervision	53,964		59,995		56,305	
Load Dispatching	143,885		143,578		125,553	
Station Expense	36,963		52,686		25,064	
Overhead Line Expense	38,421		6,556		7,873	
Vehicle Expense	88,830		78,560		86,411	
Underground Line Expense	16,145		12,448		12,758	
Street Lighting	8,288		11,226		7,323	
Signal Expense	3,049		1,400		821	
Meter Expense	41,962		45,895		47,794	
Consumer Installation Expense	3,139		3,360		3,718	
Miscellaneous Distribution Expense	237,360		250,046		268,142	
Maintenance:						
Supervision	48,928		53,904		50,715	
Structures	4,271		---		---	
Station Equipment	97,668		34,797		57,614	
Overhead Lines	261,050		210,394		349,219	
Underground Lines	44,618		128,086		24,669	
Line Transformers	25,839		14,347		40,400	
Street Lighting	26,725		24,339		16,434	
Signal System	13,077		14,532		7,898	
Meters	14,205		10,588		12,907	
Miscellaneous Distribution Plant	11,588		15,846		10,809	
Vacation, Holiday, Sick Leave	140,886		137,941		149,033	
Depreciation	797,358		791,185		777,510	
Tax on Rural Property	8,540		8,453		8,511	
Total Distribution Expense	\$2,166,759	6.2	\$2,110,162	4.5	\$2,147,481	5.7

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

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$13,130		\$12,068		\$10,529	
Energy Efficiency Rebates	20,114		4,588		6,109	
Electric Ranges/Dryers Maintenance	441		230		514	
Electric Water Heaters Maintenance	168		---		159	
Total Customer Service Expense	33,853	0.5	16,886	0.2	17,311	0.3
<u>Consumer Accounts</u>						
Supervision	2,761		2,858		3,230	
Meter Reading Expense	8,825		10,451		9,469	
Consumer Records and Collection	32,265		33,704		37,926	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	5,009		6,113		4,665	
Total Consumer Accounts Expense	53,177	0.8	57,443	0.6	58,587	0.9
<u>Administrative and General</u>						
Administrative and General Salaries	165,844		161,401		188,688	
Office Supplies and Expenses	17,767		11,985		13,347	
Outside Services Employed	69,593		71,930		62,366	
Property Insurance	59,026		59,470		55,169	
Casualty Ins, Injuries & Damages	41,720		53,164		41,707	
Employee Pensions and Benefits	527,517		506,736		525,732	
Fringe Benefits Charged to Constr.	(31,791)		(19,038)		(18,429)	
Regulatory Commission	8,608		7,405		8,437	
Miscellaneous General Expense	42,852		38,805		25,748	
Maintenance of General Plant	30,345		28,932		37,005	
Maintenance of A/O Center	44,101		11,586		51,157	
Vacation, Holiday, Sick Leave	31,159		33,968		29,133	
Depreciation	134,595		131,862		128,501	
Total Administrative and General	1,141,336	17.1	1,098,206	12.4	1,148,561	16.7
Total Operating Expense	\$7,587,467		\$8,808,131		\$7,972,562	
Percent to Operating Revenue		113.5		99.2		115.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$65,373		\$35,521		\$37,109	
Energy Efficiency Rebates	100,576		30,076		50,112	
Electric Ranges/Dryers Maintenance	2,306		2,136		3,023	
Electric Water Heaters Maintenance	903		419		504	
Total Customer Service Expense	<u>\$169,158</u>	0.5	<u>\$68,152</u>	0.1	<u>\$90,748</u>	0.2
<u>Consumer Accounts</u>						
Supervision	13,760		14,130		15,180	
Meter Reading Expense	44,573		48,848		46,249	
Consumer Records and Collection	161,141		165,161		170,228	
Uncollectible Accounts Expense	21,583		21,583		16,485	
Vacation, Holiday, Sick Leave	21,662		24,933		22,824	
Total Consumer Accounts Expense	<u>262,719</u>	0.7	<u>274,655</u>	0.6	<u>270,966</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	829,295		831,508		868,420	
Office Supplies and Expenses	107,701		71,796		82,352	
Outside Services Employed	385,780		257,909		236,321	
Property Insurance	283,211		284,447		250,199	
Casualty Ins, Injuries & Damages	211,000		242,846		159,820	
Employee Pensions and Benefits	2,596,874		2,572,339		2,573,714	
Fringe Benefits Charged to Constr.	(130,935)		(111,261)		(72,377)	
Regulatory Commission	43,042		35,406		40,877	
Miscellaneous General Expense	225,954		220,834		178,850	
Maintenance of General Plant	161,737		148,550		136,615	
Maintenance of A/O Center	192,859		160,890		159,575	
Vacation, Holiday, Sick Leave	135,314		137,981		144,860	
Depreciation	672,974		659,310		642,505	
Total Administrative and General	<u>5,714,806</u>	16.3	<u>5,512,555</u>	11.8	<u>5,401,731</u>	14.4
Total Operating Expense	<u>\$37,945,796</u>		<u>\$44,240,724</u>		<u>\$38,674,119</u>	
Percent to Operating Revenue		108.2		95.1		103.4

