

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

January 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 - January 2014

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	115,383,091	10.7	127,682,726	44.9	88,112,888
Less: Plant Use	<u>11,139,391</u>	14.1	<u>12,710,863</u>	18.7	<u>10,710,636</u>
Net Generation/Wholesale Sales	<u>104,243,700</u>	10.3	<u>114,971,863</u>	48.5	<u>77,402,252</u>
<u>Net Capacity Factors</u>					
Unit 9	69.00	(0.9)	68.37	21.4	56.32
Unit 8/8A	48.03	55.3	74.57	1.6X	28.89
Unit 7	25.00	88.3	47.07	---	---
Total Plant	60.69	10.9	67.29	48.8	45.22
<u>KWH Distribution</u>					
Residential	9,200,000	18.5	10,901,296	16.9	9,324,872
Commercial I	3,305,200	10.8	3,661,126	4.4	3,505,411
Commercial II	8,904,000	0.4	8,936,060	8.1	8,269,489
Industrial I	9,070,635	(4.5)	8,662,600	(4.9)	9,105,800
Industrial II	39,078,075	(8.9)	35,613,044	(4.9)	37,451,082
City Enterprise Funds	545,000	(11.3)	483,556	14.3	423,092
Water & Communications Utilities	<u>1,368,767</u>	1.3	<u>1,387,149</u>	9.9	<u>1,261,752</u>
Native System Sales	71,471,677	(2.6)	69,644,831	0.4	69,341,498
City Lighting	169,359	(3.5)	163,374	(1.8)	166,296
City Buildings	601,528	23.8	744,806	20.1	620,328
Offline Power Plant Usage	25,205	3.4X	109,754	(13.8)	127,360
Losses & Cycle Billing	<u>1,758,563</u>	(17.7)	<u>1,447,186</u>	(31.6)	<u>2,115,439</u>
Total Native System KWH					
Distributed/Purchased Power	<u>74,026,332</u>	(2.6)	<u>72,109,951</u>	(0.4)	<u>72,370,921</u>
<u>STEAM SALES - 1000 lbs</u>	<u>262,836</u>	<u>(1.8)</u>	<u>258,161</u>	<u>(2.5)</u>	<u>264,657</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - January 2014

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$862,436	0.09374	\$1,014,648	0.09308	\$838,565	0.08993
Commercial I	287,804	0.08708	316,336	0.08640	283,433	0.08086
Commercial II	588,927	0.06614	577,880	0.06467	494,133	0.05975
Industrial I	503,623	0.05552	496,705	0.05734	487,415	0.05353
Industrial II	1,835,278	0.04696	1,704,481	0.04786	1,770,148	0.04727
City Enterprise Funds	31,969	0.05866	29,735	0.06149	24,427	0.05773
Water & Communication Utilities	69,406	0.05071	77,085	0.05557	64,611	0.05121
Native System Sales	4,179,443	0.05848	4,216,870	0.06055	3,962,732	0.05715
Wholesale Sales	3,023,067	0.02900	6,035,872	0.05250	1,879,076	0.02428
Energy Sales	7,202,510		10,252,742		5,841,808	
<u>Steam Sales</u>	998,509	3.80	985,075	3.82	978,711	3.70
<u>Other Revenue</u>						
Rail Car Lease	27,600		20,769		59,443	
By-Product Revenue	29,950		2,565		4,355	
Miscellaneous Revenue	43,732		40,854		58,927	
Total Other Revenue	101,282		64,188		122,725	
Operating Revenue	8,302,301		11,302,005		6,943,244	
<u>Operating Expense</u>						
Purchased Power	1,980,204	0.02675	3,227,121	0.04475	1,526,816	0.02110
Production Fuel	2,679,901		3,109,587		2,130,475	
Emissions Allowance	7,925		7,833		7,767	
Operation	1,986,601		1,927,478		1,848,958	
Maintenance	735,207		780,582		710,319	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	8,340,355		9,998,095		7,161,336	
Operating Income (Loss)	(38,054)		1,303,910		(218,092)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	114,421		107,015		104,547	
Interest Expense	(133)		(433)		(111)	
Total Nonoperating Revenue (Expense)	114,288		106,582		104,436	
Net Income (Loss) Before Revenue Adjustment	76,234		1,410,492		(113,656)	
Capital Contributions	6,278		---		---	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	82,512		1,410,492		(113,656)	
Beginning Net Position	154,726,057		154,726,057		163,853,950	
Ending Net Position	\$154,808,569		\$156,136,549		\$163,740,294	
Net Loss Before Rev Adj to Op Revenue	0.9		12.5		(1.6)	
Change in Net Position to Operating Revenue	1.0		12.5		(1.6)	

