

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

May 2009

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Current Month - May 2009

	<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>Electric Energy Distribution - KWH</u>					
Residential	6,728,439	(6.5)	6,292,389	(1.0)	6,358,667
Commercial I	3,036,765	(8.2)	2,789,029	(3.3)	2,882,921
Commercial II	10,342,942	(18.3)	8,453,097	(5.8)	8,971,471
Industrial I	12,045,736	(21.8)	9,419,234	(12.4)	10,747,780
Industrial II	38,573,322	(12.1)	33,899,037	(5.4)	35,826,736
City Enterprise Funds	501,210	10.5	553,962	12.1	493,986
Water & Communications Utilities	<u>1,492,326</u>	(5.0)	<u>1,417,771</u>	(7.1)	<u>1,526,466</u>
Native System Sales	72,720,740	(13.6)	62,824,519	(6.0)	66,808,027
Wholesale Sales	<u>32,953,554</u>	(32.5)	<u>22,255,000</u>	(46.5)	<u>41,634,000</u>
Total Sales Delivered to Paying Consumers	105,674,294	(19.5)	85,079,519	(21.5)	108,442,027
City Lighting	178,673	8.7	194,258	10.4	176,029
City Buildings	477,562	(8.9)	434,907	(8.3)	474,281
MAPP Trans Loss-Payment	---	---	30,000	(90.6)	320,000
Losses & Cycle Billing	<u>3,020,310</u>	(45.9)	<u>1,634,748</u>	(35.5)	<u>2,536,341</u>
Total KWH Distributed	<u>109,350,839</u>	(20.1)	<u>87,373,432</u>	(22.0)	<u>111,948,678</u>
<u>KWH Generated and Received</u>					
Gross Generation	119,690,024	(22.2)	93,174,321	(24.2)	122,896,478
Less: Plant Use	<u>10,339,185</u>	(6.6)	<u>9,653,889</u>	(12.4)	<u>11,017,800</u>
Net Generation	<u>109,350,839</u>	(23.6)	<u>83,520,432</u>	(25.3)	<u>111,878,678</u>
Purchased Power	---	---	3,669,000	---	---
MAPP Trans Loss-Repayment	<u>---</u>	<u>---</u>	<u>184,000</u>	<u>---</u>	<u>70,000</u>
Total Net Generated and Received	<u>109,350,839</u>	(20.1)	<u>87,373,432</u>	(22.0)	<u>111,948,678</u>
<u>Steam Sales - 1000 lbs</u>					
<u>Purchased Power</u>	<u>KWH</u>		<u>Amount</u>		<u>Avg. Price</u>
OPPM	3,004,000		\$36,561		0.0122
REM	665,000		10,316		0.0155
Other	---		(880)		---
	<u>3,669,000</u>		<u>\$45,997</u>		<u>\$0.0125</u>
<u>Resale and Demand</u>					
OPPM	7,546,000		\$205,543		0.0272
REM	10,749,000		279,503		0.0260
PELLA	3,919,000		559,481		0.0518 *
Other	<u>41,000</u>		<u>4,039</u>		<u>0.0985</u>
	<u>22,255,000</u>		<u>\$1,048,566</u>		<u>\$0.0311 *</u>

*Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09

Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Calendar Year-to-Date - May 2009

