

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
August 2011

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - August 2011

	<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	106,648,310	20.5	128,517,227	(4.4)	134,367,229
Less: Plant Use	<u>9,444,710</u>	27.9	<u>12,083,366</u>	(3.2)	<u>12,481,247</u>
Net Generation/Wholesale Sales	<u>97,203,600</u>	19.8	<u>116,433,861</u>	(4.5)	<u>121,885,982</u>
<u>Net Capacity Factors</u>					
Unit 9	59.49	12.7	67.05	(2.6)	68.82
Unit 8/8A	50.34	58.0	79.52	(9.8)	88.13
Unit 7	49.79	1.4	50.47	(9.9)	56.03
Total Plant	56.75	19.5	67.79	(4.8)	71.20
<u>KWH Distribution</u>					
Residential	11,118,531	18.2	13,139,193	0.2	13,114,240
Commercial I	3,880,162	6.4	4,127,405	3.4	3,990,217
Commercial II	9,765,545	(4.1)	9,362,726	(6.3)	9,987,236
Industrial I	11,196,659	10.8	12,410,360	(3.5)	12,856,220
Industrial II	37,179,555	(5.3)	35,197,909	(4.8)	36,977,507
City Enterprise Funds	448,081	(13.2)	388,885	(36.9)	615,814
Water & Communications Utilities	<u>1,401,819</u>	(3.4)	<u>1,353,910</u>	(11.5)	<u>1,530,189</u>
Native System Sales	74,990,352	1.3	75,980,388	(3.9)	79,071,423
City Lighting	166,077	(5.4)	157,125	1.9	154,158
City Buildings	554,623	1.4	562,489	1.1	556,439
Offline Power Plant Usage	---	---	138,282	---	---
Losses & Cycle Billing	<u>2,432,371</u>	(8.5)	<u>2,226,458</u>	38.4	<u>1,608,962</u>
Total Native System KWH Distributed/Purchased Power	<u>78,143,423</u>	1.2	<u>79,064,742</u>	(2.9)	<u>81,390,982</u>
 <u>STEAM SALES - 1000 lbs</u>					
	<u>197,160</u>	34.1	<u>264,407</u>	17.5	<u>225,067</u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - August 2011

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	<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	676,550,640	(4.7)	644,760,202	(28.6)	902,470,651
Less: Plant Use	60,147,840	8.2	65,080,862	(26.8)	88,915,762
Net Generation/Wholesale Sales	616,402,800	(6.0)	579,679,340	(28.7)	813,554,889
<u>Net Capacity Factors</u>					
Unit 9	45.78	(11.1)	40.71	(36.9)	64.56
Unit 8/8A	44.33	23.8	54.90	(3.0)	56.62
Unit 7	49.79	(25.6)	37.04	(7.2)	39.93
Total Plant	45.91	(6.2)	43.05	(28.9)	60.54
<u>KWH Distribution</u>					
Residential	68,221,684	10.6	75,444,633	0.1	75,406,482
Commercial I	26,011,480	3.5	26,930,515	1.4	26,548,102
Commercial II	68,380,177	1.6	69,461,601	1.7	68,322,891
Industrial I	76,524,690	8.0	82,652,680	1.3	81,598,702
Industrial II	294,313,149	0.9	296,973,797	(0.2)	297,586,727
City Enterprise Funds	3,843,505	(4.8)	3,659,246	(17.7)	4,445,906
Water & Communications Utilities	10,684,497	(4.5)	10,207,288	(9.2)	11,247,671
Native System Sales	547,979,182	3.2	565,329,760	0.0	565,156,481
City Lighting	1,362,598	(3.7)	1,311,836	(1.5)	1,331,442
City Buildings	4,255,805	5.8	4,502,768	3.4	4,353,350
Offline Power Plant Usage	---	---	4,560,095	---	1,009,343
Losses & Cycle Billing	19,351,011	(9.9)	17,436,614	7.7	16,192,504
Total Native System KWH Distributed/Purchased Power	572,948,596	3.5	593,141,073	0.9	588,043,120
<u>STEAM SALES - 1000 lbs</u>					
	1,591,440	15.5	1,837,421	3.8	1,769,490