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

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$8,036,642	\$6,032,610
Investments	<u>5,000,960</u>	---
Total Restricted Current Assets	<u>13,037,602</u>	<u>6,032,610</u>
<u>Unrestricted</u>		
Cash - interest bearing	14,615,277	13,325,369
Investments	3,500,000	---
Receivables:		
Consumer Accounts	7,790,400	4,900,763
Wholesale	1,789,166	217,865
Steam Sales	1,046,275	1,036,398
Interest	115,277	104,024
Intercompanies	---	---
Inventories	6,232,145	6,671,034
Fuel	4,249,094	10,755,291
Prepaid Expenses	<u>757,673</u>	<u>709,835</u>
Total Unrestricted Current Assets	<u>40,095,307</u>	<u>37,720,579</u>
Total Current Assets	<u>53,132,909</u>	<u>43,753,189</u>
Property and Equipment:		
At Cost	412,144,556	409,482,247
Less Accumulated Depreciation	<u>322,203,692</u>	<u>312,630,340</u>
Net Property and Equipment	<u>89,940,864</u>	<u>96,851,907</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	650,000	---
Joint Venture Rights	<u>115,670</u>	<u>119,355</u>
Total Other Assets	<u>36,092,670</u>	<u>35,446,355</u>
TOTAL ASSETS	<u><u>\$179,166,443</u></u>	<u><u>\$176,051,451</u></u>

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

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,324,170	\$682,703
Pension Provision	178,546	192,317
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	620,980	524,828
Accrued Vacation	1,113,135	1,140,501
Accrued Emission Allowance Expense	78,528	73,792
Consumers' Deposits	595,614	576,601
Accrued Property Taxes	103,298	114,843
Miscellaneous Accrued Expenses	763,796	752,293
Unearned Mooring Lease	2,967	—
Economic Development Reserves	---	10,350
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	<hr/> <u>8,010,134</u>	<hr/> <u>4,242,054</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,476,563	1,685,114
Post-Employment Health Benefit Provision	329,961	170,753
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	<hr/> <u>1,986,894</u>	<hr/> <u>2,036,237</u>
Deferred Inflows - Extraordinary O & M	<hr/> <u>13,032,866</u>	<hr/> <u>6,032,866</u>
Net Position:		
Net Investment in Capital Assets	89,940,864	96,851,907
Restricted	13,037,602	6,032,610
Unrestricted	<u>53,158,083</u>	<u>60,855,777</u>
	<hr/>	<hr/>
Total Net Position	<hr/> <u>156,136,549</u>	<hr/> <u>163,740,294</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<hr/> <u>\$179,166,443</u>	<hr/> <u>\$176,051,451</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
January 2014

	<u>Current</u> <u>Month</u>
Cash flows from operating activities:	
Cash received from:	
Retail electric sales	\$4,086,874
MISO sales	2,060,887
Steam sales	1,017,731
Railcar/facilities leasing	74,205
By-product sales	48,421
Miscellaneous sources	44,309
Cash paid to/for:	
Suppliers	2,509,037
MISO purchases/administration fees	(2,316,647)
Coal	(3,897,531)
Employees payroll, taxes and benefits	<u>(1,793,085)</u>
Net cash flows from operating activities	<u>1,834,201</u>
Cash flows from capital and related financing activities:	
Capital expenditures, net	(143,629)
Loan to Water Utility	<u>(250,000)</u>
Net cash flows from capital and related financing activities	<u>(393,629)</u>
Cash flows from investing activities:	
Purchase of joint venture rights	(22,235)
Interest received on investments and note receivable	639,321
Amortization/accretion of investments	(143)
Mark to Market	<u>463</u>
Net cash flows from investing activities	<u>617,406</u>
Net increase in cash and investments	<u>2,057,978</u>
Cash and investments at beginning of period	<u>29,094,901</u>
Cash and investments at end of period	<u>\$31,152,879</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
January 2014

