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MUSCATINE POWER AND WATER
REVIEW OF YEAR-TO-DATE OPERATING RESULTS
MARCH 31, 2007

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - MARCH 31, 2007
(Analysis of Financial Statements - Page 4)

Increase (Decrease) to Budgeted Net Assets - Items over \$25,000

Sales of Electricity		
Native System Sales	\$ (71,718)	Average price 0.2% lower, KWh sales 0.6% lower
Wholesale Sales	827,590	KWh sales 23.7% higher; offset by a 4.2% lower price
Steam Sales	26,274	Pounds of steam sold 1.4% higher; average price 0.3% lower
Other Revenue		
Rail Car Lease	40,371	More cars (125 compared to 120) were leased at a higher rate (\$25/car/day compared to \$20/car/day)
Operating Expense		
Production Fuel and Purchased Power	(338,657)	Tons of coal burned is 9.8% greater
	40,082	Lower fuel oil usage for Unit 9
	112,855	Unit 8's lower natural gas usage (9,964.9 mmbtu's compared to 24,118 mmbtu's budgeted), offset by a 8.8% higher price (\$9.25/mmbtu compared to \$8.50/mmbtu)
	52,620	More kWh's purchased; lower average cost (\$.0529/kWh compared to \$.0550/kWh budgeted)
Operation	31,102	Lower auxiliary boiler natural gas usage
	39,918	MAPPCOR refund distribution, not budgeted
	80,000	Transmission path not purchased
	(56,000)	Joint Iowa Base Load Energy Project not budgeted
	(25,132)	Transmission Reliability Study, budgeted in 2006, not carried forward into 2007
	(34,715)	System Reliability Study, not budgeted
	36,500	Transmission Coordination Study to be completed later this year
	(27,763)	Higher FICA expense
	(66,818)	Higher sick leave and personal time usage
	(220,426)	Higher labor costs due to the budgeted "less than full employment adjustment" not realized, and less vacation taken than budgeted thus far
Maintenance	(45,381)	Unit 9 generator core monitor not budgeted
	35,000	Unit 8 circulating water pumps rebuild to be completed by June
	58,279	Lower rail car maintenance thus far this year
	(169,965)	Unit 8 crusher cages replacement, budgeted in May at a lower cost
	(75,596)	Higher labor costs due to the budgeted "less than full employment adjustment" not realized, and less vacation taken than budgeted thus far
Depreciation	25,235	Fewer capital purchases in 2006 than estimated
Interest and Miscellaneous		
Interest Income	68,462	Positive mark-to-market
	100,757	Higher fund balances and higher rate of return than projected
Capital Contributions		
	32,281	Transformer/electric service at Unity Hospital expansion
	<u>271,386</u>	Other miscellaneous variances - net
	<u>\$ 746,541</u>	Total Increase in Budgeted Net Assets

MUSCATINE POWER AND WATER - WATER UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - MARCH 31, 2007
(Analysis of Financial Statements - Page 3)

Increase (Decrease) to Budgeted Net Assets - Items over \$5,000

Sales of Water		
Contract Customers	\$ 19,542	7.7% higher usage
Power Plants	(7,342)	16.5% lower usage
Residential	19,584	7.2% higher usage
Operating Expense		
Operation	(11,062)	Higher fuel/power purchased
	(6,443)	Price for chemicals and usage is higher than projected
Maintenance	8,231	Pumping equipment repairs lower than anticipated
	(15,914)	More main repairs than anticipated
	10,138	Fewer valve repairs than anticipated
Interest Income	5,210	Primarily due to higher fund balances and higher rate of return
	<u>13,725</u>	Other miscellaneous variances - net
	<u>\$ 35,669</u>	Total Increase in Budgeted Net Assets

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - MARCH 31, 2007
(Analysis of Financial Statements - Page 2)

		<u>Increase (Decrease) to Budgeted Net Assets - Items Over \$5,000</u>
Operating Revenue		
CATV Revenue	\$ 10,065	Revenue from digital subscribers and HDTV greater than budgeted, due to more
	8,634	Pay-Per-View and Video on Demand buys greater than budgeted
	(9,131)	Ad insertion revenues lower than budgeted
	(29,246)	Revenue from premium channels is lower than budgeted due to fewer subscribers
Data/Internet Revenue	20,602	Higher residential cable modem revenues due to more subscribers
Operating Expense		
Operation	14,769	Travel expenses lower than expected
	10,272	Lower than anticipated basic programming price
	8,779	Lower external media advertising expense
	(7,049)	Higher educational refunds
	(7,734)	A&G salaries are higher due to less vacation, holiday and sick leave used and less charged to other accounts
	(9,257)	Misc. CATV labor over budget
Maintenance	9,374	CATV headend equipment labor & materials less than anticipated
	7,532	Internet headend maintenance agreements lower than expected
	5,431	Labor to repair converters is under budget and materials have not yet been needed
	(8,668)	Materials and labor to repair two fiber lines cut and due to storm damage
	(10,644)	Labor is over budget due to the cable modem system change out
	(15,312)	CATV headend maintenance agreements relating to 2006, delayed billing by vendor
	<u>26,140</u>	Other miscellaneous variances - net
	<u>\$ 24,557</u>	Total Increase in Budgeted Net Assets