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - August 2011

	<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	\$846,281	0.0761	\$1,048,780	0.0798	\$936,475	0.0714
Commercial I	313,548	0.0808	326,903	0.0792	306,092	0.0767
Commercial II	586,519	0.0601	552,748	0.0590	561,102	0.0562
Industrial I	584,807	0.0522	610,479	0.0492	602,330	0.0469
Industrial II	1,687,882	0.0454	1,604,822	0.0456	1,611,749	0.0436
City Enterprise Funds	23,642	0.0528	21,806	0.0561	33,068	0.0537
Water & Communication Utilities	70,961	0.0506	65,761	0.0486	70,252	0.0459
Native System Sales	4,113,640	0.0549	4,231,299	0.0557	4,121,068	0.0521
Wholesale Sales	4,066,418	0.0418	4,175,822	0.0359	5,142,740	0.0422
Energy Sales	8,180,058		8,407,121		9,263,808	
<u>Steam Sales</u>	713,542	3.62	896,969	3.39	855,972	3.80
<u>Other Revenue</u>						
Rail Car Lease	31,500		48,033		21,658	
By-Product Revenue	39,134		43,044		56,697	
Miscellaneous Revenue	35,358		105,167		75,996	
Total Other Revenue	105,992		196,244		154,351	
Operating Revenue	8,999,592		9,500,334		10,274,131	
<u>Operating Expense</u>						
Purchased Power	3,033,196	0.0388	2,691,395	0.0340	3,080,401	0.0378
Production Fuel	2,311,791		2,911,705		2,589,543	
Emissions Allowance	44,451		20,296		104,639	
Operation	1,789,380		1,686,950		1,650,415	
Maintenance	746,941		880,609		598,765	
Depreciation	928,218		921,606		1,186,227	
Total Operating Expense	8,853,977		9,112,561		9,209,990	
Operating Income	145,615		387,773		1,064,141	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	121,064		110,461		116,184	
Interest Expense	(64,475)		(63,195)		(123,655)	
Total Nonoperating Revenue (Expense)	56,589		47,266		(7,471)	
Net Income Before Revenue Adjustment and Capital Contributions	202,204		435,039		1,056,670	
Capital Contributions	---		---		26,902	
Change in Net Assets	202,204		435,039		1,083,572	
Beginning Net Assets	153,925,618		173,551,896		168,317,055	
Ending Net Assets	\$154,127,822		\$173,986,935		\$169,400,627	
Net Income (Loss) to Total Income	2.2		4.5		10.2	
Debt Service Coverage	1.02		1.22		2.08	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - August 2011

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	<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	\$5,195,686	0.0762	\$5,699,878	0.0756	\$5,440,022	0.0721
Commercial I	2,060,055	0.0792	2,105,500	0.0782	2,012,183	0.0758
Commercial II	4,063,241	0.0594	4,032,536	0.0581	3,864,248	0.0566
Industrial I	3,958,917	0.0517	4,065,257	0.0492	3,956,040	0.0485
Industrial II	12,943,593	0.0440	12,984,624	0.0437	12,561,874	0.0422
City Enterprise Funds	195,892	0.0510	206,650	0.0565	229,826	0.0517
Water & Communications Utilities	538,106	0.0504	490,316	0.0480	537,030	0.0477
Native System Sales	28,955,490	0.0528	29,584,761	0.0523	28,601,223	0.0506
Wholesale Sales	23,756,278	0.0385	20,756,375	0.0358	30,983,134	0.0381
Energy Sales	52,711,768		50,341,136		59,584,357	
<u>Steam Sales</u>	5,525,632	3.47	6,371,507	3.47	6,744,911	3.81
<u>Other Revenue</u>						
Rail Car Lease	189,000		295,056		186,606	
By-Product Revenue	181,053		115,812		194,336	
Miscellaneous Revenue	302,012		417,452		364,823	
Total Other Revenue	672,065		828,320		745,765	
Operating Revenue	58,909,465		57,540,963		67,075,033	
<u>Operating Expense</u>						
Purchased Power	20,062,081	0.0350	18,464,326	0.0311	19,977,250	0.0340
Production Fuel	15,150,607		15,157,136		15,882,291	
Emissions Allowance	331,569		272,226		571,443	
Operation	14,935,433		13,637,984		13,660,463	
Maintenance	11,219,830		10,040,291		6,044,198	
Depreciation	7,425,747		7,372,848		9,489,816	
Total Operating Expense	69,125,267		64,944,811		65,625,461	
Operating Income (Loss)	(10,215,802)		(7,403,848)		1,449,572	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	1,017,116		891,424		995,330	
Interest Expense	(515,804)		(507,300)		(997,155)	
Total Nonoperating Revenue (Expense)	501,312		384,124		(1,825)	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(9,714,490)		(7,019,724)		1,447,747	
Capital Contributions	---		9,185		54,222	
Revenue Adjustment-Extraordinary O & M	---		17,155,162		5,100,000	
Change in Net Assets	(9,714,490)		10,144,623		6,601,969	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
Ending Net Assets	\$154,127,822		\$173,986,935		\$169,400,627	
Net Income (Loss) before Rev Adj to Total Income	(16.2)		(12.0)		2.1	
Net Income (Loss) after Rev Adj to Total Income	(16.2)		17.4		9.7	
Debt Service Coverage Before Transfers	(0.19)		0.10		1.31	
Debt Service Coverage After Transfers	(0.19)		1.94		1.86	