	<u>Current</u> <u>Month</u>
Reconciliation of operating income (loss) to net cash flows from operating activities	
Operating income (loss)	\$1,303,910
Noncash items in operating income:	
Depreciation of electric utility plant	945,494
Amortization of joint venture rights	8,186
Changes in assets and liabilities:	
Consumer accounts receivable	(1,029,773)
Wholesale receivable	(747,690)
Steam sales receivable	32,315
Inventories	86,463
Fuel	820,074
Prepaid expenses	(265,347)
Accounts payable	342,413
Pension provision	178,546
Health & dental insurance provision	(17,955)
Other post-employment benefit provision	8,229
Accrued payroll	158,147
Accrued vacation	19,655
Accrued emission allowance expense	7,833
Consumers' deposits	1,673
Accrued property taxes	5,738
Miscellaneous accrued expenses	<u>(23,710)</u>
Net cash flows from operating activities	<u><u>\$1,834,201</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,037,602</u>	<u>\$6,032,610</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$13,037,602</u>	<u>\$6,032,610</u>

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Purchased Power	\$1,980,204	23.9	\$1,526,816
Average price per kWh	\$0.0267	\$0.0448	\$0.0211
Generation			
Operation Supervision	77,076	82,519	83,126
Fuel:			
Coal	2,568,483	2,950,074	2,046,448
Fuel Oil	15,749	18,381	275
Gas	20,450	57,773	7,743
Coal Handling Expense	74,203	80,625	69,732
Landfill Operation Expense	1,016	2,734	6,277
Emissions Allowance Expense	7,925	7,833	7,767
Steam Expense:			
Boiler	104,362	110,235	91,935
Pollution Control	38,471	35,133	34,414
Electric Expense	95,179	95,892	97,914
Miscellaneous Steam Power Expense	165,127	142,093	163,804
Maintenance:			
Supervision	77,391	89,542	85,373
Structures	70,725	48,837	54,931
Boiler Plant:			
Boiler	125,860	155,483	127,131
Pollution Control	62,202	101,174	51,310
Electric Plant	40,051	45,670	43,578
System Control	19,394	18,339	25,586
Miscellaneous Steam Plant	82,701	83,583	59,054
Coal Handling Equipment	59,989	40,360	81,564
System Control and Load Dispatch	35,971	28,962	25,854
Vacation, Holiday, Sick Leave	101,326	124,510	120,630
Depreciation	<u>625,409</u>	<u>624,707</u>	<u>622,373</u>
Total Generation Expense	<u>\$4,469,060</u>	<u>53.8</u>	<u>\$3,906,819</u>
		43.7	56.3