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Electric Energy Distribution - KWH</u>					
Residential	38,207,344	4.5	39,918,901	1.4	39,376,168
Commercial I	15,906,668	(2.2)	15,559,205	(2.2)	15,910,308
Commercial II	49,680,026	(17.9)	40,781,035	(10.3)	45,477,961
Industrial I	57,081,566	(18.3)	46,644,072	(11.7)	52,844,900
Industrial II	191,125,313	(3.9)	183,583,117	(2.0)	187,321,590
City Enterprise Funds	2,511,217	3.7	2,602,970	8.6	2,397,725
Water & Communication Utilities	<u>7,584,160</u>	(7.7)	<u>6,999,592</u>	(12.7)	<u>8,014,939</u>
Native System Sales	362,096,294	(7.2)	336,088,892	(4.3)	351,343,591
Wholesale Sales	<u>194,577,657</u>	(24.7)	<u>146,501,000</u>	(32.8)	<u>218,106,000</u>
Total Sales Delivered to Paying Consumers	556,673,951	(13.3)	482,589,892	(15.3)	569,449,591
City Lighting	846,504	6.7	903,565	9.6	824,608
City Buildings	2,822,279	(7.0)	2,625,475	(5.1)	2,766,290
MAPP Trans Loss-Payment Losses & Cycle Billing	<u>---</u>	---	877,000	(61.4)	2,271,000
	<u>10,361,064</u>	(36.8)	<u>6,550,828</u>	(31.2)	<u>9,517,019</u>
Total KWH Distributed	<u>570,703,798</u>	(13.5)	<u>493,546,760</u>	(15.6)	<u>584,828,508</u>
<u>KWH Generated and Received</u>					
Gross Generation	582,367,781	(15.8)	490,632,044	(17.8)	596,654,408
Less: Plant Use	<u>53,027,983</u>	(6.9)	<u>49,370,284</u>	(9.8)	<u>54,740,900</u>
Net Generation	529,339,798	(16.6)	441,261,760	(18.6)	541,913,508
Purchased Power	41,364,000	25.1	51,727,000	20.7	42,840,000
MAPP Trans Loss-Repayment	<u>---</u>	---	<u>558,000</u>	---	<u>75,000</u>
Total Net Generated and Received	<u>570,703,798</u>	(13.5)	<u>493,546,760</u>	(15.6)	<u>584,828,508</u>
Steam Sales - 1000 lbs	993,600	0.1	994,379	4.2	954,703
Purchased Power					
OPPM	41,881,000		\$1,981,317		0.0473
REM	9,613,000		280,736		0.0292
Other	<u>233,000</u>		<u>12,705</u>		<u>0.0545</u>
	<u>51,727,000</u>		<u>\$2,274,758</u>		<u>\$0.0440</u>
Resale and Demand					
OPPM	58,479,000		\$1,867,922		0.0319
REM	76,014,000		2,590,534		0.0341
PELLA	11,763,000		997,348		0.0545 *
Other	<u>245,000</u>		<u>17,085</u>		<u>0.0697</u>
	<u>146,501,000</u>		<u>\$5,472,889</u>		<u>\$0.0349 *</u>

*Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - May 2009

	<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	\$504,633	0.0750	\$477,495	0.0759	\$482,020	0.0758
Commercial I	228,365	0.0752	212,158	0.0761	218,894	0.0759
Commercial II	560,587	0.0542	473,960	0.0561	502,642	0.0560
Industrial I	552,531	0.0459	478,889	0.0508	495,123	0.0461
Industrial II	1,569,138	0.0407	1,416,287	0.0418	1,480,062	0.0413
City Enterprise Funds	24,089	0.0481	26,704	0.0482	23,557	0.0477
Water & Communication Utilities	<u>67,823</u>	<u>0.0454</u>	<u>66,201</u>	<u>0.0467</u>	<u>69,118</u>	<u>0.0453</u>
Native System Sales	3,507,166	0.0482	3,151,694	0.0502	3,271,416	0.0490
Wholesale Sales	<u>1,736,445</u>	<u>0.0527</u>	<u>1,048,566</u>	<u>0.0311</u>	<u>*</u> <u>1,994,180</u>	<u>0.0479</u>
Energy Sales	<u>5,243,611</u>		<u>4,200,260</u>		<u>5,265,596</u>	
<u>Steam Sales</u>	---	---	298,358	5.11	223,123	4.23
<u>Other Revenue</u>						
Rail Car Lease	33,333		10,736		31,124	
By-Product Revenue	79,279		45,436		38,191	
Miscellaneous Revenue	<u>57,922</u>		<u>31,962</u>		<u>80,399</u>	
Total Other Revenue	<u>170,534</u>		<u>88,134</u>		<u>149,714</u>	
Operating Revenue	<u>5,414,145</u>		<u>4,586,752</u>		<u>5,638,433</u>	
<u>Operating Expense</u>						
Production Fuel and						
Purchased Power	1,764,688		1,473,540		1,729,369	
Emissions Allowance	<u>5,490</u>		<u>29,127</u>		<u>8,030</u>	
Operation	1,852,413		1,696,821		1,765,209	
Maintenance	1,663,031		1,150,419		2,773,230	
Depreciation	<u>1,180,374</u>		<u>1,175,880</u>		<u>1,142,497</u>	
Total Operating Expense	<u>6,465,996</u>		<u>5,525,787</u>		<u>7,418,335</u>	
Operating Income	<u>(1,051,851)</u>		<u>(939,035)</u>		<u>(1,779,902)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	213,575		167,989		160,575	
Interest Expense	<u>(178,165)</u>		<u>(179,757)</u>		<u>(230,704)</u>	
Total Nonoperating Revenue (Expense)	<u>35,410</u>		<u>(11,768)</u>		<u>(70,129)</u>	
Change in Net Assets	<u>(1,016,441)</u>		<u>(950,803)</u>		<u>(1,850,031)</u>	
Beginning Net Assets	<u>156,850,530</u>		<u>154,746,030</u>		<u>156,848,083</u>	
Ending Net Assets	<u>\$155,834,089</u>		<u>\$153,795,227</u>		<u>\$154,998,052</u>	
Percent to Total Income	(18.1)		(20.0)		(31.9)	
Debt Service Coverage	0.29		0.35		(0.34)	