Muscatine Power and Water - Electric Utility
Statements of Net Assets
August 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$3,270,224	\$5,652,395
Investments	4,193,091	14,759,644
Total Restricted Current Assets	<u>7,463,315</u>	<u>20,412,039</u>
<u>Unrestricted</u>		
Cash - interest bearing	12,665,969	10,553,431
Investments	1,872,488	4,925,963
Receivables:		
Consumer Accounts	5,097,038	5,340,724
Wholesale	1,571,612	2,137,859
Steam Sales	1,488,830	1,197,103
Interest	233,842	323,173
Intercompanies	22,445	16,226
Inventories	6,543,297	6,654,362
Fuel	12,796,468	9,633,057
Prepaid Pension	—	538,408
Prepaid Expenses	677,119	722,109
Total Unrestricted Current Assets	<u>42,969,108</u>	<u>42,042,415</u>
Total Current Assets	<u>50,432,423</u>	<u>62,454,454</u>
Property and Equipment:		
At Cost	407,397,306	404,810,303
Less Accumulated Depreciation	298,735,284	287,064,808
Net Property and Equipment	<u>108,662,022</u>	<u>117,745,495</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	—	9,094
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	136,585	183,917
Total Other Assets	<u>35,463,585</u>	<u>35,520,011</u>
TOTAL ASSETS	<u><u>\$194,558,030</u></u>	<u><u>\$215,719,960</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Assets
August 2011