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Transmission</u>			
Operation Supervision	\$3,893	\$4,385	\$4,142
Load Dispatching	94,064	55,710	60,701
Station Expense	9,116	17,972	6,336
Overhead Line Expense	---	106	84
Transmission of Electricity by Others	28,433	28,553	12,646
Miscellaneous Transmission Expense	12,796	4,465	7,451
Maintenance:			
Supervision	1,925	2,118	1,979
Structures	114	---	---
Station Equipment	7,615	7,705	4,055
Overhead Lines	11,885	18,083	25,437
Vacation, Holiday, Sick Leave	7,517	6,627	7,282
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>214,115</u>	<u>182,054</u>	<u>166,420</u>
	2.6	1.6	2.4
<u>Distribution</u>			
Operation Supervision	10,836	12,787	11,802
Load Dispatching	27,620	29,922	29,007
Station Expense	9,007	11,777	7,599
Overhead Line Expense	13,902	2,144	2,508
Vehicle Expense	17,748	19,836	18,109
Underground Line Expense	3,099	1,332	1,850
Street Lighting	1,618	3,818	1,616
Signal Expense	621	529	---
Meter Expense	8,249	10,163	10,997
Consumer Installation Expense	708	1,297	490
Miscellaneous Distribution Expense	48,016	54,152	46,338
Maintenance:			
Supervision	9,850	11,297	10,683
Structures	404	---	---
Station Equipment	11,294	8,389	6,838
Overhead Lines	59,680	60,406	58,370
Underground Lines	9,995	6,789	3,033
Line Transformers	3,806	1,770	6,341
Street Lighting	6,300	4,894	4,560
Signal System	2,887	973	2,092
Meters	2,440	2,632	1,504
Miscellaneous Distribution Plant	2,318	1,680	2,067
Vacation, Holiday, Sick Leave	32,480	35,361	40,464
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>\$444,058</u>	<u>5.3</u>	<u>\$441,870</u>
	3.9	3.9	6.1

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Customer Service Expense</u>			
Customer Information Expense	\$13,261	\$4,359	\$3,561
Energy Efficiency Rebates	20,114	10,136	5,279
Electric Ranges/Dryers Maintenance	541	569	730
Electric Water Heaters Maintenance	<u>232</u>	<u>68</u>	<u>173</u>
Total Customer Service Expense	<u>34,148</u>	<u>0.4</u>	<u>15,132</u>
		0.1	9,743
		0.1	
<u>Consumer Accounts</u>			
Supervision	2,715	3,311	3,144
Meter Reading Expense	8,622	11,306	10,110
Consumer Records and Collection	32,139	31,255	34,664
Uncollectible Accounts Expense	4,317	4,316	3,297
Vacation, Holiday, Sick Leave	<u>5,009</u>	<u>6,108</u>	<u>5,382</u>
Total Consumer Accounts Expense	<u>52,802</u>	<u>0.6</u>	<u>56,296</u>
		0.5	56,597
		0.8	
<u>Administrative and General</u>			
Administrative and General Salaries	165,885	190,118	175,926
Office Supplies and Expenses	26,041	20,347	19,258
Outside Services Employed	64,019	39,080	38,106
Property Insurance	55,053	55,169	46,621
Casualty Ins, Injuries & Damages	43,321	41,155	24,933
Employee Pensions and Benefits	522,828	524,795	516,654
Fringe Benefits Charged to Constr.	(19,896)	(19,461)	(14,883)
Regulatory Commission	8,608	7,087	8,268
Miscellaneous General Expense	47,956	37,551	37,421
Maintenance of General Plant	36,833	37,143	25,313
Maintenance of A/O Center	29,548	33,715	29,520
Vacation, Holiday, Sick Leave	31,177	32,602	35,836
Depreciation	<u>134,595</u>	<u>131,862</u>	<u>128,501</u>
Total Administrative and General	<u>1,145,968</u>	<u>13.8</u>	<u>1,131,163</u>
		10.0	1,071,474
		15.4	
Total Operating Expense	<u>\$8,340,355</u>	<u>\$9,998,095</u>	<u>\$7,161,336</u>
Percent to Operating Revenue		100.5	88.5
		103.1	

Muscatine Power and Water - Electric Utility
Statistical Data
January 2014

Total Fuel Cost
 (To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2014</u>	<u>2013</u>
Per Million Btu.	\$1.885	\$1.819
Per Net MW Generated	\$22.00	\$20.23
Net Peak Monthly Demand-KW	112,550	114,150
Date of Peak	1/22	1/31
Hour of Peak	1800	1900
 Average Temperature	 14°	 24°
 <u>Services</u>	 <u>2014</u>	 <u>2013</u>
Residential	9,743	9,752
Commercial I	1,361	1,386
Commercial II	118	112
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	34
 Total	 <u>11,289</u>	 <u>11,318</u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - January 2014

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>104,243,700</u>		<u>114,971,863</u>		<u>77,402,252</u>	
Wholesale Sales	<u>\$3,023,067</u>	<u>\$0.02900</u>	<u>\$6,035,872</u>	<u>\$0.05250</u>	<u>\$1,879,076</u>	<u>\$0.02428</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	2,002,647	0.01921	2,431,807	0.02115	1,474,468	0.01905
Emissions:						
SO ² Allowances ^{fn1}	478	0.00000	69	0.00000	21	0.00000
NO _x Allowances ^{fn2}	6,142	0.00006	9,078	0.00008	3,571	0.00005
Other ^{fn3}	<u>186,673</u>	<u>0.00179</u>	<u>186,673</u>	<u>0.00162</u>	<u>191,059</u>	<u>0.00247</u>
Total Variable Costs	<u>2,195,940</u>	<u>0.02107</u>	<u>2,627,627</u>	<u>0.02285</u>	<u>1,669,119</u>	<u>0.02156</u>
Gross Margin	<u>\$827,127</u>	<u>\$0.00793</u>	<u>\$3,408,245</u>	<u>\$0.02964</u>	<u>\$209,957</u>	<u>\$0.00271</u>
Percent Gross Margin	27.4%		56.5%		11.2%	

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

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$0.75
fn2 NO _x annual	42.50	45.00	40.00
NO _x seasonal	10.00	21.50	0.00

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

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
January 2014

Delivered to Wholesale Customers

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>
Wholesale Sales KWHs	<u>104,243,700</u>	<u>114,971,863</u>	<u>77,402,252</u>
Wholesale Sales	\$3,023,067	\$6,035,872	\$1,879,076
Less:			
Production Fuel	2,084,651	2,519,984	1,555,310
Generation-Other	1,758,669	1,798,697	1,746,710
Transmission	214,115	182,054	166,420
Subtotal	<u>4,057,435</u>	<u>4,500,735</u>	<u>3,468,440</u>
Wholesale Margin	<u>(\$1,034,368)</u>	<u>\$1,535,137</u>	<u>(\$1,589,364)</u>

Delivered to Steam Customer

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>
Steam Sales - 1,000 lbs.	<u>262,836</u>	<u>258,161</u>	<u>264,657</u>
Steam Sales	\$998,509	\$985,075	\$978,711
Less:			
Production Fuel	595,250	589,603	575,165
Generation-Other	30,490	36,175	29,634
Steam sales Margin	<u>\$372,769</u>	<u>\$359,297</u>	<u>\$373,912</u>

Delivered to Paying Native System Customers

	<u>Current Month 2014 Budget</u>	<u>Current Month 2014 Actual</u>	<u>Current Month 2013 Actual</u>
Native System Sales KWHs	<u>71,471,677</u>	<u>69,644,831</u>	<u>69,341,498</u>
Native System Sales	\$4,179,443	\$4,216,870	\$3,962,732
Less:			
Purchased Power	1,980,204	3,227,121	1,526,816
Distribution	444,058	441,870	423,467
Customer Service	34,148	15,132	9,743
Consumers Accounts	52,802	56,296	56,597
Administrative & General	<u>1,145,968</u>	<u>1,131,163</u>	<u>1,071,474</u>
Subtotal	<u>3,657,180</u>	<u>4,871,582</u>	<u>3,088,097</u>
Native System Margin	522,263	(654,712)	874,635
Steam Sales Margin	372,769	359,297	373,912
Wholesale Margin	<u>(1,034,368)</u>	<u>1,535,137</u>	<u>(1,589,364)</u>
Net Electric Margin	(139,336)	1,239,722	(340,817)
Other Revenue	101,282	64,188	122,725
Nonoperating Revenue (Expense)	<u>114,288</u>	<u>106,582</u>	<u>104,436</u>
Net Loss Before Revenue			
Adjustment and Capital Contributions	<u>\$76,234</u>	<u>\$1,410,492</u>	<u>(\$113,656)</u>