Muscatine Power and Water - Electric Utility
Statistical Data
May 2014

Total Fuel Cost
(To & Including Ash Handling, Gas & .

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.933	\$1.783
Per Net MW Generated	\$22.19	\$20.36
Net Peak Monthly Demand-KW	121,300	119,280
Date of Peak	5/30	5/29
Hour of Peak	1600	1600

	<u>Calendar Year-To-Date</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.914	\$1.823
Per Net MW Generated	\$22.15	\$20.13
Net Peak Monthly Demand-KW	121,300	119,280
Date of Peak	5/30	5/29
Hour of Peak	1600	1600

Average Temperature	62.4°	62.4°
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<u>Services</u>	<u>2014</u>	<u>2013</u>
Residential	9,723	9,726
Commercial I	1,367	1,378
Commercial II	118	114
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
Total	<u>11,275</u>	<u>11,285</u>

**Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - May 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>57,812,669</u>		<u>101,884,476</u>		<u>88,718,156</u>	
<u>Wholesale Sales</u>	<u>\$1,532,036</u>	<u>\$0.02650</u>	<u>\$3,869,883</u>	<u>\$0.03798</u>	<u>\$2,942,553</u>	<u>\$0.03317</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	960,652	0.01662	2,153,619	0.02114	1,734,320	0.01955
Emissions:						
SO ² Allowances ^{fn1}	38	0.00000	52	0.00000	11	0.00000
NO _x Allowances ^{fn2}	624	0.00001	14,274	0.00014	3,299	0.00004
Other ^{fn3}	<u>186,673</u>	<u>0.00323</u>	<u>186,673</u>	<u>0.00183</u>	<u>191,059</u>	<u>0.00215</u>
Total Variable Costs	<u>1,147,987</u>	<u>0.01986</u>	<u>2,354,618</u>	<u>0.02311</u>	<u>1,928,689</u>	<u>0.02174</u>
Gross Margin	<u>\$384,049</u>	<u>\$0.00664</u>	<u>\$1,515,265</u>	<u>\$0.01487</u>	<u>\$1,013,864</u>	<u>\$0.01143</u>
Percent Gross Margin	25.1%		39.2%		34.5%	

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>346,638,081</u>		<u>461,904,029</u>		<u>461,678,790</u>	
<u>Wholesale Sales</u>	<u>\$9,556,254</u>	<u>\$0.02757</u>	<u>\$21,315,623</u>	<u>\$0.04615</u>	<u>\$13,887,904</u>	<u>\$0.03008</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	6,559,839	0.01892	9,757,904	0.02113	8,850,427	0.01917
Emissions:						
SO ² Allowances ^{fn1}	1,874	0.00001	241	0.00000	170	0.00000
NO _x Allowances ^{fn2}	27,376	0.00008	95,699	0.00021	25,013	0.00005
Other ^{fn3}	<u>933,365</u>	<u>0.00269</u>	<u>933,365</u>	<u>0.00202</u>	<u>955,295</u>	<u>0.00207</u>
Total Variable Costs	<u>7,522,454</u>	<u>0.02170</u>	<u>10,787,209</u>	<u>0.02335</u>	<u>9,830,905</u>	<u>0.02129</u>
Gross Margin	<u>\$2,033,800</u>	<u>\$0.00587</u>	<u>\$10,528,414</u>	<u>\$0.02279</u>	<u>\$4,056,999</u>	<u>\$0.00879</u>
Percent Gross Margin	21.3%		49.4%		29.2%	

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	\$0.80	\$0.75
YTD SO ²	2.00	0.76	0.75
fn2 NO _x annual	42.50	65.00	40.00
NO _x seasonal	10.00	25.00	12.50
fn3 YTD NO _x annual	42.50	56.56	40.00
YTD NO _x seasonal	10.00	25.00	12.50

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