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$24,558 in 2011 and \$25,403 in 2010; and Less Deferred Amount on Refund of \$24,122 in 2011 and \$22,877 in 2010	\$13,270,435	\$12,587,526
Accrued Interest	121,642	237,004
Total Restricted Current Liabilities	<u>13,392,077</u>	<u>12,824,530</u>
<u>Unrestricted</u>		
Accounts Payable	1,491,030	1,944,402
Pension Provision	309,410	0
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	443,194	393,436
Accrued Vacation	1,097,858	1,007,647
Accrued Emission Allowance Expense	254,408	571,443
Consumers' Deposits	597,133	598,603
Accrued Property Taxes	114,691	116,240
Miscellaneous Accrued Expenses	627,015	505,497
Miscellaneous Deferred Credits	52,850	86,050
Total Unrestricted Current Liabilities	<u>5,221,221</u>	<u>5,439,978</u>
Total Current Liabilities	<u>18,613,298</u>	<u>18,264,508</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,819,935	1,977,705
Post-Employment Health Benefit Provision	137,862	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$100,453 in 2010 and less Deferred Amount on Refunding of \$260,381 in 2010	---	13,273,958
Total Non-Current Liabilities	<u>1,957,797</u>	<u>15,251,663</u>
Deferred Revenue - Extraordinary O & M	<u>---</u>	<u>12,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	95,400,681	91,929,013
Restricted	7,341,673	20,175,035
Unrestricted	71,244,581	57,296,579
Total Net Assets	<u>173,986,935</u>	<u>169,400,627</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$194,558,030</u></u>	<u><u>\$215,719,960</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
August 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$5,314,323	\$29,043,057
MISO sales	6,047,161	20,801,378
Steam sales	1,761,000	6,868,826
Coal & transportation allowances	6,790	325,677
Railcar leasing	27,068	149,553
By-product sales	34,125	108,074
Miscellaneous sources	66,492	365,407
Cash paid to/for:		
Suppliers	(1,065,161)	(9,997,258)
MISO purchases/administration fees	(3,988,519)	(18,214,946)
Coal	(1,554,127)	(16,185,817)
Employees payroll, taxes and benefits	(2,426,285)	(14,299,829)
Net cash flows from operating activities	<u>4,222,867</u>	<u>(1,035,878)</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(263,048)	(2,596,842)
Bond principal payments	---	(12,585,000)
Bond interest payments	---	(1,075,938)
Net cash flows from capital and related financing activities	<u>(263,048)</u>	<u>(16,257,780)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(43,825)
Interest received on investments and note receivable	4,967	1,404,611
Accrued Interest Purchased	---	---
Amortization/accretion of investments	(371)	9,807
Mark to market	(5,817)	(88,456)
Net cash flows from investing activities	<u>(1,221)</u>	<u>1,282,137</u>
Net increase (decrease) in cash and investments	<u>3,958,598</u>	<u>(16,011,521)</u>
Cash and investments at beginning of period	<u>18,043,174</u>	<u>38,013,293</u>
Cash and investments at end of period	<u><u>\$22,001,772</u></u>	<u><u>\$22,001,772</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
August 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$387,773	(\$7,403,848)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	7,372,848
Amortization of joint venture rights	10,893	69,772
Changes in assets and liabilities:		
Consumer accounts receivable	1,146,875	(149,954)
Wholesale receivable	309,507	(279,013)
Steam sales receivable	628,638	876,915
Intercompany receivable	(7,498)	(245)
Inventories	52,287	116,523
Fuel	1,170,443	(1,677,881)
Prepaid expenses	71,806	(157,792)
Hedge Asset	---	2,196,100
Accounts payable	120,931	94,842
Pension provision	(773,525)	309,410
Health & dental insurance provision	19,285	(38,947)
Other post-employment benefit provision	2,462	19,696
Accrued payroll	153,283	148,867
Accrued vacation	(30,078)	81,801
Accrued emission allowance expense	20,295	(382,028)
Consumers' deposits	(3,793)	(659)
Retained percentage	---	---
Accrued property taxes	8,594	25,271
Miscellaneous accrued expenses	13,083	(61,456)
Hedge Liability	---	(2,196,100)
Net cash flows from operating activities	<u>\$4,222,867</u>	<u>(\$1,035,878)</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
August 2011**

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	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,463,315	\$7,430,514
Extraordinary Operation & Maintenance Account	<u>---</u>	<u>12,981,525</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$7,463,315</u></u>	<u><u>\$20,412,039</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$3,033,196</u>	33.7	<u>\$2,691,395</u>	28.3	<u>\$3,080,401</u>	30.0
Average price per kWh	\$0.0388		\$0.0340		\$0.0378	
<u>Generation</u>						
Operation Supervision	79,582		84,016		78,850	
Fuel:						
Coal	2,193,323		2,789,765		2,511,142	
Fuel Oil	12,500		21,291		368	
Gas	32,000		10,714		6,923	
Coal Handling Expense	64,971		69,966		65,033	
Landfill Operation Expense	8,997		19,969		6,077	
Emissions Allowance Expense	44,451		20,296		104,639	
Steam Expense:						
Boiler	92,532		104,596		96,892	
Pollution Control	58,203		42,237		94,249	
Electric Expense	106,044		97,435		96,164	
Miscellaneous Steam Power Expense	140,607		161,935		129,622	
Maintenance:						
Supervision	77,702		85,573		80,408	
Structures	93,500		41,746		65,908	
Boiler Plant:						
Boiler	142,331		115,405		97,395	
Pollution Control	16,771		46,234		20,224	
Electric Plant	37,808		96,872		26,073	
System Control	20,344		22,309		19,531	
Miscellaneous Steam Plant	50,894		48,839		43,953	
Coal Handling Equipment	91,739		147,757		104,722	
System Control and Load Dispatch	58,264		55,446		68,382	
Vacation, Holiday, Sick Leave	74,512		69,870		67,095	
Depreciation	<u>621,860</u>		<u>620,375</u>		<u>885,239</u>	
Total Generation Expense	<u>\$4,118,935</u>	45.8	<u>\$4,772,646</u>	50.2	<u>\$4,668,889</u>	45.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2011

