

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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>	54.2	<u>11,150,895</u>	24.3	<u>8,972,342</u>
Net Generation/Wholesale Sales	<u>57,812,669</u>	76.2	<u>101,884,476</u>	14.8	<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>	7.3	<u>1,400,928</u>	10.9	<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>	(36.6)	<u>3,079,597</u>	18.9	<u>2,590,650</u>
Total Native System KWH Distributed/Purchased Power	<u>75,149,990</u>	(3.5)	<u>72,536,476</u>	2.0	<u>71,101,481</u>
<u>STEAM SALES - 1000 lbs</u>	<u>265,172</u>	(11.4)	<u>234,885</u>	11.2X	<u>19,327</u>

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<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 Distributed/Purchased Power	<u>358,589,319</u>	(1.0)	<u>355,034,572</u>	0.9	<u>351,976,520</u>
<u>STEAM SALES - 1000 lbs</u>	<u>1,279,059</u>	<u>(5.6)</u>	<u>1,207,460</u>	<u>16.8</u>	<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	<u>65,622</u>	<u>0.05024</u>	<u>76,779</u>	<u>0.05481</u>	<u>67,093</u>	<u>0.05313</u>
Native System Sales	4,018,448	0.05772	3,980,391	0.05804	3,799,142	0.05631
Wholesale Sales	<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>
Energy Sales	<u>5,550,484</u>		<u>7,850,274</u>		<u>6,741,695</u>	
<u>Steam Sales</u>	<u>1,018,601</u>	<u>3.84</u>	<u>922,775</u>	<u>3.93</u>	<u>69,575</u>	<u>3.60</u>
<u>Other Revenue</u>						
Rail Car Lease	---		---		---	
By-Product Revenue	73,636		22,982		27,109	
Miscellaneous Revenue	<u>43,777</u>		<u>80,947</u>		<u>39,839</u>	
Total Other Revenue	<u>117,413</u>		<u>103,929</u>		<u>66,948</u>	
Operating Revenue	<u>6,686,498</u>		<u>8,876,978</u>		<u>6,878,218</u>	
<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	<u>950,517</u>		<u>945,494</u>		<u>937,001</u>	
Total Operating Expense	<u>7,587,467</u>		<u>8,808,131</u>		<u>7,972,562</u>	
Operating Income (Loss)	<u>(900,969)</u>		<u>68,847</u>		<u>(1,094,344)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,270		108,269		106,302	
Interest Expense	<u>(133)</u>		<u>(440)</u>		<u>(121)</u>	
Total Nonoperating Revenue (Expense)	<u>114,137</u>		<u>107,829</u>		<u>106,181</u>	
Net Income (Loss) Before Revenue Adjustment	<u>(786,832)</u>		<u>176,676</u>		<u>(988,163)</u>	
Capital Contributions	6,278		---		10,175	
Revenue Adjustment-Extraordinary O&M	<u>--</u>		<u>--</u>		<u>--</u>	
Change in Net Position	<u>(780,554)</u>		<u>176,676</u>		<u>(977,988)</u>	
Beginning Net Position	<u>153,266,688</u>		<u>157,384,763</u>		<u>164,100,511</u>	
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	(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	<u>335,571</u>	<u>0.05050</u>	<u>383,631</u>	<u>0.05573</u>	<u>325,761</u>	<u>0.05112</u>
Native System Sales	20,064,537	0.05835	20,190,793	0.05935	19,179,279	0.05676
Wholesale Sales	<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>
Energy Sales	<u>29,620,791</u>		<u>41,506,416</u>		<u>33,067,183</u>	
<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	<u>259,446</u>		<u>265,893</u>		<u>266,740</u>	
Total Other Revenue	<u>510,276</u>		<u>384,923</u>		<u>497,877</u>	
Operating Revenue	<u>35,063,423</u>		<u>46,543,657</u>		<u>37,390,749</u>	
<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	<u>4,752,581</u>		<u>4,727,470</u>		<u>4,685,005</u>	
Total Operating Expense	<u>37,945,796</u>		<u>44,240,724</u>		<u>38,674,119</u>	
Operating Income (Loss)	<u>(2,882,373)</u>		<u>2,302,933</u>		<u>(1,283,370)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	571,728		533,920		525,720	
Interest Expense	<u>(667)</u>		<u>(1,471)</u>		<u>(824)</u>	
Total Nonoperating Revenue (Expense)	<u>571,061</u>		<u>532,449</u>		<u>524,896</u>	
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	<u>154,726,057</u>		<u>154,726,057</u>		<u>163,853,950</u>	
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	<u>11,000,000</u>	<u>4,800,550</u>
Total Restricted Current Assets	<u>13,042,488</u>	<u>6,031,792</u>
<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	<u>1,076,694</u>	<u>1,045,349</u>
Total Unrestricted Current Assets	<u>46,635,517</u>	<u>41,661,080</u>
Total Current Assets	<u>59,678,005</u>	<u>47,692,872</u>
Property and Equipment:		
At Cost	413,219,879	410,915,975
Less Accumulated Depreciation	<u>325,769,883</u>	<u>316,374,077</u>
Net Property and Equipment	<u>87,449,996</u>	<u>94,541,898</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	900,000	--
Joint Venture Rights	<u>105,649</u>	<u>103,261</u>
Total Other Assets	<u>36,332,649</u>	<u>35,430,261</u>
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:		
Unrestricted		
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	<hr/> <u>10,873,244</u>	<hr/> <u>6,498,614</u>
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	<hr/> <u>1,993,101</u>	<hr/> <u>2,011,028</u>
Deferred Inflows of Resources - Extraordinary O & M	<u>13,032,866</u>	<u>6,032,866</u>
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	<hr/> <u>157,561,439</u>	<hr/> <u>163,122,523</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$183,460,650</u>	<u>\$177,665,031</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	<u>(1,845,875)</u>	<u>(8,819,987)</u>
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>(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	<u>(860)</u>	<u>(2,135)</u>
 Net cash flows from operating activities	 <u>\$1,143,884</u>	 <u>\$9,744,625</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>\$13,042,488</u>	<u>\$6,031,792</u>

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>Estimate</u>		<u></u>		<u></u>
Purchased Power	\$2,104,200	31.5	\$2,386,604	26.9	\$2,028,970
Average price per kWh	\$0.0280		\$0.0329		\$0.0285
Generation					
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>This Year</u>		<u>Last Year</u>
	<u>Estimate</u>				
Purchased Power	\$9,155,029	26.1	\$13,123,839	28.2	\$9,281,941
Average price per kWh	\$0.0255		\$0.0370		\$0.0264
Generation					
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	\$19,588,335	55.9	\$22,248,555	47.8	\$20,710,075
					55.4

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>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	<u>5,716</u>	<u>5,642</u>	<u>5,682</u>			
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	<u>1,708</u>	<u>1,685</u>	<u>1,697</u>			
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

	Budget		This Year		Last Year
	Estimate		 		
<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	<u>28,580</u>		<u>28,315</u>		<u>28,506</u>
Total Transmission Expense	<u>888,990</u>	2.5	<u>902,806</u>	1.9	<u>771,177</u>
					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	<u>237,360</u>		<u>250,046</u>		<u>268,142</u>
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	<u>8,540</u>		<u>8,453</u>		<u>8,511</u>
Total Distribution Expense	<u>\$2,166,759</u>	6.2	<u>\$2,110,162</u>	4.5	<u>\$2,147,481</u>
					5.7

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>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	 17,311
		16,886	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	 58,587
		57,443	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	 1,148,561
		1,098,206	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

	Budget Estimate	This Year	Last Year
<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	 \$90,748 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	 270,966 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	<u>672,974</u>	<u>659,310</u>	<u>642,505</u>
 Total Administrative and General	 <u>5,714,806</u>	 16.3	 5,401,731 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°

<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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
<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:

	Budget	2014	2013
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.