

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>
Electric Energy					
<u>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	1,492,326	(5.0)	1,417,771	(7.1)	1,526,466
Native System Sales	72,720,740	(13.6)	62,824,519	(6.0)	66,808,027
Wholesale Sales	32,953,554	(32.5)	22,255,000	(46.5)	41,634,000
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	3,020,310	(45.9)	1,634,748	(35.5)	2,536,341
Total KWH Distributed	109,350,839	(20.1)	87,373,432	(22.0)	111,948,678
<u>KWH Generated and Received</u>					
Gross Generation	119,690,024	(22.2)	93,174,321	(24.2)	122,896,478
Less: Plant Use	10,339,185	(6.6)	9,653,889	(12.4)	11,017,800
Net Generation	109,350,839	(23.6)	83,520,432	(25.3)	111,878,678
Purchased Power	---	---	3,669,000	---	---
MAPP Trans Loss-Repayment	---	---	184,000	---	70,000
Total Net Generated and Received	109,350,839	(20.1)	87,373,432	(22.0)	111,948,678
<u>Steam Sales - 1000 lbs</u>	---	---	58,431	10.8	52,728
<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)		---
	3,669,000		\$45,997		\$0.0125
<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	41,000		4,039		0.0985
	22,255,000		\$1,048,566		\$0.0311 *

*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

	<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>
Electric Energy					
<u>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	7,584,160	(7.7)	6,999,592	(12.7)	8,014,939
Native System Sales	362,096,294	(7.2)	336,088,892	(4.3)	351,343,591
Wholesale Sales	194,577,657	(24.7)	146,501,000	(32.8)	218,106,000
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	---	---	877,000	(61.4)	2,271,000
Losses & Cycle Billing	10,361,064	(36.8)	6,550,828	(31.2)	9,517,019
Total KWH Distributed	570,703,798	(13.5)	493,546,760	(15.6)	584,828,508
<u>KWH Generated and Received</u>					
Gross Generation	582,367,781	(15.8)	490,632,044	(17.8)	596,654,408
Less: Plant Use	53,027,983	(6.9)	49,370,284	(9.8)	54,740,900
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	---	---	558,000	---	75,000
Total Net Generated and Received	570,703,798	(13.5)	493,546,760	(15.6)	584,828,508
<u>Steam Sales - 1000 lbs</u>	993,600	0.1	994,379	4.2	954,703
<u>Purchased Power</u>					
	<u>KWH</u>		<u>Amount</u>		<u>Avg. Price</u>
OPPM	41,881,000		\$1,981,317		0.0473
REM	9,613,000		280,736		0.0292
Other	233,000		12,705		0.0545
	51,727,000		\$2,274,758		\$0.0440
<u>Resale and Demand</u>					
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	245,000		17,085		0.0697
	146,501,000		\$5,472,889		\$0.0349 *

*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	67,823	0.0454	66,201	0.0467	69,118	0.0453
Native System Sales	3,507,166	0.0482	3,151,694	0.0502	3,271,416	0.0490
Wholesale Sales	1,736,445	0.0527	1,048,566	0.0311	* 1,994,180	0.0479
Energy Sales	5,243,611		4,200,260		5,265,596	
<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	57,922		31,962		80,399	
Total Other Revenue	170,534		88,134		149,714	
Operating Revenue	5,414,145		4,586,752		5,638,433	
<u>Operating Expense</u>						
Production Fuel and						
Purchased Power	1,764,688		1,473,540		1,729,369	
Emissions Allowance	5,490		29,127		8,030	
Operation	1,852,413		1,696,821		1,765,209	
Maintenance	1,663,031		1,150,419		2,773,230	
Depreciation	1,180,374		1,175,880		1,142,497	
Total Operating Expense	6,465,996		5,525,787		7,418,335	
Operating Income	(1,051,851)		(939,035)		(1,779,902)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	213,575		167,989		160,575	
Interest Expense	(178,165)		(179,757)		(230,704)	
Total Nonoperating Revenue (Expense)	35,410		(11,768)		(70,129)	
Change in Net Assets	(1,016,441)		(950,803)		(1,850,031)	
Beginning Net Assets	156,850,530		154,746,030		156,848,083	
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)	

*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
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	<u>\$155,834,089</u>		<u>\$153,795,227</u>		<u>\$154,998,052</u>	
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	35,754,485	35,711,024
	<hr/>	<hr/>
<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	906,399	845,312
	<hr/>	<hr/>
Total Unrestricted Current Assets	27,681,178	32,032,012
	<hr/>	<hr/>
Total Current Assets	63,435,663	67,743,036
	<hr/>	<hr/>
Property and Equipment:		
At Cost	403,755,277	397,587,207
Less Accumulated Depreciation	270,534,483	257,381,754
	<hr/>	<hr/>
Net Property and Equipment	133,220,794	140,205,453
	<hr/>	<hr/>
Other Assets:		
Unamortized Cost of Issuing Bonds	60,527	125,757
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	191,964	197,068
	<hr/>	<hr/>
Total Other Assets	35,579,491	35,649,825
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$232,235,948</u></u>	<u><u>\$243,598,314</u></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	865,906	1,124,975
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	119,250	120,000
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	25,886,955	37,870,577
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	23,384,039	30,594,972
Total Net Assets	<u>153,795,227</u>	<u>154,998,052</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$232,235,948</u></u>	<u><u>\$243,598,314</u></u>

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

	<u>Current Month</u>	<u>Year- 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	(1,573,319)	(8,120,670)
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	(4,092)	(184,013)
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><u>\$37,927,770</u></u>	<u><u>\$37,927,770</u></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>
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>(\$1,259,855)</u>	<u>(\$1,140,709)</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</u> <u>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>	90.2	<u>3,909,390</u>	85.2	<u>5,966,365</u>	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>	2.4	<u>\$80,357</u>	1.8	<u>\$102,488</u>	1.8

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

	Budget					
	Estimate		This Year		Last Year	
<u>Generation</u>						
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	4,393,285		4,387,820		4,296,170	
Total Generation Expense	27,807,371	86.6	25,360,829	92.4	27,012,922	83.5
<u>Transmission</u>						
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	29,695		29,726		29,673	
Total Transmission Expense	\$650,920	2.0	\$509,212	1.9	\$595,796	1.8

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>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	1,774		1,774		1,765	
Total Distribution Expense	<u>390,947</u>	7.2	<u>433,064</u>	9.4	<u>364,856</u>	6.5
<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>	0.7	<u>\$10,159</u>	0.2	<u>\$19,074</u>	0.3

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<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	4,397		3,868		3,690	
	<hr/>					
Total Consumer Accounts Expense	50,706	0.9	40,919	0.9	40,139	0.7
	<hr/>					
<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	125,759		124,042		114,184	
	<hr/>					
Total Administrative and General	973,636	18.0	1,051,898	22.9	925,413	16.4
	<hr/>					
Total Operating Expense	<u>\$6,465,996</u>		<u>\$5,525,787</u>		<u>\$7,418,335</u>	
	<hr/>					
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

	<u>Budget</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		18,771		18,482	
	<u>230,112</u>		<u>218,379</u>		<u>213,366</u>	
Total Consumer Accounts Expense		0.7		0.8		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		620,210		570,920	
	<u>5,000,671</u>		<u>4,848,759</u>		<u>4,405,019</u>	
Total Administrative and General		15.6		17.7		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	
	<u>Month</u>	<u>Year-to-Date</u>	<u>Month</u>	<u>Year-to-Date</u>
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total	0.06207	0.06391	0.06429	0.05583
	<hr/>	<hr/>	<hr/>	<hr/>

Per KWH Delivered to Paying Native System Customers

	This Year		Last Year	
	<u>Month</u>	<u>Year-to-Date</u>	<u>Month</u>	<u>Year-to-Date</u>
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)

	<u>Current Month</u>		<u>Calendar Year-to-Date</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
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
<u>Services</u>	<u>2009</u>	<u>2008</u>		
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		
	<hr/>	<hr/>		
Total	11,204	11,208		
	<hr/>	<hr/>		

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

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>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</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>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.