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$20,062,081</u>	34.1	<u>\$18,464,326</u>	32.1	<u>\$19,977,250</u>	29.8
Average price per kWh	\$0.0350		\$0.0311		\$0.0340	
<u>Generation</u>						
Operation Supervision	614,896		640,378		645,367	
Fuel:						
Coal	14,276,377		14,179,057		15,213,072	
Fuel Oil	83,814		246,455		39,152	
Gas	239,400		153,306		70,552	
Coal Handling Expense	487,955		486,944		527,332	
Landfill Operation Expense	63,061		91,374		32,183	
Emissions Allowance Expense	331,569		272,226		571,443	
Steam Expense:						
Boiler	791,331		799,272		868,925	
Pollution Control	456,774		249,142		363,886	
Electric Expense	789,397		705,871		746,962	
Miscellaneous Steam Power Expense	1,437,117		1,311,016		1,138,482	
Maintenance:						
Supervision	634,383		696,780		667,223	
Structures	771,844		526,174		462,629	
Boiler Plant:						
Boiler	3,195,315		2,797,572		1,685,109	
Pollution Control	896,985		948,297		306,651	
Electric Plant	2,496,548		2,274,615		329,858	
System Control	177,347		165,672		121,432	
Miscellaneous Steam Plant	453,165		446,972		397,182	
Coal Handling Equipment	885,492		742,399		758,004	
System Control and Load Dispatch	478,941		373,172		452,544	
Vacation, Holiday, Sick Leave	689,265		683,768		714,586	
Depreciation	<u>4,974,883</u>		<u>4,963,000</u>		<u>7,081,912</u>	
Total Generation Expense	<u>\$35,225,859</u>	59.8	<u>\$33,753,462</u>	58.7	<u>\$33,194,486</u>	49.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,975		\$1,393		\$4,094	
Load Dispatching	8,959		7,439		8,145	
Station Expense	9,855		13,526		8,865	
Overhead Line Expense	118		7,701		---	
Miscellaneous Transmission Expense	12,182		11,694		6,380	
Maintenance:						
Supervision	2,045		1,640		2,021	
Structures	884		10,682		3,424	
Station Equipment	7,378		4,440		961	
Overhead Lines	5,514		121,662		772	
Vacation, Holiday, Sick Leave	4,804		3,432		4,218	
Depreciation	30,608		30,592		30,568	
Tax on Rural Property	5,560		5,822		5,942	
Total Transmission Expense	91,882	1.0	220,023	2.3	75,390	0.7
<u>Distribution</u>						
Operation Supervision	11,932		10,014		12,094	
Load Dispatching	41,333		27,767		24,508	
Station Expense	8,657		7,138		10,705	
Overhead Line Expense	2,592		2,057		463	
Vehicle Expense	15,148		15,205		12,741	
Underground Line Expense	3,243		3,532		2,955	
Street Lighting	1,574		1,450		2,550	
Signal Expense	717		80		297	
Meter Expense	9,964		9,592		6,428	
Consumer Installation Expense	1,524		1,823		1,327	
Miscellaneous Distribution Expense	61,417		57,985		53,381	
Maintenance:						
Supervision	11,320		9,935		10,733	
Structures	1,131		---		---	
Station Equipment	11,658		7,437		5,600	
Overhead Lines	81,215		41,229		38,994	
Underground Lines	8,049		6,071		4,705	
Line Transformers	12,220		1,316		6,880	
Street Lighting	4,924		3,765		5,233	
Signal System	2,006		4,534		5,892	
Meters	719		702		(3,137)	
Miscellaneous Distribution Plant	2,917		1,042		2,025	
Vacation, Holiday, Sick Leave	22,156		15,217		18,911	
Depreciation	150,714		148,879		146,484	
Tax on Rural Property	1,661		1,739		1,775	
Total Distribution Expense	\$468,791	5.2	\$378,509	4.0	\$371,544	3.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$30,671		\$18,106		\$31,078	
Load Dispatching	82,431		62,000		76,589	
Station Expense	70,330		62,104		67,313	
Overhead Line Expense	606		8,571		1,452	
Miscellaneous Transmission Expense	101,806		84,728		68,661	
Maintenance:						
Supervision	15,832		13,298		14,777	
Structures	16,943		10,682		5,133	
Station Equipment	58,439		40,371		45,101	
Overhead Lines	59,112		166,333		66,039	
Vacation, Holiday, Sick Leave	42,795		41,590		41,724	
Depreciation	244,862		244,736		244,544	
Tax on Rural Property	44,480		45,892		47,676	
Total Transmission Expense	768,307	1.3	798,411	1.4	710,087	1.1
<u>Distribution</u>						
Operation Supervision	88,868		79,676		96,571	
Load Dispatching	324,184		237,021		240,033	
Station Expense	64,768		59,908		72,225	
Overhead Line Expense	26,585		28,311		6,703	
Vehicle Expense	121,206		124,568		110,090	
Underground Line Expense	26,022		21,640		24,564	
Street Lighting	12,268		16,525		21,126	