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Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - May 2009

	<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	\$2,760,064	0.0722	\$2,899,461	0.0726	\$2,868,036	0.0728
Commercial I	1,191,224	0.0749	1,169,891	0.0752	1,195,340	0.0751
Commercial II	2,714,739	0.0546	2,314,667	0.0568	2,539,130	0.0558
Industrial I	2,646,195	0.0464	2,338,927	0.0501	2,442,801	0.0462
Industrial II	7,855,881	0.0411	7,673,260	0.0418	7,783,600	0.0416
City Enterprise Funds	118,598	0.0472	128,643	0.0494	115,731	0.0483
Water & Communications Utilities	345,227	0.0455	329,773	0.0471	360,840	0.0450
Native System Sales	17,631,928	0.0487	16,854,622	0.0501	17,305,478	0.0493
Wholesale Sales	10,148,935	0.0522	5,472,889	0.0349	* 11,208,933	0.0514
Energy Sales	27,780,863		22,327,511		28,514,411	
<u>Steam Sales</u>	3,787,204	3.81	4,811,559	4.84	3,437,372	3.60
<u>Other Revenue</u>						
Rail Car Lease	116,666		46,664		90,474	
By-Product Revenue	219,902		58,017		126,426	
Miscellaneous Revenue	199,961		213,841		197,459	
Total Other Revenue	536,529		318,522		414,359	
Operating Revenue	32,104,596		27,457,592		32,366,142	
<u>Operating Expense</u>						
Production Fuel and						
Purchased Power	13,142,460		10,840,102		12,332,959	
Emissions Allowance	27,451		1,254,708		40,150	
Operation	9,398,264		8,399,102		8,718,872	
Maintenance	7,412,350		6,645,466		7,354,953	
Depreciation	5,901,865		5,879,400		5,712,485	
Total Operating Expense	35,882,390		33,018,778		34,159,419	
Operating Loss	(3,777,794)		(5,561,186)		(1,793,277)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,093,785		845,570		1,394,630	
Interest Expense	(890,827)		(898,082)		(1,153,324)	
Total Nonoperating Revenue (Expense)	202,958		(52,512)		241,306	
Change in Net Assets	(3,574,836)		(5,613,698)		(1,551,971)	
Beginning Net Assets	159,408,925		159,408,925		156,550,023	
Ending Net Assets	\$155,834,089		\$153,795,227		\$154,998,052	
Percent to Total Income	(10.8)		(19.8)		(4.6)	
Debt Service Coverage	0.55		0.23		0.90	

*Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09

Muscatine Power and Water - Electric Utility
Balance Sheets
May 2009

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$2,161,388	\$6,081,911
Investments	33,593,097	29,629,113
	<hr/>	<hr/>
Total Restricted Current Assets	<hr/> <u>35,754,485</u>	<hr/> <u>35,711,024</u>
<u>Unrestricted</u>		
Cash - interest bearing	503,285	6,810,122
Investments	1,670,000	5,081,574
Receivables:		
Consumer Accounts	5,380,417	3,699,599
Resale	2,437,892	2,370,157
Interest	936,726	901,360
Intercompanies	19,108	18,999
Other	268,864	---
Inventories	6,771,182	6,488,520
Fuel	8,787,305	5,816,369
Prepaid Expenses	<u>906,399</u>	<u>845,312</u>
	<hr/>	<hr/>
Total Unrestricted Current Assets	<hr/> <u>27,681,178</u>	<hr/> <u>32,032,012</u>
	<hr/>	<hr/>
Total Current Assets	<hr/> <u>63,435,663</u>	<hr/> <u>67,743,036</u>
Property and Equipment:		
At Cost	403,755,277	397,587,207
Less Accumulated Depreciation	<u>270,534,483</u>	<u>257,381,754</u>
	<hr/>	<hr/>
Net Property and Equipment	<hr/> <u>133,220,794</u>	<hr/> <u>140,205,453</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	60,527	125,757
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>191,964</u>	<u>197,068</u>
	<hr/>	<hr/>
Total Other Assets	<hr/> <u>35,579,491</u>	<hr/> <u>35,649,825</u>
TOTAL ASSETS	<hr/> <u>\$232,235,948</u>	<hr/> <u>\$243,598,314</u>

Muscatine Power and Water - Electric Utility
Balance Sheets
May 2009

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$44,940 in 2009 and \$45,195 in 2008; and less Deferred Amount on Refunding of \$37,952 in 2009 and \$35,967 in 2008	\$11,936,988	11,314,228
Accrued Interest	<u>865,906</u>	<u>1,124,975</u>
Total Restricted Current Liabilities	<u>12,802,894</u>	<u>12,439,203</u>
<u>Unrestricted</u>		
Accounts Payable	3,268,555	3,818,129
Pension Provision	560,465	403,247
Health & Dental Insurance Provision	192,660	186,420
Accrued Payroll	601,303	599,862
Accrued Vacation	1,085,949	1,059,280
Accrued Emission Allowance Expense	1,254,708	---
Consumers' Deposits	646,128	624,972
Retained Percentage on Contracts	91,890	106,485
Accrued Property Taxes	91,124	93,217
Miscellaneous Accrued Expenses	712,653	555,087
Miscellaneous Deferred Credits	<u>119,250</u>	<u>120,000</u>
Total Unrestricted Current Liabilities	<u>8,624,685</u>	<u>7,566,699</u>
Total Current Liabilities	<u>21,427,579</u>	<u>20,005,902</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,823,023	1,420,619
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$327,589 in 2009 and \$625,230 in 2008; and less Deferred Amount on Refunding of \$295,634 in 2009 and \$539,653 in 2008	<u>25,886,955</u>	<u>37,870,577</u>
Total Non-Current Liabilities	<u>27,709,978</u>	<u>39,291,196</u>
Deferred Revenue - Extraordinary O & M	<u>29,303,164</u>	<u>29,303,164</u>
Net Assets:		
Invested in capital assets, net of related debt	95,522,609	89,817,031
Restricted	34,888,579	34,586,049
Unrestricted	<u>23,384,039</u>	<u>30,594,972</u>
Total Net Assets	<u>153,795,227</u>	<u>154,998,052</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$232,235,948</u>	<u>\$243,598,314</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2009

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$2,120,041	\$15,840,154
Wholesale electric sales, net	434,041	6,255,343
Steam sales	703,326	4,458,534
Coal & transportation allowances	146,959	226,187
Railcar leasing	---	99,428
By-product sales	8,770	67,639
Miscellaneous sources	58,482	324,056
Cash paid to/for:		
Suppliers	(717,971)	(5,852,572)
Wholesale power & fees	(248,255)	(2,631,538)
Coal	(2,191,929)	(11,807,270)
Employees payroll, taxes and benefits	<u>(1,573,319)</u>	<u>(8,120,670)</u>
Net cash flows from operating activities	<u>(1,259,855)</u>	<u>(1,140,709)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(520,437)	(2,530,361)
Bond principal payments	---	(11,305,000)
Bond interest payments	---	(1,349,975)
Net cash flows from capital and related financing activities	<u>(520,437)</u>	<u>(15,185,336)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(36,210)
Interest received on investments and note receivable	24,162	1,166,853
Amortization/accretion of investments	(267)	(998)
Mark to market	<u>(4,092)</u>	<u>(184,013)</u>
Net cash flows from investing activities	<u>19,803</u>	<u>945,632</u>
Cash flows from nonoperating activities:		
FEMA	---	43,010
Net cash flows from nonoperating activities	---	43,010
Net decrease in cash and investments	<u>(1,760,489)</u>	<u>(15,337,403)</u>
Cash and investments at beginning of period	<u>39,688,259</u>	<u>53,265,173</u>
Cash and investments at end of period	<u>\$37,927,770</u>	<u>\$37,927,770</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2009

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$939,035)	(\$5,561,186)
Noncash items in operating income:		
Depreciation of electric utility plant	1,175,880	5,879,400
Amortization of joint venture rights	7,556	35,615
Changes in assets and liabilities:		
Consumer accounts receivable	(1,074,615)	(957,759)
Resale receivable	(158,154)	450,967
Intercompany receivable	4,261	(15,007)
Inventories	(36,977)	(20,255)
Fuel	(1,196,276)	(3,740,482)
Prepaid expenses	74,354	(405,959)
Accounts payable	481,170	645,252
Pension provision	112,093	560,465
Health & dental insurance provision	44,042	148,415
Accrued payroll	60,723	436,551
Accrued vacation	11,582	176,490
Accrued emission allowance expense	29,127	1,254,708
Consumers' deposits	(26)	11,017
Retained percentage	19,627	80,917
Accrued property taxes	8,044	(7,346)
Miscellaneous accrued expenses	116,769	(111,762)
Miscellaneous deferred credits	---	(750)
Net cash flows from operating activities	<u><u>(\$1,259,855)</u></u>	<u><u>(\$1,140,709)</u></u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
May 2009

	<u>This Year</u>	<u>Last Year</u>
Rate Stabilization Fund	\$5,978,974	\$5,946,331
Extraordinary Operation & Maintenance Account	<u>29,774,511</u>	<u>29,764,693</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$35,753,485</u></u>	<u><u>\$35,711,024</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2009

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Generation</u>			
Operation Supervision	\$97,937	\$73,203	\$89,011
Fuel:			
Coal	1,646,212	1,339,247	1,656,744
Fuel Oil	5,700	23,078	175
Gas	30,000	15,991	6,996
Coal Handling Expense	71,493	42,104	58,208
Landfill Operation Expense	11,283	7,123	7,246
Emissions Allowance Expense	5,490	29,127	8,030
Steam Expense:			
Boiler	75,697	85,229	87,577
Pollution Control	62,612	33,432	85,350
Electric Expense	82,766	83,022	88,003
Miscellaneous Steam Power Expense	157,613	102,994	137,672
Maintenance:			
Supervision	87,212	71,356	74,497
Structures	92,151	60,587	63,197
Boiler Plant:			
Boiler	765,700	501,638	1,238,081
Pollution Control	57,512	62,204	119,854
Electric Plant	292,733	79,841	951,427
System Control	14,722	16,872	13,147
Miscellaneous Steam Plant	93,054	40,594	64,901
Coal Handling Equipment	94,085	124,257	105,958
Purchased Power	---	45,997	---
Wholesale Sales Commission	90,622	13,828	88,622
System Control and Load Dispatch	61,999	71,451	60,152
Vacation, Holiday, Sick Leave	108,841	108,651	102,283
Depreciation	878,657	877,564	859,234
Total Generation Expense	<u>4,884,091</u>	<u>90.2</u>	<u>3,909,390</u>
	85.2	85.2	5,966,365
			105.8
<u>Transmission</u>			
Operation Supervision	3,853	3,445	3,568
Load Dispatching	8,651	7,554	7,198
Station Expense	10,518	11,549	6,029
Overhead Line Expense	---	---	---
Transmission of Electricity by Others	39,472	3,762	29,982
Miscellaneous Transmission Expense	6,990	6,269	5,897
Maintenance:			
Supervision	1,944	1,613	1,327
Structures	2,568	---	---
Station Equipment	7,245	2,956	6,572
Overhead Lines	3,270	241	217
Vacation, Holiday, Sick Leave	6,035	6,494	5,506
Depreciation	30,898	30,535	30,282
Tax on Rural Property	5,939	5,939	5,910
Total Transmission Expense	<u>\$127,383</u>	<u>2.4</u>	<u>\$80,357</u>
			1.8
			\$102,488
			1.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2009

	Budget		This Year		Last Year
	Estimate				
Generation					
Operation Supervision	\$437,835		\$398,549		\$429,528
Fuel:					
Coal	9,548,624		7,884,667		8,925,927
Fuel Oil	87,909		96,275		94,774
Gas	172,320		251,076		219,254
Coal Handling Expense	406,522		306,052		342,103
Landfill Operation Expense	31,605		27,274		36,211
Emissions Allowance Expense	27,451		1,254,708		40,150
Steam Expense:					
Boiler	525,930		542,568		559,173
Pollution Control	309,634		137,827		297,315
Electric Expense	460,695		458,489		458,636
Miscellaneous Steam Power Expense	640,294		521,863		611,000
Maintenance:					
Supervision	420,124		377,198		385,809
Structures	441,133		385,463		345,870
Boiler Plant:					
Boiler	2,349,754		1,835,036		2,545,024
Pollution Control	722,495		396,042		644,349
Electric Plant	1,601,138		1,902,788		1,670,962
System Control	91,117		82,331		103,227
Miscellaneous Steam Plant	362,530		289,394		323,047
Coal Handling Equipment	589,902		579,724		643,209
Purchased Power	2,895,480		2,274,758		2,714,690
Wholesale Sales Commission	498,567		237,141		545,890
System Control and Load Dispatch	315,241		266,367		308,910
Vacation, Holiday, Sick Leave	477,786		467,419		471,694
Depreciation	<u>4,393,285</u>		<u>4,387,820</u>		<u>4,296,170</u>
Total Generation Expense	<u>27,807,371</u>	86.6	<u>25,360,829</u>	92.4	<u>27,012,922</u>
					83.5
Transmission					
Operation Supervision	19,464		19,895		18,517
Load Dispatching	42,283		40,136		39,303
Station Expense	42,158		44,621		35,504
Overhead Line Expense	297		419		374
Transmission of Electricity by Others	210,187		102,321		199,462
Miscellaneous Transmission Expense	43,515		32,265		28,067
Maintenance:					
Supervision	9,766		9,111		7,241
Structures	4,698		3		---
Station Equipment	48,800		32,223		44,580
Overhead Lines	18,967		20,242		16,732
Vacation, Holiday, Sick Leave	26,602		25,575		24,933
Depreciation	154,488		152,675		151,410
Tax on Rural Property	<u>29,695</u>		<u>29,726</u>		<u>29,673</u>
Total Transmission Expense	<u>\$650,920</u>	2.0	<u>\$509,212</u>	1.9	<u>\$595,796</u>
					1.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2009

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Distribution</u>			
Operation Supervision	\$10,329	\$11,589	\$8,724
Load Dispatching	8,619	7,507	7,164
Station Expense	11,641	10,828	8,594
Overhead Line Expense	4,095	2,066	3,791
Vehicle Expense	15,153	13,134	13,941
Underground Line Expense	3,164	4,764	2,615
Street Lighting	2,114	1,050	1,166
Signal Expense	1,089	473	642
Meter Expense	10,091	8,793	10,989
Consumer Installation Expense	1,988	1,204	953
Miscellaneous Distribution Expense	65,794	61,000	61,923
Maintenance:			
Supervision	9,699	10,533	7,539
Structures	2,834	---	---
Station Equipment	9,410	8,650	4,332
Overhead Lines	32,340	55,412	34,226
Underground Lines	9,063	52,170	3,151
Line Transformers	4,078	1,690	4,898
Street Lighting	3,334	4,511	3,654
Signal System	2,749	2,245	13,421
Meters	300	---	---
Miscellaneous Distribution Plant	2,594	1,731	2,457
Vacation, Holiday, Sick Leave	33,635	28,201	30,114
Depreciation	145,060	143,739	138,797
Tax on Rural Property	<u>1,774</u>	<u>1,774</u>	<u>1,765</u>
Total Distribution Expense	<u>390,947</u>	<u>7.2</u>	<u>364,856</u> <u>6.5</u>
<u>Customer Service Expense</u>			
Customer Information Expense	36,474	8,268	16,181
Electric Ranges/Dryers-Maint/Promotion	1,235	813	1,196
Electric Water Heaters-Maint/Promotion	<u>1,524</u>	<u>1,078</u>	<u>1,697</u>
Total Customer Service Expense	<u>\$39,233</u>	<u>0.7</u>	<u>\$10,159</u> <u>0.2</u> <u>\$19,074</u> <u>0.3</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2009

	Budget		This Year		Last Year
	Estimate		 		
<u>Distribution</u>					
Operation Supervision	\$53,696		\$60,402		\$46,153
Load Dispatching	42,629		39,916		39,107
Station Expense	42,067		35,573		37,664
Overhead Line Expense	34,525		16,199		21,726
Vehicle Expense	88,224		63,902		65,792
Underground Line Expense	15,856		14,671		11,056
Street Lighting	10,269		8,405		9,866
Signal Expense	4,928		1,735		2,048
Meter Expense	51,931		42,789		53,200
Consumer Installation Expense	10,242		6,133		7,699
Miscellaneous Distribution Expense	351,579		317,590		303,295
Maintenance:					
Supervision	50,047		54,221		40,137
Structures	5,729		---		8
Station Equipment	58,342		55,088		43,602
Overhead Lines	186,770		245,603		172,295
Underground Lines	46,184		82,943		33,933
Line Transformers	20,736		15,517		19,169
Street Lighting	16,668		18,543		15,185
Signal System	15,561		11,774		25,815
Meters	2,500		---		836
Miscellaneous Distribution Plant	17,770		10,780		11,019
Vacation, Holiday, Sick Leave	147,031		137,338		134,214
Depreciation	725,298		718,695		693,985
Tax on Rural Property	8,870		8,900		8,854
 Total Distribution Expense	 <u>2,007,452</u>	 6.3	 <u>1,966,717</u>	 7.2	 <u>1,796,658</u> 5.6
 <u>Customer Service Expense</u>					
Customer Information Expense	169,334		102,251		122,701
Electric Ranges/Dryers-Maint/Promotion	6,705		5,431		6,168
Electric Water Heaters-Maint/Promotion	9,825		7,200		6,789
 Total Customer Service Expense	 <u>\$185,864</u>	 0.6	 <u>\$114,882</u>	 0.4	 <u>\$135,658</u> 0.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2009

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Consumer Accounts</u>			
Supervision	\$1,881	\$1,731	\$1,958
Meter Reading Expense	13,092	6,718	7,022
Consumer Records and Collection	29,944	27,210	26,202
Uncollectible Accounts Expense	1,392	1,392	1,267
Vacation, Holiday, Sick Leave	<u>4,397</u>	<u>3,868</u>	<u>3,690</u>
Total Consumer Accounts Expense	<u>50,706</u>	<u>0.9</u>	<u>40,139</u>
		0.7	
<u>Administrative and General</u>			
Administrative and General Salaries	165,425	145,329	145,108
Office Supplies and Expenses	19,508	18,203	13,197
Outside Services Employed	31,342	30,843	24,726
Property Insurance	40,000	41,006	33,444
Casualty Ins, Injuries & Damages	33,608	149,154	35,583
Employee Pensions and Benefits	433,971	435,483	414,495
Fringe Benefits Charged to Constr.	(26,188)	(11,392)	(24,228)
Regulatory Commission	4,400	4,400	8,197
Miscellaneous General Expense	37,757	33,151	73,072
Maintenance of General Plant	28,007	20,117	26,834
Maintenance of A/O Center	46,427	31,201	33,540
Vacation, Holiday, Sick Leave	33,620	30,361	27,261
Depreciation	<u>125,759</u>	<u>124,042</u>	<u>114,184</u>
Total Administrative and General	<u>973,636</u>	<u>18.0</u>	<u>925,413</u>
		22.9	16.4
Total Operating Expense	<u><u>\$6,465,996</u></u>	<u><u>\$5,525,787</u></u>	<u><u>\$7,418,335</u></u>
Percent to Operating Revenue		119.4	120.5
		131.6	

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2009

	Budget		This Year		Last Year
	<u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Consumer Accounts</u>					
Supervision	\$9,243		\$9,240		\$9,570
Meter Reading Expense	48,215		39,584		40,463
Consumer Records and Collection	146,754		143,826		138,517
Uncollectible Accounts Expense	6,958		6,958		6,334
Vacation, Holiday, Sick Leave	18,942		<u>18,771</u>		<u>18,482</u>
Total Consumer Accounts Expense	<u>230,112</u>	0.7	<u>218,379</u>	0.8	<u>213,366</u> 0.7
<u>Administrative and General</u>					
Administrative and General Salaries	838,378		769,776		707,752
Office Supplies and Expenses	100,635		89,147		86,925
Outside Services Employed	290,589		217,207		163,448
Property Insurance	180,335		182,346		165,150
Casualty Ins, Injuries & Damages	167,587		261,274		180,731
Employee Pensions and Benefits	2,186,935		2,207,539		2,035,419
Fringe Benefits Charged to Constr.	(124,464)		(74,969)		(126,776)
Regulatory Commission	22,000		21,950		25,394
Miscellaneous General Expense	227,397		175,723		207,907
Maintenance of General Plant	125,893		93,686		112,952
Maintenance of A/O Center	205,726		147,756		149,952
Vacation, Holiday, Sick Leave	150,866		137,114		125,245
Depreciation	628,794		<u>620,210</u>		<u>570,920</u>
Total Administrative and General	<u>5,000,671</u>	15.6	<u>4,848,759</u>	17.7	<u>4,405,019</u> 13.6
Total Operating Expense	<u>\$35,882,390</u>		<u>\$33,018,778</u>		<u>\$34,159,419</u>
Percent to Operating Revenue		111.8		120.3	105.5

Muscatine Power and Water - Electric Utility
Statistical Data
May 2009

Per KWH Delivered to Paying Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Generated & Purchased Power	0.04308	0.04803	0.05090	0.04327
Transmission	0.00094	0.00106	0.00095	0.00105
Distribution	0.00509	0.00408	0.00336	0.00316
Customer Service	0.00012	0.00024	0.00018	0.00024
Consumers Accounts	0.00048	0.00045	0.00037	0.00037
Administrative & General	0.01236	0.01005	0.00853	0.00774
Total	0.06207	0.06391	0.06429	0.05583

Per KWH Delivered to Paying Native System Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Distribution	0.00689	0.00585	0.00546	0.00511
Customer Service	0.00016	0.00034	0.00029	0.00039
Consumers Accounts	0.00065	0.00065	0.00060	0.00061
Administrative & General	0.01674	0.01443	0.01385	0.01254

Total Fuel Cost

(To & Including Ash Handling)

	Current Month		Calendar Year-to-Date	
	2009	2008	2009	2008
Per Million Btu.	1.390	1.309	1.427	1.331
Per Net MW Generated	15.77	15.02	16.15	15.18
Net Peak Monthly Demand - KW	108,000	110,000	122,000	122,500
Date of Peak	5/26	5/30	1/15	1/29
Services	2009	2008		
Residential	9,637	9,638		
Commercial I	1,375	1,381		
Commercial II	118	117		
Industrial I	11	10		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	39	38		
Total	11,204	11,208		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - May 2009

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>32,953,554</u>		<u>22,255,000</u>		<u>41,634,000</u>	
Wholesale Sales*	<u>1,736,445</u>	<u>\$0.0527</u>	<u>\$692,033</u>	<u>\$0.0311</u>	<u>\$1,994,180</u>	<u>\$0.0479</u>
Variable Costs						
Marketers' Commissions	90,622	0.0027	13,828	0.0006	88,622	0.0021
Transmission Path	39,472	0.0012	3,762	0.0002	29,982	0.0007
Fuel (Coal, Gas & Fuel Oil)	505,511	0.0153	333,860	0.0150	577,632	0.0139
SO2 Allowances**	5,234	0.0002	545	0.0000	11,804	0.0003
NOX Allowances***	---	---	25,972	0.0012	---	---
Other****	<u>94,640</u>	<u>0.0029</u>	<u>83,555</u>	<u>0.0038</u>	<u>115,680</u>	<u>0.0028</u>
Total Variable Costs	<u>735,479</u>	<u>0.0223</u>	<u>461,522</u>	<u>0.0207</u>	<u>823,720</u>	<u>0.0198</u>
Gross Margin	<u>\$1,000,966</u>	<u>\$0.0304</u>	<u>\$230,511</u>	<u>\$0.0104</u>	<u>\$1,170,460</u>	<u>\$0.0281</u>
Percent Gross Margin	57.6%		33.3%		58.7%	

Calendar Year To Date

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>194,577,657</u>		<u>146,501,000</u>		<u>218,106,000</u>	
Wholesale Sales*	<u>\$10,148,935</u>	<u>\$0.0522</u>	<u>\$5,116,356</u>	<u>\$0.0349</u>	<u>\$11,208,933</u>	<u>\$0.0514</u>
Variable Costs						
Marketers' Commissions	498,567	0.0026	237,141	0.0016	545,890	0.0025
Transmission Path	210,187	0.0011	102,321	0.0007	199,462	0.0009
Fuel (Coal, Gas & Fuel Oil)	2,972,827	0.0153	2,189,654	0.0149	3,088,245	0.0142
SO2 Allowances**	30,904	0.0002	25,905	0.0002	61,835	0.0003
NOX Allowances***	---	---	213,567	0.0015	---	---
Other****	<u>578,058</u>	<u>0.0030</u>	<u>519,161</u>	<u>0.0035</u>	<u>625,940</u>	<u>0.0029</u>
Total Variable Costs	<u>4,290,543</u>	<u>0.0221</u>	<u>3,287,749</u>	<u>0.0224</u>	<u>4,521,372</u>	<u>0.0207</u>
Gross Margin	<u>\$5,858,392</u>	<u>\$0.0301</u>	<u>\$1,828,607</u>	<u>\$0.0125</u>	<u>\$6,687,561</u>	<u>\$0.0307</u>
Percent Gross Margin	57.7%		35.7%		59.7%	

*Excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09

** SO2 Allowance cost is based on the market price for allowances as of 12/31/08 (\$157/allowance).

*** NOX Allowance cost is based on the market price for annual allowances (\$1,200/allowance) and seasonal allowances (\$250/allowance) as of 5/31/09.

**** Other includes variable generation O&M, rail car cost, and Title V permit fees.