Signal Expense	5,147		1,076		7,936	
Meter Expense	76,192		69,168		67,540	
Consumer Installation Expense	11,344		14,023		11,540	
Miscellaneous Distribution Expense	493,907		426,338		473,392	
Maintenance:						
Supervision	81,942		76,118		84,929	
Structures	9,834		3,094		---	
Station Equipment	84,957		75,148		81,008	
Overhead Lines	531,251		386,489		413,996	
Underground Lines	65,294		38,664		56,136	
Line Transformers	44,594		46,313		71,498	
Street Lighting	39,322		38,453		35,433	
Signal System	15,297		37,432		27,912	
Meters	8,361		13,507		(513)	
Miscellaneous Distribution Plant	23,333		13,524		17,814	
Vacation, Holiday, Sick Leave	199,341		198,523		227,036	
Depreciation	1,205,713		1,191,032		1,171,872	
Tax on Rural Property	13,288		13,724		14,229	
Total Distribution Expense	\$3,573,018	6.1	\$3,210,275	5.6	\$3,333,070	5.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$64,853		\$31,950		\$25,148	
Electric Ranges/Dryers-Maint/Promotion	1,328		672		1,507	
Electric Water Heaters-Maint/Promotion	878		554		2,510	
Total Customer Service Expense	67,059	0.7	33,176	0.3	29,165	0.3
<u>Consumer Accounts</u>						
Supervision	1,950		2,290		2,097	
Meter Reading Expense	8,083		8,323		7,861	
Consumer Records and Collection	31,402		30,102		28,853	
Uncollectible Accounts Expense	1,942		1,942		1,834	
Vacation, Holiday, Sick Leave	2,705		2,697		3,056	
Total Consumer Accounts Expense	46,082	0.5	45,354	0.5	43,701	0.4
<u>Administrative and General</u>						
Administrative and General Salaries	174,168		169,877		170,303	
Office Supplies and Expenses	17,735		10,955		11,553	
Outside Services Employed	51,510		36,556		35,591	
Property Insurance	39,120		38,808		41,012	
Casualty Ins, Injuries & Damages	38,044		51,617		25,339	
Employee Pensions and Benefits	475,977		452,855		443,721	
Fringe Benefits Charged to Constr.	(13,861)		(28,485)		(17,089)	
Regulatory Commission	4,400		(3,363)		3,651	
Miscellaneous General Expense	27,995		42,083		27,204	
Maintenance of General Plant	30,112		21,433		18,271	
Maintenance of A/O Center	33,760		39,986		38,177	
Vacation, Holiday, Sick Leave	24,036		17,376		19,231	
Depreciation	125,036		121,760		123,936	
Total Administrative and General	1,028,032	11.4	971,458	10.2	940,900	9.2
Total Operating Expense	<u>\$8,853,977</u>		<u>\$9,112,561</u>		<u>\$9,209,990</u>	
Percent to Operating Revenue		98.4		95.9		89.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$473,001		\$241,900		\$163,550	
Electric Ranges/Dryers-Maint/Promotion	11,118		7,012		9,870	
Electric Water Heaters-Maint/Promotion	6,933		6,095		11,932	
Total Customer Service Expense	<u>\$491,052</u>	0.8	<u>\$255,007</u>	0.4	<u>\$185,352</u>	0.3
<u>Consumer Accounts</u>						
Supervision	15,361		16,622		16,517	
Meter Reading Expense	65,382		65,156		66,285	
Consumer Records and Collection	247,016		229,433		236,260	
Uncollectible Accounts Expense	15,533		15,533		14,672	
Vacation, Holiday, Sick Leave	24,747		29,175		29,084	
Total Consumer Accounts Expense	<u>368,039</u>	0.6	<u>355,919</u>	0.6	<u>362,818</u>	0.5
<u>Administrative and General</u>						
Administrative and General Salaries	1,370,909		1,318,070		1,296,947	
Office Supplies and Expenses	143,913		106,271		110,194	
Outside Services Employed	470,369		455,632		461,198	
Property Insurance	318,636		317,080		328,080	
Casualty Ins, Injuries & Damages	304,349		358,524		246,162	
Employee Pensions and Benefits	3,903,955		3,796,396		3,671,644	
Fringe Benefits Charged to Constr.	(122,287)		(185,524)		(116,444)	
Regulatory Commission	35,200		22,943		47,700	
Miscellaneous General Expense	343,429		259,124		219,755	
Maintenance of General Plant	247,882		193,080		176,182	
Maintenance of A/O Center	406,358		289,304		220,665	
Vacation, Holiday, Sick Leave	213,909		202,431		208,827	
Depreciation	<u>1,000,289</u>		<u>974,080</u>		<u>991,488</u>	
Total Administrative and General	<u>8,636,911</u>	14.7	<u>8,107,411</u>	14.1	<u>7,862,398</u>	11.7
Total Operating Expense	<u>\$69,125,267</u>		<u>\$64,944,811</u>		<u>\$65,625,461</u>	
Percent to Operating Revenue		117.3		112.9		97.8

Muscatine Power and Water - Electric Utility
Statistical Data
August 2011

Per KWH Delivered to Wholesale Customers

	<u>Current Month</u> <u>2011 Budget</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Year-To-Date</u> <u>2011 Budget</u>	<u>Year-To-Date</u> <u>2011 Actual</u>	<u>Year-To-Date</u> <u>2010 Actual</u>
Wholesale Sales KWHs	97,203,600	116,433,861	121,885,982	616,402,800	579,679,340	813,554,889
Wholesale Sales	\$0.04183	\$0.03586	\$0.04219	\$0.03854	\$0.03581	\$0.03808
Less:						
Generation	0.03744	0.03597	0.03350	0.05084	0.05078	0.03547
Transmission	0.00095	0.00189	0.00062	0.00125	0.00138	0.00087
Subtotal	0.03839	0.03786	0.03412	0.05209	0.05216	0.03634
Wholesale Margin	\$0.00344	(\$0.00200)	\$0.00807	(\$0.01355)	(\$0.01635)	\$0.00174

Per KWH Delivered to Paying Native System Customers

	<u>Current Month</u> <u>2011 Budget</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Year-To-Date</u> <u>2011 Budget</u>	<u>Year-To-Date</u> <u>2011 Actual</u>	<u>Year-To-Date</u> <u>2010 Actual</u>
Native System Sales KWHs	74,990,352	75,980,388	79,071,423	547,979,182	565,329,760	565,156,481
Native System Sales	\$0.05486	\$0.05569	\$0.05212	\$0.05284	\$0.05233	\$0.05061
Less:						
Purchased Power	0.04045	0.03542	0.03896	0.03661	0.03266	0.03535
Distribution	0.00625	0.00498	0.00470	0.00652	0.00568	0.00590
Customer Service	0.00089	0.00044	0.00037	0.00090	0.00045	0.00033
Consumers Accounts	0.00061	0.00060	0.00055	0.00067	0.00063	0.00064
Administrative & General	0.01371	0.01279	0.01190	0.01576	0.01434	0.01391
Subtotal	0.06192	0.05422	0.05648	0.06046	0.05376	0.05613
Native System Margin	(0.00706)	0.00147	(0.00436)	(0.00762)	(0.00143)	(0.00552)
Wholesale Margin	0.00447	(0.00307)	0.01244	(0.01523)	(0.01677)	0.00250
Net Electric Margin before Steam Sales	(\$0.00259)	(\$0.00160)	\$0.00809	(\$0.02285)	(\$0.01820)	(\$0.00302)
Net Electric Margin after Steam Sales	\$0.00053	\$0.00252	\$0.01151	(\$0.01987)	(\$0.01456)	\$0.00125

Total Fuel Cost
(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Per Million Btu.	\$1.773	\$1.551	\$1.690	\$1.418
Per Net MW Generated	\$20.40	\$17.82	\$18.88	\$15.93
Net Peak Monthly Demand-KW	138,790	135,300	140,880	137,900
Date of Peak	8/1	8/12	7/20	7/27
Hour of Peak	1500	1400	1500	1500
Average Temperature	72°	76°		
<u>Services</u>	<u>2011</u>	<u>2010</u>		
Residential	9,706	9,668		
Commercial I	1,397	1,389		
Commercial II	117	119		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	39		
Total	11,288	11,250		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - August 2011

	<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>
<u>Wholesale kWh Sales</u>	<u>97,203,600</u>		<u>116,433,861</u>		<u>121,885,982</u>	
<u>Wholesale Sales</u>	<u>\$4,066,418</u>	<u>\$0.0418</u>	<u>\$4,175,822</u>	<u>\$0.0359</u>	<u>\$5,142,740</u>	<u>\$0.0422</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,820,616	0.0187	2,266,654	0.0195	2,083,844	0.0171
SO ² Allowances ^{fn1}	320	0.0000	107	0.0000	6,510	0.0001
NO _x Allowances ^{fn2}	44,131	0.0005	14,209	0.0001	112,898	0.0009
Other ^{fn4}	<u>283,062</u>	<u>0.0029</u>	<u>278,856</u>	<u>0.0024</u>	<u>284,544</u>	<u>0.0023</u>
Total Variable Costs	<u>2,148,129</u>	<u>0.0221</u>	<u>2,559,826</u>	<u>0.0220</u>	<u>2,487,796</u>	<u>0.0204</u>
Gross Margin	<u>\$1,918,289</u>	<u>\$0.0197</u>	<u>\$1,615,996</u>	<u>\$0.0139</u>	<u>\$2,654,944</u>	<u>\$0.0218</u>
Percent Gross Margin	47.2%		38.7%		51.6%	

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>
<u>Wholesale kWh Sales</u>	<u>616,402,800</u>		<u>579,679,340</u>		<u>813,554,889</u>	
<u>Wholesale Sales</u>	<u>\$23,756,278</u>	<u>\$0.0385</u>	<u>\$20,756,375</u>	<u>\$0.0358</u>	<u>\$30,983,134</u>	<u>\$0.0381</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	11,337,462	0.0184	10,747,048	0.0185	12,261,896	0.0151
SO ² Allowances ^{fn1}	2,554	0.0000	2,947	0.0000	22,238	0.0000
NO _x Allowances ^{fn3}	287,838	0.0005	187,165	0.0003	577,878	0.0007
Other ^{fn4}	<u>2,264,496</u>	<u>0.0037</u>	<u>2,213,228</u>	<u>0.0038</u>	<u>2,334,777</u>	<u>0.0029</u>
Total Variable Costs	<u>13,892,350</u>	<u>0.0225</u>	<u>13,150,388</u>	<u>0.0227</u>	<u>15,196,789</u>	<u>0.0187</u>
Gross Margin	<u>\$9,863,928</u>	<u>\$0.0160</u>	<u>\$7,605,987</u>	<u>\$0.0131</u>	<u>\$15,786,345</u>	<u>\$0.0194</u>
Percent Gross Margin	41.5%		36.6%		51.0%	

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

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
fn1 SO ²	\$30.00	\$1.00	\$15.00
YTD SO ²	30.00	5.25	41.80
fn2 NO _x annual	400.00	65.00	515.00
NO _x seasonal	50.00	10.00	55.00
fn3 YTD NO _x annual	400.00	188.99	483.19
YTD NO _x seasonal	50.00	13.18	45.05

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees