

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

October 2009

**Muscatine Power and Water
Electric Utility**

Table of Contents

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Assets.....	3 - 4
Balance Sheets.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17

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

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
Electric Energy Distribution - KWH					
Residential					
Residential	7,027,708	0.3	7,045,919	(2.4)	7,220,225
Commercial I	3,142,339	(8.0)	2,890,648	(9.5)	3,195,036
Commercial II	10,168,006	(23.4)	7,791,773	(15.9)	9,270,198
Industrial I	12,380,239	(23.5)	9,474,754	(15.2)	11,174,220
Industrial II	37,821,102	1.3	38,325,966	(4.2)	40,011,788
City Enterprise Funds	448,985	15.4	518,303	23.0	421,415
Water & Communications Utilities	<u>1,597,946</u>	(13.9)	<u>1,375,095</u>	(12.1)	<u>1,564,341</u>
Native System Sales	72,586,325	(7.1)	67,422,458	(7.5)	72,857,223
Wholesale Sales*	<u>51,828,421</u>	42.3	<u>73,750,370</u>	86.0	<u>39,644,000</u>
Total Sales Delivered to Paying Consumers	124,414,746	13.5	141,172,828	25.5	112,501,223
City Lighting	164,608	6.8	175,753	(4.0)	183,141
City Buildings	474,184	(8.7)	432,878	0.8	429,283
Offline Power Plant Usage	---	---	118,525	---	---
MAPP Trans Loss-Payment	---	---	---	---	---
Losses & Cycle Billing	<u>2,221,357</u>	(3.7)	<u>2,140,146</u>	68.8	<u>1,267,941</u>
Total KWH Distributed	<u>127,274,895</u>	13.2	<u>144,040,130</u>	25.9	<u>114,381,588</u>
KWH Generated and Received					
Gross Generation*	140,987,076	(40.5)	83,885,360	(33.1)	125,426,388
Less: Plant Use	<u>13,712,181</u>	(26.1)	<u>10,134,990</u>	(15.8)	<u>12,033,800</u>
Net Generation	127,274,895	(42.1)	73,750,370	(35.0)	113,392,588
Purchased Power*	---	---	70,289,760	---	592,000
MAPP Trans Loss-Repayment	---	---	---	---	397,000
Total Net Generated and Received	<u>127,274,895</u>	13.2	<u>144,040,130</u>	25.9	<u>114,381,588</u>
Steam Sales - 1000 lbs	<u>197,160</u>	23.1	<u>242,750</u>	25.2	<u>193,866</u>
Purchased Power	KWH		Amount		Avg. Price
MISO	70,289,760		\$1,507,127		\$0.0214
Wholesale Sales					
MISO	73,750,370		\$1,919,826		\$0.0260

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Calendar Year-to-Date - October 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	87,550,326	(5.6)	82,629,192	(2.8)	85,016,068
Commercial I	34,947,079	(8.3)	32,042,941	(5.1)	33,747,417
Commercial II	104,916,228	(20.9)	82,937,498	(13.7)	96,099,103
Industrial I	121,929,495	(17.3)	100,819,301	(11.4)	113,746,820
Industrial II	378,230,120	(3.0)	367,052,952	(3.2)	379,058,877
City Enterprise Funds	4,733,539	6.8	5,056,817	8.5	4,660,171
Water & Communication Utilities	<u>15,507,820</u>	(8.5)	<u>14,189,942</u>	(12.8)	<u>16,275,568</u>
Native System Sales	747,814,607	(8.4)	684,728,643	(6.0)	728,604,024
Wholesale Sales*	<u>453,055,523</u>	(21.1)	<u>357,539,728</u>	(15.5)	<u>422,947,000</u>
Total Sales Delivered to Paying Consumers	1,200,870,130	(13.2)	1,042,268,371	(9.5)	1,151,551,024
City Lighting	1,703,959	(0.9)	1,688,219	(0.5)	1,696,816
City Buildings	5,531,768	(7.1)	5,140,999	(2.7)	5,281,395
Offline Power Plant Usage	---	---	254,720	---	---
MAPP Trans Loss-Payment	---	---	1,023,000	(56.4)	2,349,000
Losses & Cycle Billing	<u>22,994,470</u>	(24.5)	<u>17,361,396</u>	(13.4)	<u>20,036,453</u>
Total KWH Distributed	<u>1,231,100,327</u>	(13.3)	<u>1,067,736,705</u>	(9.6)	<u>1,180,914,688</u>
<u>KWH Generated and Received</u>					
Gross Generation*	1,312,815,039	(26.0)	971,674,132	(22.1)	1,247,232,088
Less: Plant Use	<u>123,078,712</u>	(15.8)	<u>103,617,777</u>	(11.1)	<u>116,505,400</u>
Net Generation	1,189,736,327	(27.0)	868,056,355	(23.2)	1,130,726,688
Purchased Power*	41,364,000	---	197,944,350	---	48,502,000
MAPP Trans Loss-Repayment	<u>---</u>	<u>---</u>	<u>1,736,000</u>	3.0	<u>1,686,000</u>
Total Net Generated and Received	<u>1,231,100,327</u>	(13.3)	<u>1,067,736,705</u>	(9.6)	<u>1,180,914,688</u>
<u>Steam Sales - 1000 lbs</u>	<u>1,966,680</u>	<u>8.8</u>	<u>2,140,712</u>	<u>5.3</u>	<u>2,032,272</u>
<u>Purchased Power</u>					
MISO	139,919,350		\$2,991,871		\$0.0214
OPPM	44,760,000		2,007,471		0.0448
REM	12,915,000		320,466		0.0248
Other	<u>350,000</u>		<u>25,251</u>		<u>0.0721</u>
	<u>197,944,350</u>		<u>\$5,345,059</u>		<u>\$0.0270</u>
<u>Wholesale Sales</u>					
MISO	140,439,728		\$3,476,258		\$0.0248
OPPM	87,725,000		2,687,649		0.0306
REM	108,937,000		3,585,672		0.0329
PELLA	18,886,000		1,462,483		0.0544 **
Other	<u>1,552,000</u>		<u>55,430</u>		<u>0.0357</u>
	<u>357,539,728</u>		<u>\$11,267,492</u>		<u>\$0.0303 **</u>

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

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

and \$78,616 for the period 6/1/09 - 8/21/09

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

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$524,267	0.0746	\$526,048	0.0747	\$537,240	0.0744
Commercial I	235,675	0.0750	219,561	0.0760	239,636	0.0750
Commercial II	555,173	0.0546	442,517	0.0568	510,651	0.0551
Industrial I	561,462	0.0454	468,305	0.0494	513,305	0.0459
Industrial II	1,543,289	0.0408	1,588,425	0.0414	1,639,486	0.0410
City Enterprise Funds	22,138	0.0493	25,732	0.0496	20,496	0.0486
Water & Communication Utilities	<u>71,471</u>	<u>0.0447</u>	<u>66,687</u>	<u>0.0485</u>	<u>71,442</u>	<u>0.0457</u>
Native System Sales	3,513,475	0.0484	3,337,275	0.0495	3,532,256	0.0485
Wholesale Sales*	<u>2,280,235</u>	<u>0.0440</u>	<u>1,919,826</u>	<u>0.0260</u>	<u>1,500,777</u>	<u>0.0379</u>
Energy Sales	<u>5,793,710</u>		<u>5,257,101</u>		<u>5,033,033</u>	
<u>Steam Sales</u>	<u>744,397</u>	3.78	<u>914,431</u>	3.77	<u>715,994</u>	3.69
<u>Other Revenue</u>						
Rail Car Lease	---		---		---	
By-Product Revenue	71,279		15,747		71,765	
Miscellaneous Revenue	<u>31,173</u>		<u>32,820</u>		<u>45,830</u>	
Total Other Revenue	<u>102,452</u>		<u>48,567</u>		<u>117,595</u>	
Operating Revenue	<u>6,640,559</u>		<u>6,220,099</u>		<u>5,866,622</u>	
<u>Operating Expense</u>						
Production Fuel	2,371,527		1,364,047		2,210,503	
Purchased Power*	---		1,507,127		21,404	
Emissions Allowance	5,490		81,165		8,030	
Operation	1,623,559		1,596,791		1,844,603	
Maintenance	1,158,264		825,041		1,071,767	
Depreciation	<u>1,180,374</u>		<u>1,175,880</u>		<u>1,142,497</u>	
Total Operating Expense	<u>6,339,214</u>		<u>6,550,051</u>		<u>6,298,804</u>	
Operating Income (Loss)	<u>301,345</u>		<u>(329,952)</u>		<u>(432,182)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	200,337		157,216		245,251	
Interest Expense	<u>(178,165)</u>		<u>(179,696)</u>		<u>(231,102)</u>	
Total Nonoperating Revenue (Expense)	<u>22,172</u>		<u>(22,480)</u>		<u>14,149</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	323,517		(352,432)		(418,033)	
Capital Contributions	---		---		---	
Revenue Adjustment-Extraordinary O & M	<u>---</u>		<u>---</u>		<u>---</u>	
Change in Net Assets	323,517		(352,432)		(418,033)	
Beginning Net Assets	<u>160,372,131</u>		<u>154,177,264</u>		<u>158,385,667</u>	
Ending Net Assets	<u>\$160,695,648</u>		<u>\$153,824,832</u>		<u>\$157,967,634</u>	
Percent to Total Income Before Revenue Adj	4.7		(5.5)		(6.8)	
Percent to Total Income After Revenue Adj	4.7		(5.5)		(6.8)	
Debt Service Coverage Before Transfers	1.44		0.87		0.84	
Debt Service Coverage After Transfers	1.44		0.87		0.84	

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

	<u>Budget</u> <u>Estimate</u>	<u>Avg.</u> <u>Price</u>	<u>This</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>	<u>Last</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>
<u>Sales of Electricity</u>						
Residential	\$6,263,925	0.0715	\$5,999,007	0.0726	\$6,148,169	0.0723
Commercial I	2,598,985	0.0744	2,407,854	0.0751	2,524,688	0.0748
Commercial II	5,658,146	0.0539	4,690,617	0.0566	5,296,094	0.0551
Industrial I	5,535,506	0.0454	4,962,667	0.0492	5,251,591	0.0462
Industrial II	15,536,582	0.0411	15,303,572	0.0417	15,684,939	0.0414
City Enterprise Funds	228,195	0.0482	251,687	0.0498	226,954	0.0487
Water & Communications Utilities	<u>701,780</u>	<u>0.0453</u>	<u>667,160</u>	<u>0.0470</u>	<u>730,605</u>	<u>0.0449</u>
Native System Sales	36,523,119	0.0488	34,282,564	0.0501	35,863,040	0.0492
Wholesale Sales*	<u>24,283,811</u>	<u>0.0536</u>	<u>11,267,492</u>	<u>0.0303</u>	<u>22,027,131</u>	<u>0.0521</u>
Energy Sales	<u>60,806,930</u>		<u>45,550,056</u>		<u>57,890,171</u>	
Steam Sales	<u>7,489,097</u>	3.81	<u>9,179,866</u>	4.29	<u>7,307,129</u>	3.60
<u>Other Revenue</u>						
Rail Car Lease	250,000		182,849		223,765	
By-Product Revenue	527,694		198,989		447,847	
Miscellaneous Revenue	<u>372,804</u>		<u>428,726</u>		<u>380,150</u>	
Total Other Revenue	<u>1,150,498</u>		<u>810,564</u>		<u>1,051,762</u>	
Operating Revenue	<u>69,446,525</u>		<u>55,540,486</u>		<u>66,249,062</u>	
<u>Operating Expense</u>						
Production Fuel	22,492,018		16,375,493		20,924,146	
Purchased Power*	2,895,480		5,345,059		2,949,874	
Emissions Allowance	54,902		1,678,780		80,301	
Operation	19,165,645		17,259,584		17,829,982	
Maintenance	12,076,593		10,099,023		12,034,375	
Depreciation	<u>11,803,731</u>		<u>11,758,800</u>		<u>11,424,970</u>	
Total Operating Expense	<u>68,488,369</u>		<u>62,516,739</u>		<u>65,243,648</u>	
Operating Income (Loss)	<u>958,156</u>		<u>(6,976,253)</u>		<u>1,005,414</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	2,110,220		1,688,822		2,549,108	
Interest Expense	<u>(1,781,654)</u>		<u>(1,796,662)</u>		<u>(2,308,191)</u>	
Total Nonoperating Revenue (Expense)	<u>328,566</u>		<u>(107,840)</u>		<u>240,917</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	1,286,722		(7,084,093)		1,246,331	
Capital Contributions	---		---		171,280	
Revenue Adjustment-Extraordinary O & M	<u>---</u>		<u>1,500,000</u>		<u>---</u>	
Change in Net Assets	1,286,722		(5,584,093)		1,417,611	
Beginning Net Assets	<u>159,408,925</u>		<u>159,408,925</u>		<u>156,550,023</u>	
Ending Net Assets	<u>\$160,695,647</u>		<u>\$153,824,832</u>		<u>\$157,967,634</u>	
Percent to Total Income Before Revenue Adj	1.8		(12.4)		1.8	
Percent to Total Income After Revenue Adj	1.8		(9.8)		1.8	
Debt Service Coverage Before Transfers	1.27		0.57		1.29	
**Debt Service Coverage After Transfers	1.27		1.21		1.29	

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*Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 and \$78,616 for the period 6/1/09 - 8/31/09.

**Transfers include \$5,976,634 from the Rate Stabilization Fund and \$1,500,000 from the Extraordinary O&M Account.

Muscatine Power and Water - Electric Utility
Balance Sheets
October 2009

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$8,770,978	\$5,346,922
Investments	<u>26,925,975</u>	<u>30,081,445</u>
Total Restricted Current Assets	<u>35,696,953</u>	<u>35,428,367</u>
<u>Unrestricted</u>		
Cash - interest bearing	1,288,554	2,894,768
Investments	<u>2,563,000</u>	<u>11,029,103</u>
Receivables:		
Consumer Accounts	4,208,750	4,084,055
Resale	1,316,147	2,297,082
Interest	785,542	923,369
Intercompanies	17,016	2,616
Inventories	8,411,995	6,651,173
Fuel	10,529,044	6,374,438
Prepaid Pension	---	149,574
Prepaid Expenses	<u>609,446</u>	<u>567,285</u>
Total Unrestricted Current Assets	<u>29,729,494</u>	<u>34,973,463</u>
Total Current Assets	<u>65,426,447</u>	<u>70,401,830</u>
Property and Equipment:		
At Cost	404,645,979	401,554,684
Less Accumulated Depreciation	<u>276,374,500</u>	<u>263,008,652</u>
Net Property and Equipment	<u>128,271,479</u>	<u>138,546,032</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	36,143	93,387
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>211,764</u>	<u>204,105</u>
Total Other Assets	<u>35,574,907</u>	<u>35,624,492</u>
TOTAL ASSETS	<u><u>\$229,272,833</u></u>	<u><u>\$244,572,354</u></u>

Muscatine Power and Water - Electric Utility
Balance Sheets
October 2009

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$12,870 in 2009 and \$12,913 in 2008; and less Deferred Amount on Refunding of \$10,843 in 2009 and \$29,972 in 2008	\$11,932,027	11,307,636
Accrued Interest	692,725	899,980
Total Restricted Current Liabilities	<u>12,624,752</u>	<u>12,207,616</u>
<u>Unrestricted</u>		
Accounts Payable	1,282,513	2,387,628
Pension Provision	1,170,169	---
Health & Dental Insurance Provision	192,660	186,420
Accrued Payroll	589,297	686,143
Accrued Vacation	974,262	952,637
Accrued Emission Allowance Expense	1,686,530	---
Consumers' Deposits	625,831	639,986
Retained Percentage on Contracts	---	16,890
Accrued Property Taxes	78,867	87,191
Miscellaneous Accrued Expenses	509,489	599,334
Miscellaneous Deferred Credits	119,250	120,000
Total Unrestricted Current Liabilities	<u>7,228,868</u>	<u>5,676,229</u>
Total Current Liabilities	<u>19,853,620</u>	<u>17,883,845</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,915,085	1,569,167
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$258,014 in 2009 and \$517,332 in 2008; and less Deferred Amount on Refunding of \$236,880 in 2009 and \$453,788 in 2008	25,876,134	37,848,544
Total Non-Current Liabilities	<u>27,791,219</u>	<u>39,417,711</u>
Deferred Revenue - Extraordinary O & M	<u>27,803,162</u>	<u>29,303,164</u>
Net Assets:		
Invested in capital assets, net of related debt	90,556,707	87,995,632
Restricted	35,004,228	34,528,387
Unrestricted	28,263,897	35,443,615
Total Net Assets	<u>153,824,832</u>	<u>157,967,634</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$229,272,833</u></u>	<u><u>\$244,572,354</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
October 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	\$3,481,459	\$34,325,801
Wholesale electric sales, net	191,841	9,612,554
Steam sales	805,385	7,814,244
Coal & transportation allowances	79,429	724,149
Railcar leasing	34,034	246,349
By-product sales	23,570	232,892
Miscellaneous sources	63,287	510,679
FEMA	---	340,611
Cash paid to/for:		
Suppliers	(844,968)	(10,645,483)
Wholesale power & fees	(48,369)	(2,932,748)
Coal	(2,167,239)	(22,360,985)
Employees payroll, taxes and benefits	<u>(1,504,267)</u>	<u>(16,246,523)</u>
Net cash flows from operating activities	<u>114,162</u>	<u>1,621,540</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(126,861)	(3,526,250)
Bond principal payments	---	(11,305,000)
Bond interest payments	---	(2,389,063)
Net cash flows from capital and related financing activities	<u>(126,861)</u>	<u>(17,220,313)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(28,980)	(94,170)
Interest received on investments and note receivable	9,689	2,213,244
Accrued Interest Purchased	---	(98)
Amortization/accretion of investments	402	(2,143)
Mark to market	<u>(15,883)</u>	<u>(234,726)</u>
Net cash flows from investing activities	<u>(34,772)</u>	<u>1,882,107</u>
Net decrease in cash and investments	<u>(47,471)</u>	<u>(13,716,666)</u>
Cash and investments at beginning of period	<u>39,595,979</u>	<u>53,265,173</u>
Cash and investments at end of period	<u>\$39,548,508</u>	<u>\$39,548,507</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
October 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	(\$329,952)	(\$6,976,253)
Noncash items in operating income:		
Depreciation of electric utility plant	1,175,880	11,758,800
Amortization of joint venture rights	7,843	73,776
Changes in assets and liabilities:		
Consumer accounts receivable	169,475	525,782
Resale receivable	252,549	1,572,712
Intercompany receivable	(8,662)	(12,915)
Inventories	(570,207)	(1,661,068)
Fuel	(371,367)	(5,482,221)
Prepaid expenses	(31,253)	(116,990)
Accounts payable	(508,031)	(1,274,986)
Pension provision	117,017	1,170,169
Health & dental insurance provision	(9,482)	240,477
Accrued payroll	131,483	424,545
Accrued vacation	1,234	64,803
Accrued emission allowance expense	88,914	1,686,530
Consumers' deposits	4,025	(9,280)
Retained percentage	---	(10,973)
Accrued property taxes	4,805	(19,603)
Miscellaneous accrued expenses	(10,109)	(331,015)
Miscellaneous deferred credits	---	(750)
Net cash flows from operating activities	<u><u>\$114,162</u></u>	<u><u>\$1,621,540</u></u>

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

	<u>This Year</u>	<u>Last Year</u>
Rate Stabilization Fund	---	\$5,710,877
Bond Reserve Fund	7,496,368	---
Extraordinary Operation & Maintenance Account	<u>28,200,585</u>	<u>29,537,490</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u>\$35,696,953</u>	 <u>\$35,248,367</u>

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

<u>Generation</u>	Budget		This Year	Last Year		
	<u>Estimate</u>					
Operation Supervision	\$99,168		\$84,015	\$96,998		
Fuel:						
Coal	2,239,122		1,303,519	2,080,935		
Fuel Oil	5,727		438	15,071		
Gas	37,500		3,337	14,939		
Coal Handling Expense	79,057		49,248	87,358		
Landfill Operation Expense	10,121		7,505	12,200		
Emissions Allowance Expense	5,490		81,165	8,030		
Steam Expense:						
Boiler	76,574		86,375	98,875		
Pollution Control	53,698		34,230	55,307		
Electric Expense	76,616		87,338	104,480		
Miscellaneous Steam Power Expense	104,830		105,445	119,818		
Maintenance:						
Supervision	82,495		81,054	78,607		
Structures	75,567		47,994	153,066		
Boiler Plant:						
Boiler	290,480		200,406	256,081		
Pollution Control	44,935		32,330	109,983		
Electric Plant	57,651		42,047	218,233		
System Control	90,072		17,101	15,310		
Miscellaneous Steam Plant	61,329		56,551	77,823		
Coal Handling Equipment	239,951		152,376	18,691		
Purchased Power*	---		1,507,127	21,404		
Wholesale Sales Commission	---		---	75,763		
System Control and Load Dispatch	82,257		113,733	61,818		
Vacation, Holiday, Sick Leave	76,918		74,109	67,641		
Depreciation	878,657		877,564	859,234		
Total Generation Expense	<u>4,768,215</u>	71.8	<u>5,045,007</u>	81.1	<u>4,707,665</u>	80.2
 <u>Transmission</u>						
Operation Supervision	4,036		2,726	4,655		
Load Dispatching	8,681		9,200	9,714		
Station Expense	9,838		8,701	10,037		
Overhead Line Expense	117		---	---		
Transmission of Electricity by Others	---		5	35,058		
Miscellaneous Transmission Expense	7,163		18,674	6,114		
Maintenance:						
Supervision	2,060		1,778	2,395		
Structures	468		---	---		
Station Equipment	10,273		5,628	3,551		
Overhead Lines	5,718		16,313	8,631		
Vacation, Holiday, Sick Leave	4,362		3,719	4,326		
Depreciation	30,898		30,535	30,282		
Tax on Rural Property	5,939		5,910	5,910		
Total Transmission Expense	<u>\$89,553</u>	1.3	<u>\$103,189</u>	1.7	<u>\$120,673</u>	2.1

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

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

	<u>Budget</u>	<u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>		
Generation						
Operation Supervision	\$878,501		\$806,619	\$838,229		
Fuel:						
Coal	21,144,772		15,282,409	19,593,238		
Fuel Oil	116,437		112,130	147,592		
Gas	335,400		342,601	366,328		
Coal Handling Expense	808,170		566,227	728,249		
Landfill Operation Expense	87,239		72,126	88,739		
Emissions Allowance Expense	54,902		1,678,780	80,301		
Steam Expense:						
Boiler	1,049,810		1,073,408	1,112,805		
Pollution Control	695,790		372,947	623,953		
Electric Expense	965,699		923,929	951,539		
Miscellaneous Steam Power Expense	1,637,764		1,553,207	1,542,394		
Maintenance:						
Supervision	831,833		749,624	746,317		
Structures	1,035,738		745,556	759,630		
Boiler Plant:						
Boiler	3,382,346		2,478,894	3,523,752		
Pollution Control	925,421		652,672	1,406,910		
Electric Plant	1,951,125		2,012,548	2,246,493		
System Control	246,974		166,902	177,051		
Miscellaneous Steam Plant	661,040		576,981	597,644		
Coal Handling Equipment	1,254,177		1,092,545	992,811		
Purchased Power*	2,895,480		5,345,059	2,949,874		
Wholesale Sales Commission	1,066,853		318,024	1,049,717		
System Control and Load Dispatch	641,959		631,953	579,259		
Vacation, Holiday, Sick Leave	928,536		874,373	891,340		
Depreciation	8,786,569		8,775,640	8,592,340		
Total Generation Expense	52,382,535	75.4	47,205,154	85.0	50,586,505	76.4
Transmission						
Operation Supervision	39,507		36,023	36,604		
Load Dispatching	86,465		80,300	79,885		
Station Expense	90,149		94,773	89,318		
Overhead Line Expense	711		667	374		
Transmission of Electricity by Others	426,047		139,232	360,232		
Miscellaneous Transmission Expense	118,346		99,468	55,207		
Maintenance:						
Supervision	19,900		17,800	15,997		
Structures	11,745		3	641		
Station Equipment	94,473		53,683	80,257		
Overhead Lines	55,722		42,431	28,769		
Vacation, Holiday, Sick Leave	51,964		48,470	50,538		
Depreciation	308,977		305,350	302,820		
Tax on Rural Property	59,390		56,577	59,223		
Total Transmission Expense	\$1,363,396	2.0	\$974,777	1.8	\$1,159,865	1.8

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

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

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>			
<u>Distribution</u>						
Operation Supervision	\$11,657	\$10,943	\$14,734			
Load Dispatching	8,648	9,094	9,658			
Station Expense	7,766	8,739	12,937			
Overhead Line Expense	3,900	3,524	6,792			
Vehicle Expense	15,140	10,083	14,039			
Underground Line Expense	3,181	3,924	3,552			
Street Lighting	2,023	2,583	3,880			
Signal Expense	1,148	489	115			
Meter Expense	10,872	9,998	11,702			
Consumer Installation Expense	2,020	1,412	2,113			
Miscellaneous Distribution Expense	70,619	57,217	70,650			
Maintenance:						
Supervision	10,862	10,419	13,356			
Structures	708	---	---			
Station Equipment	36,584	12,639	8,298			
Overhead Lines	75,512	70,546	10,362			
Underground Lines	9,081	5,531	4,380			
Line Transformers	4,272	6,664	5,211			
Street Lighting	3,348	6,069	9,168			
Signal System	4,095	2,738	6,676			
Meters	300	---	---			
Miscellaneous Distribution Plant	2,594	1,016	2,192			
Vacation, Holiday, Sick Leave	23,593	21,743	25,999			
Depreciation	145,060	143,739	138,797			
Tax on Rural Property	<u>1,774</u>	<u>1,765</u>	<u>1,765</u>			
Total Distribution Expense	<u>454,757</u>	6.8	400,875	6.4	376,376	6.4
<u>Customer Service Expense</u>						
Customer Information Expense	38,728	9,170	11,355			
Electric Ranges/Dryers-Maint/Promotion	1,268	854	1,026			
Electric Water Heaters-Maint/Promotion	<u>1,492</u>	<u>666</u>	<u>1,592</u>			
Total Customer Service Expense	<u>\$41,488</u>	0.6	<u>\$10,690</u>	0.2	<u>\$13,973</u>	0.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>
<u>Distribution</u>					
Operation Supervision	\$110,915		\$120,816		\$101,443
Load Dispatching	86,681		79,686		79,455
Station Expense	93,924		87,325		91,728
Overhead Line Expense	55,720		30,649		36,464
Vehicle Expense	163,959		125,358		142,819
Underground Line Expense	31,743		31,413		40,111
Street Lighting	20,777		18,268		25,239
Signal Expense	10,617		4,967		4,027
Meter Expense	105,760		89,439		103,189
Consumer Installation Expense	20,475		13,616		16,183
Miscellaneous Distribution Expense	706,917		643,002		631,921
Maintenance:					
Supervision	103,126		109,310		89,817
Structures	14,520		---		208
Station Equipment	147,086		136,728		85,429
Overhead Lines	471,086		453,431		477,026
Underground Lines	91,964		103,709		57,877
Line Transformers	41,924		62,460		37,327
Street Lighting	33,393		46,436		32,376
Signal System	35,514		32,073		49,801
Meters	7,900		---		4,563
Miscellaneous Distribution Plant	30,740		24,278		22,286
Vacation, Holiday, Sick Leave	286,057		257,174		270,578
Depreciation	1,450,597		1,437,390		1,387,970
Tax on Rural Property	<u>17,740</u>		<u>16,913</u>		<u>17,679</u>
 Total Distribution Expense	 <u>4,139,135</u>	 6.0	 <u>3,924,441</u>	 7.1	 <u>3,805,516</u> 5.7
 <u>Customer Service Expense</u>					
Customer Information Expense	364,769		222,851		226,816
Electric Ranges/Dryers-Maint/Promotion	12,911		10,452		11,597
Electric Water Heaters-Maint/Promotion	<u>17,353</u>		<u>11,470</u>		<u>12,045</u>
 Total Customer Service Expense	 <u>\$395,033</u>	 0.6	 <u>\$244,773</u>	 0.4	 <u>\$250,458</u> 0.4

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

	Budget				
	Estimate	This Year		Last Year	
<u>Consumer Accounts</u>					
Supervision	\$1,947	\$2,307		\$2,291	
Meter Reading Expense	7,796	7,362		9,212	
Consumer Records and Collection	29,745	31,896		31,737	
Uncollectible Accounts Expense	1,392	1,392		1,267	
Vacation, Holiday, Sick Leave	<u>2,953</u>	<u>3,276</u>		<u>3,354</u>	
Total Consumer Accounts Expense	<u>43,833</u>	0.7	<u>46,233</u>	0.7	<u>47,861</u> 0.8
<u>Administrative and General</u>					
Administrative and General Salaries	169,455	170,036		166,725	
Office Supplies and Expenses	18,428	17,227		18,365	
Outside Services Employed	32,507	53,364		45,718	
Property Insurance	40,000	41,006		33,445	
Casualty Ins, Injuries & Damages	33,607	29,965		118,258	
Employee Pensions and Benefits	425,360	418,912		384,700	
Fringe Benefits Charged to Constr.	(20,806)	(18,516)		(19,969)	
Regulatory Commission	4,400	2,361		4,500	
Miscellaneous General Expense	39,232	25,030		76,067	
Maintenance of General Plant	24,026	31,072		20,450	
Maintenance of A/O Center	25,883	24,769		49,303	
Vacation, Holiday, Sick Leave	23,517	24,789		20,510	
Depreciation	<u>125,759</u>	<u>124,042</u>		<u>114,184</u>	
Total Administrative and General	<u>941,368</u>	14.2	<u>944,057</u>	15.2	<u>1,032,256</u> 17.6
Total Operating Expense	<u>\$6,339,214</u>		<u>\$6,550,051</u>		<u>\$6,298,804</u>
Percent to Operating Revenue		95.5		105.3	107.4

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

	Budget				
	Estimate		This Year		Last Year
<u>Consumer Accounts</u>					
Supervision	\$18,745		\$19,850		\$20,018
Meter Reading Expense	87,286		77,424		80,029
Consumer Records and Collection	295,989		294,896		275,297
Uncollectible Accounts Expense	13,917		13,917		12,667
Vacation, Holiday, Sick Leave	<u>36,754</u>		<u>36,523</u>		<u>37,122</u>
Total Consumer Accounts Expense	<u>452,691</u>	0.7	<u>442,610</u>	0.8	<u>425,133</u> 0.6
<u>Administrative and General</u>					
Administrative and General Salaries	1,684,703		1,580,931		1,467,463
Office Supplies and Expenses	195,529		174,505		175,152
Outside Services Employed	456,020		618,955		379,996
Property Insurance	380,335		387,376		332,373
Casualty Ins, Injuries & Damages	335,625		377,988		487,970
Employee Pensions and Benefits	4,301,561		4,354,326		3,929,538
Fringe Benefits Charged to Constr.	(243,905)		(157,031)		(232,645)
Regulatory Commission	44,000		35,792		43,044
Miscellaneous General Expense	425,281		314,400		444,516
Maintenance of General Plant	257,254		233,147		224,594
Maintenance of A/O Center	371,592		307,812		376,799
Vacation, Holiday, Sick Leave	289,996		256,363		245,531
Depreciation	<u>1,257,588</u>		<u>1,240,420</u>		<u>1,141,840</u>
Total Administrative and General	<u>9,755,579</u>	14.0	<u>9,724,984</u>	17.5	<u>9,016,171</u> 13.6
Total Operating Expense	<u>\$68,488,369</u>		<u>\$62,516,739</u>		<u>\$65,243,648</u>
Percent to Operating Revenue		98.6		112.6	98.5

Muscatine Power and Water - Electric Utility
Statistical Data
October 2009

Per KWH Delivered to Paying Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Generated & Purchased Power	0.03241	0.04106	0.03780	0.03984
Transmission	0.00073	0.00094	0.00107	0.00101
Distribution	0.00284	0.00377	0.00335	0.00330
Customer Service	0.00008	0.00023	0.00012	0.00022
Consumers Accounts	0.00033	0.00042	0.00043	0.00037
Administrative & General	<u>0.00669</u>	<u>0.00933</u>	<u>0.00918</u>	<u>0.00783</u>
Total	<u>0.04308</u>	<u>0.05575</u>	<u>0.05195</u>	<u>0.05257</u>

Per KWH Delivered to Paying Native System Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Distribution	0.00595	0.00573	0.00517	0.00522
Customer Service	0.00016	0.00036	0.00019	0.00034
Consumers Accounts	0.00069	0.00065	0.00066	0.00058
Administrative & General	0.01400	0.01420	0.01417	0.01237

Total Fuel Cost

(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-to-Date</u>	
	2009	2008	2009	2008
Per Million Btu.	1.246	1.478	1.354	1.389
Per Net MW Generated	13.76	16.68	15.31	15.91
Net Peak Monthly Demand - KW	111,000	117,000	139,000	146,000
Date of Peak	10/13	10/13	6/23	8/4
Services	2009	2008		
Residential	9,648	9,646		
Commercial I	1,379	1,391		
Commercial II	118	117		
Industrial I	11	10		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	<u>39</u>	<u>39</u>		
Total	<u>11,219</u>	<u>11,227</u>		

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

	Budget Estimate	This Year	Last Year
	\$/kWh	\$/kWh	\$/kWh
Wholesale kWh Sales	<u>51,828,421</u>	<u>73,750,370</u>	<u>39,644,000</u>
Wholesale Sales	<u>\$2,280,235</u>	<u>\$0.0440</u>	<u>\$1,500,777</u>
Variable Costs			
Marketers' Commissions	---	0.0000	75,763
Transmission Path	---	0.0000	35,058
Fuel (Coal, Gas & Fuel Oil)	788,607	0.0152	616,118
SO2 Allowances**	8,232	0.0002	11,239
NOX Allowances	---	---	---
Other****	<u>128,947</u>	<u>0.0025</u>	<u>109,631</u>
Total Variable Costs	<u>925,786</u>	<u>0.0179</u>	<u>847,809</u>
Gross Margin	<u>\$1,354,449</u>	<u>\$0.0261</u>	<u>\$652,968</u>
Percent Gross Margin	59.4%	30.8%	43.5%

Calendar Year To Date

	Budget Estimate	This Year	Last Year
	\$/kWh	\$/kWh	\$/kWh
Wholesale kWh Sales	<u>453,055,523</u>	<u>357,539,728</u>	<u>422,947,000</u>
Wholesale Sales	<u>\$24,283,811</u>	<u>\$0.0536</u>	<u>\$22,027,131</u>
Variable Costs			
Marketers' Commissions	1,066,853	0.0024	1,049,717
Transmission Path	426,047	0.0009	360,232
Fuel (Coal, Gas & Fuel Oil)	6,926,754	0.0153	6,221,345
SO2 Allowances**	71,958	0.0002	119,909
NOX Allowances	---	---	---
Other****	<u>1,198,450</u>	<u>0.0026</u>	<u>1,168,853</u>
Total Variable Costs	<u>9,690,062</u>	<u>0.0214</u>	<u>8,920,056</u>
Gross Margin	<u>\$14,593,749</u>	<u>\$0.0322</u>	<u>\$13,107,075</u>
Percent Gross Margin	60.1%	30.7%	59.5%

* Excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 and \$78,616 for the period 6/01/09 - 8/31/09.

** 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 (\$685/allowance) and seasonal allowances (\$0/allowance) as of 10/31/09.

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

Electric Utility
Review of Operating Results
October 2009

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - OCTOBER 31, 2009
(Analysis of Financial Statements - Page 4)

Page 1

		Increase (Decrease) to Budgeted Net Assets
Sales of Electricity		
Native System Sales	\$ (2,240,555)	KWh sales 8.4% lower
Wholesale Sales	(13,016,319)	43.5% lower average sale price; 21.1% lower kWh sales
	<u>(15,256,874)</u>	
Steam Sales		
	1,463,352	GPC's share of NOX allowances consumed
	227,417	Other miscellaneous variances - net
	<u>1,690,769</u>	
Other Revenue		
Rail Car Lease	(67,151)	Budget assumed 15 train trip leases; 11 occurred in 2009
By-Product Revenue	(24,657)	Reversal of prior year revenue posted twice
	(82,010)	Lower gypsum sales due to less coal burned, plus coal's lower sulfur content
	(164,466)	Lower slag sales due to reduced need by purchaser
	(57,572)	Lower fly ash sales due to less coal burned, plus coal's lower ash content
Miscellaneous Revenue	23,514	Iowa Base Load Energy Project reimbursement
	10,230	Higher recycling revenue/sales of obsolete equipment
	(5,837)	Lower job sales
	(21,257)	EPA auction proceeds less due to the lower value of SO2 allowances
	28,737	FEMA reimbursement for 2008 storm costs not accrued in 2008
	7,774	Microsoft class action settlement
	<u>20,535</u>	Other miscellaneous variances - net
	<u>(339,934)</u>	
Operating Expense		
Production Fuel and Purchased Power	5,862,363	9.4% lower average coal cost (\$20.57/ton vs. \$22.71/ton budgeted); 20.2% fewer tons burned
	(10,548)	Unit 8's higher natural gas usage (47,733 mmbtu's compared to 31,992 mmbtu's budgeted), offset by a 30.9% lower average price (\$7.13/mmbtu compared to \$10.32/mmbtu)
	191,570	Lower diesel fuel usage/cost for the coal dozers
	(2,449,579)	More purchased power due to joining MISO September 1
	20,840	Dust control materials for landfill have not been expended yet
	52,300	Other miscellaneous variances - net
	<u>3,666,946</u>	
Emissions Allowance	<u>(1,623,878)</u>	NOX emissions allowance not budgeted; CAIR reinstated at end of year 2008
Operation	43,168	Fewer Unit 8 & 9 boiler water chemicals
	20,000	Unit 8 second pass membranes will not be expended this year
	101,451	Fewer Unit 9 scrubber waste handling materials
	95,750	Lower limestone expense
	17,704	Lower wastewater operation expense
	(56,657)	Title V air operating permit fee, higher than projected
	7,590	Lower cost for environmental software maintenance
	60,000	Move barge unloader transformers or build containment area, cancelled
	40,000	Security service contracted for during the outages, not expended
	20,658	Security related costs at the plant outside the outage times, not expended
	748,829	Wholesale sales commission down due to lower sales and joining MISO
	33,782	MAPPCOR patronage distribution, not anticipated
	20,344	Lower cost of NERC operator training
	(15,000)	MISO membership application fee, not budgeted
	(66,801)	MISO operating expenses, not budgeted
	21,035	Lower cost for MAPPCOR transmission assessments
	286,815	Lower cost for transmission path and fees
	38,719	Transmission & distribution safety related expenses not expended
	6,436	Lower cost for transmission study
	13,844	Substation electrician's tools not expended
	23,995	Linemen's overhead line tool expense not expended
	41,200	Lower gasoline/diesel fuel costs
	46,499	Less travel
	22,260	Less temporary labor services needed
	8,374	Lower cost for MAGIC operating expenses
	20,830	Free Book DSM projects, will not be expended this year
	20,830	Energy efficiency action plan assessment, will not be completed this year
	10,420	Lower cost for IAMU Eco@ Home Quarterly publication
	10,446	Lower cost of media advertising
	12,191	Customer satisfaction survey, will not be performed this year
	8,330	Solar rebate program, not begun
	12,500	Customer educational programs
	5,300	AMR software licenses, not expended yet
	(47,215)	Higher cost for organizational review study
	(208,050)	IAMWind Project, not budgeted
	(17,095)	Electric line department structure review, not budgeted

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - OCTOBER 31, 2009
(Analysis of Financial Statements - Page 4)

Page 2

Increase (Decrease) to Budgeted Net Assets	
(32,000)	Energy management services provided by Tenaska, not budgeted
(33,034)	Salary review, budgeted in 2008
66,400	CIP security audit, to be completed later this year
12,540	Audit services lower due to timing of work
20,764	Coal contract consulting, not expended
25,025	IS application consulting, not needed
24,900	Workforce development training postponed until later this year
13,835	Employee search services, not needed
16,667	Financial advisor, not expended
11,416	Environmental legal services, not needed
12,900	ROC training will not take place this year
(37,842)	Higher transmission attorney fees
(43,635)	Higher workers compensation cost
(86,874)	Fringe benefits charged to construction lower than anticipated
(189,352)	Higher pension cost
44,595	Lower healthcare costs
74,931	Lower FICA expense
(15,275)	Higher unemployment expenses
16,362	Lower cost of educational reimbursements
8,259	Lower dental care costs
32,668	Lower employment expenses
5,496	Annual report, completed at a lower cost
159,248	Lower labor cost
59,728	Lower vacation accrual expense due to less than full employment
329,857	Other miscellaneous variances - net
1,906,061	

Maintenance

30,000	Unit 9 lab air handling unit, deferred beyond 2009
105,915	Power plant lighting upgrade, deferred until next year
100,000	Painting Unit 8 & 9 outside structures, deferred beyond 2009
16,000	Plant fire protection panel inspection, deferred beyond 2009
10,000	Unit 7 dust collector roof replacement, deferred beyond 2009
6,000	Power plant maintenance coop student, not hired
(17,470)	Unit 9 crusher house sump pump replacement, not budgeted
(48,615)	Higher cost for Unit 9 insulation replacement
67,336	Fewer Unit 7 & 8 bottom ash system materials
12,660	Lower cost of Unit 7 grit blast & scaffold boiler
15,000	Unit 7 pressure wash economizer, cancelled
35,000	Replacement of Unit 7 hydrobin gate, deferred beyond 2009
(36,004)	Unit 7 & 8 stack climbing system, not budgeted
(23,743)	8A valve's pressure reducing station, not budgeted
(12,219)	Unit 9's fly ash silo inspection & cleaning, not budgeted
(13,910)	Unit 9 storage tank insulation and metal lagging, not budgeted
120,000	Unit 8 main steam piping inspection, postponed until next year
30,000	Unit 8 closed cooling heat exchanger NDE, postponed beyond 2009
40,000	Unit 8 contract labor during outage, not needed
25,000	Unit 8 boiler penthouse roof and refractory repair, postponed until next year
26,891	Lower cost for Unit 8 stack inlet expansion joint replacement
48,817	Lower cost for Unit 8 deslag & water blast boiler
43,841	Lower cost to replace Unit 8 cyclone riser outlet header tube
60,000	Pulverizer journal rebuild may not be expended this year
95,000	Pulverizer exhauster wheel refurbishment may not be expended this year
19,000	Unit 9 obsolete combustible probes, likely will not be completed this year
62,889	Unit 9 bottom ash system materials, not expended
13,000	Lower cost to repair Unit 9 boiler vent, drain, and blowdown valves
12,000	Repair of Unit 9 thermal drain valves, not needed
19,140	Lower cost of contracted Unit 9 boiler vacuum services
16,334	Unit 9 coal piping repairs not needed
17,131	Lower cost of Unit 8 boiler slag tap barrel replacement
(32,075)	Higher cost to repair 9B hydrobin discharge gate assembly
(53,282)	Higher cost of Unit 9 boiler tube repairs
45,000	Unit 8 cyclone stud repair, to be completed in November
35,000	Unit 8 boiler vacuum services, to be completed in November
(6,769)	Higher cost of grit blasting Unit 8 precipitator
(9,997)	Higher cost of FGD's 901 booster fan motor repair
245,000	AFT tank and hydroclone structure repairs, postponed beyond 2009
25,000	FGD tower cleaning completed in-house
130,000	WFC packing replacement, postponed beyond 2010
22,500	AFT lining repair, completed in-house
25,000	Ox air compressor rebuild, postponed beyond 2010
15,000	Replacement of quencher pump impeller, postponed until next year
25,000	Refurbish one TR unit from Unit 9 precipitator, postponed beyond 2010
20,000	FGD tower inlet steel repair, deferred beyond 2010
45,000	FGD ball mill liners, deferred beyond 2010
(131,020)	Rubber lining for FGD piping, not budgeted
(23,661)	Absorber spray pump 902 motor repair, not budgeted

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - OCTOBER 31, 2009
(Analysis of Financial Statements - Page 4)

Page 3

Increase (Decrease) to Budgeted Net Assets	
(166,239)	Higher cost of Unit 9 turbine overhaul
(16,050)	Unit 9 generator noise testing, not budgeted
50,000	Unit 9 stop valve cover studs/nuts replacement, postponed until 2011
8,130	Lower cost for cleaning Unit 9 condenser/heat exchangers
(32,718)	Unit 9 traveling screen repairs, budgeted in November
50,000	Unit 8 traveling screen housing rebuild, deferred beyond 2009
60,000	Unit 8 stop valve inspection/repair, postponed until 2011
13,000	Unit 8 volt breakers testing, not needed
50,000	Unit 8 feedwater heater & condenser NDE, postponed until next year
(36,429)	Unit 8 replace 5kv cables, emergency repair, not budgeted
(48,987)	Unit 7A circulating water pump rebuild, budgeted in 2008
36,868	Lower cost for Unit 7B circulating water pump rebuild
24,000	Unit 7 main steam stop valve strainer, expended in 2008
10,000	Unit 8 generator flux probe testing, postponed until 4th quarter
(6,104)	Higher cost of Unit 9 breaker repairs
12,000	Clean Unit 8 condenser tubes, completed in-house
(10,988)	Unit 8 turbine control trip test, not budgeted
35,000	Unit 8A varnish inspection, completed in-house
20,000	Unit 8A generator coolers NDE, postponed until next year
(11,414)	Unit 8B circulating water pump rebuild, budgeted in November
15,000	Unit 7 condenser tube plugging/maintenance, completed in-house
10,700	System Control LED and mapwall lamps, not expended
75,000	OSI OpenView.net software upgrade will not be expended
10,000	Hoist and chainfall inspection/repair will not be expended this year
(33,286)	Repair to the Shield Bantam crane, not budgeted
23,859	Lower rail facility maintenance
(27,993)	Higher coal conveyor maintenance
(115,530)	Repair 8B crusher motor, not budgeted
96,000	Unit 8 crusher cage assembly, not expended
7,500	Coal handling fire protection valves, not expended
54,901	Lower coal handling dozer maintenance
7,000	Upgrade coal handling PLC software, not expended
(8,758)	Higher cost for LSCS diversion gate limitorque
(91,978)	Higher rail car maintenance
10,000	Coal handling lump breaker inspection/repair, completed in-house
9,597	Substation structure repairs, not completed
6,700	Substation portable air-conditioning unit & HVAC units, not needed
15,000	Maintenance of jointly owned line, performed by MidAmerican, has not been expended yet
17,579	Distribution pole inspections to be completed by year end
(22,476)	Unplanned underground lines expense at the GPC Fermentation Plant
7,900	Meter maintenance not expended
4,211	GIS software maintenance, not expended
23,371	Computer hardware/software maintenance not expended yet
36,000	A/O Center carpet tile replacement, deferred beyond 2009
38,000	A/O Center window replacement and door seals, deferred beyond 2009
493,812	Lower labor cost
4,703	Other miscellaneous variances - net
<u>1,977,570</u>	
 Depreciation	
	<u>44,931</u> Fewer capital purchases in 2008 than estimated
 Nonoperating Revenue (Expense)	
Interest Income	(233,924) Negative mark-to-market
	(13,868) Amortization/accretion of investments
	(173,606) Decrease due to lower rate of return
 Interest Expense	
	<u>(15,008)</u> Interest on customer deposits greater than anticipated
	<u>(436,406)</u>
 Net Income (Loss) Before Revenue Adjustment	
	<u>(8,370,815)</u> Decrease in Budgeted Net Assets
Revenue Adjustment-Extraordinary O&M	<u>1,500,000</u> Transfer from deferred revenue, not budgeted
 Change in Net Assets	
	<u>\$ (6,870,815)</u> Total Decrease in Budgeted Net Assets

Statements of Revenues, Expenses and Changes in Net Assets

Sales of Electricity

Native System Sales

Native system sales revenue is \$2,240,555 lower than budget primarily due to 17.3% lower kWh sales to Industrial I customers and 20.9% lower kWh sales to Commercial II customers.

Wholesale Sales

A lower average sales price (\$.0303/kWh versus \$.0536), plus 21.1% lower kWh sales, resulted in \$13,016,319 less revenue than projected.

Steam Sales

Steam sales revenue includes \$1,463,352 to accrue GPC's share of NOx allowances consumed (1,010 annual allowances at an estimated average cost of \$1,376 per allowance; plus 438 seasonal allowances at a cost of \$167/each). The CAIR program had not been reinstated at the time the budget was approved and therefore, there was nothing in the budget reflecting NOx allowance usage.

Other Revenue

Rail Car Lease

Total lease revenue is \$67,151 less than budget. The budget assumed there would be 15 train trip leases to date; only 11 took place. No more leases are anticipated for 2009.

By-Product Revenue

By-product revenue includes an accrual reversal of \$24,657 that should have taken place in December 2008. Gypsum, fly ash, and slag sales are lower than budget by \$82,010, \$57,572, and \$164,466, respectively. Less gypsum is being made due to less coal being burned than projected and using coal with lower sulfur content. Fly ash sales are also lower due to less coal being burned, plus the coal has lower ash content.

Miscellaneous Revenue

Included in miscellaneous revenue is \$23,514 for reimbursement of prior year's cost related to the Iowa Base Load Energy Project study. The study was discontinued after further review by the parties involved and the unspent moneys were returned to the participants. Also included is \$28,737 for FEMA's reimbursement of the 2008 storm costs above what was previously booked, and \$7,774 for a class action settlement from Microsoft. Recycling revenue/sales of obsolete equipment is \$10,230 higher than budgeted through October; job sales revenue is \$5,837 less than projected. Revenue includes \$3,743 for proceeds from the EPA's auction of SO2 allowances; budget was \$25,000.

Nonoperating Revenues (Expenses)Interest Income

Interest income is \$421,398 less than the budget primarily due to a negative mark-to-market adjustment of \$233,924. The mark-to-market adjustment in 2008 was a negative \$63,582.

Revenue Adjustment – Extraordinary O & M

A transfer of \$1,500,000 was made from the Extraordinary O & M account to help fund the Bond Reserve Fund, reducing deferred revenue.

Balance SheetsAssetsConsumer Accounts Receivable

Receivables include estimated unbilled revenues of \$383,422 for services rendered from the date of the last meter reading to month-end.

Inventory

Inventory includes \$1,395,752 for GPC's NOx allowances received.

LiabilitiesHealth and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third party administrator's estimate of incurred but unpaid health claims at year end. This estimate will be adjusted annually. Self insuring of dental care claims began in 2009.

Year-To-Date Summary of ExpensesGenerationOperation Supervision

Labor expense is \$71,882 lower than budgeted partially due to the director position not being filled for most of the year.

Fuel – Coal

An 9.4% lower average cost (\$20.57/ton actual versus \$22.71/ton budgeted) plus 20.2% or 187,753 fewer tons burned resulted in \$5,862,363 lower coal expense.

Fuel - Gas

Unit 8's natural gas expense is \$10,548 greater than budget due to higher usage (47,733 actual mmbtu's compared to the budgeted 31,992 mmbtu's), offset by a 30.9% lower average price (\$7.13/mmbtu vs. \$10.32/mmbtu budgeted).

Generation (cont'd)

Coal Handling Expense

Diesel fuel and labor expenses are lower than budgeted by \$191,570 and \$33,862 through October.

Landfill Operation Expense

The budget includes \$20,840 for dust control that has not been expended yet. Irrigation system repairs and other material expenses are \$4,398 lower than budget; labor expense is \$10,125 greater than budget for the year.

Emissions Allowance Expense

NOx emissions allowance expense, totaling \$1,623,878, was not budgeted. The CAIR was reinstated after the 2009 budget was completed. This year's expense is estimated using the market value of allowances at the end of each month. The year-to-date annual NOx allowance information follows:

EPA	GPC	Allowances	MPW	GPC	Allowances
<u>Provided</u>	<u>Provided</u>	<u>Available</u>	<u>Electricity</u>	<u>Steam</u>	<u>Needed</u>
1295.0	1010.0	2305.0	1205.8	1010.0	2215.8

Excess 89.2

Steam Expense – Boiler

Labor expense is \$109,042 greater than budget through October. Boiler water chemicals for Unit 8 and Unit 9 are lower than budget by \$22,003 and \$21,165, respectively. The budget includes \$20,000 for Unit 8 second pass membranes that will not be expended this year.

Steam Expense – Pollution Control

Unit 9 scrubber waste handling expense, limestone, wastewater operation expense, and labor expenses are below budget by \$101,451, \$95,750, \$17,704, and \$108,288, respectively.

Electric Expense

The power plant operation department's labor expense is \$29,335 lower than budget through October.

Miscellaneous Steam Power Expense

The Title V air operating permit fee, which cost \$427,157, was budgeted at \$370,500. The budget includes \$27,000 for a yearly environmental software maintenance agreement; \$19,410 actual expense has been realized. The microlog and machine analyst software maintenance agreements, is budgeted at \$5,000; only \$2,064 has been expended so far this year. The budget includes \$60,000 to move the barge unloader transformers or build containment area that has not been expended. Travel expense, temporary labor services, grounds maintenance, and gasoline/diesel fuel usage are \$7,409, \$8,242, \$16,869, and \$6,807 lower than projected, respectively. Security service contracted for during the outages, budgeted at \$40,000, was not expended. Other security-related costs are \$20,658 lower than budgeted. Labor expense is \$94,812 higher than budget for the year.

Generation (cont'd)Maintenance Supervision

Labor expense is \$82,209 lower than budgeted partially due to the director position not being filled.

Maintenance of Structures

The budget includes \$30,000 to replace Unit 9's lab air handling unit, \$105,915 for power plant lighting upgrade, \$100,000 to paint Unit 8 & 9 outside structures, \$16,000 for fire protection panel inspection, and \$10,000 to replace corrugated roofing over Unit 7's dust collector, which were deferred beyond 2009; plus \$6,000 for a coop maintenance student that was not needed. Unit 8A structure maintenance is \$14,490 lower than budget. Actual expense includes \$17,470 to replace a sump pump in Unit 9 crusher house, which was not budgeted. Unit 9 insulation replacement, costing \$78,615, was budgeted at \$30,000 through October; the landfill site's fence repair was budgeted at \$900 and cost \$5,104. Temporary labor services, including janitorial services, are \$32,412 lower than budget for the year.

Maintenance of Boiler Plant – Boiler

	2009 <u>Budget</u>	2009 <u>Actual</u>	
Labor	1,003,718	718,988	
Water blast Unit 7 hydrobin	15,000	2,609	
Unit 7 & 8 bottom ash system materials	254,833	187,497	
Unit 7 grit blast & scaffold boiler	50,000	37,340	Complete
Unit 7 pressure wash economizer	15,000	---	Cancelled
Replace Unit 7 hydrobin gate	35,000	---	Deferred beyond 2009
Unit 7 & 8 stack climbing system	---	36,004	Not budgeted
Unit 8A valve's pressure reducing station	---	23,743	Not budgeted
Weld Unit 8A startup steam conditioning valve	2,000	7,402	
Unit 8A miscellaneous piping repairs	4,750	14,928	
Unit 9 fly ash silo inspection/cleaning	---	12,219	Not budgeted
Replace insulation & metal lagging on Unit 9 storage tank	---	13,910	Not budgeted
Unit 8 main steam piping inspection	120,000	---	Deferred to 2010
Unit 8 closed cooling heat exchanger NDE	30,000	---	Deferred beyond 2009
Unit 8 contract labor during outage	40,000	---	Not needed
Unit 8 boiler penthouse roof & refractory repair	25,000	---	Deferred to 2010
Unit 8 fly ash vacuum blower replacement	10,000	6,675	
Unit 8 cyclone air flow calibration	5,000	---	
Pulverizer exhaust wheel refurbishment	95,000	---	Later this year
Pulverizer journal rebuild	60,000	---	Later this year
Unit 9 bottom ash system materials	180,083	117,194	
Unit 9 thermal drain valves	12,000	---	Not needed

Maintenance of Boiler Plant – Boiler (cont'd)

Unit 9 obsolete combustible probes	19,000	---	Later this year
Unit 9 boiler vacuum services	40,000	20,860	Complete
Unit 9 investigation to low load operations	---	7,646	
Unit 9 boiler tube repairs	45,000	98,282	
Unit 8 stack inlet expansion joint replacement	50,000	23,109	Complete
Unit 8 replace cyclone riser outlet header tube	50,000	6,159	Complete
Unit 8 boiler deslag & water blast	75,000	26,183	Complete
Unit 8 cyclone stud repair	45,000	---	Later this year
Unit 8 boiler vacuum services	35,000	---	Later this year
Unit 8 boiler slag tap barrel replacement	115,000	97,869	Complete
Repair 9B hydrobin discharge gate assembly	10,000	42,075	Complete
Unit 9 coal piping repairs	25,000	8,666	Complete
Unit 9 boiler vent, drain, & blowdown valve repairs	25,000	12,000	Complete
Other expenses	<u>890,962</u>	<u>957,536</u>	
	<u>\$3,382,346</u>	<u>\$2,478,894</u>	

Maintenance of Boiler Plant – Pollution Control

	2009	2009	
	<u>Budget</u>	<u>Actual</u>	
Labor			
FGD pipe rubber lining	180,838	264,632	
FGD 901 booster fan motor repair	---	131,020	Not budgeted
Unit 7 precipitator grit blasting	7,000	16,997	Complete
Unit 8 precipitator grit blasting	15,000	10,038	
Unit 9 precipitator grit blasting	10,000	16,769	Complete
Absorber spray pump 902 motor repair	35,000	30,497	Complete
FGD quencher pump motor	---	23,661	Not budgeted
Unit 9 AFT tank & hydroclone structure repairs	---	5,634	Not budgeted
FGD tower cleaning	245,000	---	Deferred to 2010
WFC packing replacement	25,000	---	Completed in-house
AFT lining repair	130,000	---	Deferred to 2010
Ox air comp rebuild	22,500	---	Completed in-house
Replace quencher pump impeller	25,000	---	Deferred beyond 2010
Refurbish 1 TR unit from Unit 9 precipitator	15,000	---	Deferred to 2010
FGD tower inlet steel repair	25,000	---	Deferred beyond 2010
FGD ball mill liners	20,000	---	Deferred beyond 2010
Other expenses	<u>125,083</u>	<u>153,424</u>	
	<u>\$925,421</u>	<u>\$652,672</u>	

Generation (cont'd)Maintenance of Electric Plant

	2009 <u>Budget</u>	2009 <u>Actual</u>	
Labor	377,541	451,084	
Unit 9 turbine overhaul	900,000	1,066,239	Complete
Unit 8 traveling screen housing rebuild	50,000	---	Deferred beyond 2009
Unit 8 stop valve inspection/repair	60,000	---	Deferred to 2011
Unit 8 (2) 2400 volt breakers testing	13,000	---	Not needed
Unit 8 feedwater heater & condenser NDE	50,000	---	Deferred to 2010
Unit 8 replace 5kv cables	---	36,429	Not budgeted
Clean Unit 8 condenser tubes	12,000	---	Completed in-house
Unit 8 generator flux probe testing	10,000	---	Deferred to 4 th Qtr
Unit 8 turbine control trip test	---	10,988	Not budgeted
Unit 9 breaker repairs	12,000	18,104	Complete
Unit 9 generator noise testing	---	16,050	Not budgeted
Replace Unit 9 stop valve cover studs/nuts	50,000	---	Deferred to 2011
Clean Unit 9 condenser/heat exchangers	20,000	11,870	Complete
Unit 9 traveling screen repairs	---	32,718	Budget-Nov '09
9A circulating water vacuum pump repair	5,000	7,462	Complete
Unit 8A inspection to determine source of varnish	35,000	---	Completed in-house
Unit 8A generator coolers NDE	20,000	---	Deferred to 2010
Unit 8B circulating water pump rebuild	---	11,414	Budget- Nov '09
Unit 7A circulating water pump rebuild	---	48,987	Budgeted in 2008
Unit 7B circulating water pump rebuild	140,000	103,132	
Unit 7 condenser tube plugging/maintenance	15,000	---	Later this year
Unit 7 main steam stop valve strainer	24,000	---	Expended in 2008
Other expenses	<u>157,584</u>	<u>198,071</u>	
	<u><u>\$1,951,125</u></u>	<u><u>\$2,012,548</u></u>	

Maintenance of System Control

The budget includes \$75,000 for the OSI OpenView.net software upgrade, \$7,500 for LED lamps, and \$3,200 to replace mapwall lamps, which will not be expended. Labor expense is \$9,596 greater than budget for the year.

Maintenance Miscellaneous Steam Plant

The power plant maintenance department's labor expense is \$128,402 lower than budget through October. The budget includes \$10,000 for a hoist and chainfall inspection/repair that will not be expended this year. Repair to the Shield Bantam crane, costing \$33,286, and a calibrator, costing \$5,110, were not budgeted.

Generation (cont'd)Maintenance of Coal Handling Equipment

	2009	2009	2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	396,347	253,822	228,420
Rail car maintenance	256,800	348,778	414,929
Rail facilities maintenance	41,750	17,891	43,104
Coal conveyor maintenance	24,163	52,156	49,125
Lump breaker inspection/repair	10,000	---	1,373
Replace 8A & 8B hammers	30,000	30,058	54,415
Repair 8B crusher motor		115,530	---
Inspect/clean Unit 8 crusher motor	8,500	---	---
Replace Unit 8 crusher cage assembly	96,000	---	---
Repair main gate truck scale	---	---	19,274
Fire protection valves	7,500	---	---
Dozer maintenance	128,112	73,211	36,059
Upgrade PLC software	7,000	---	---
Install conveyor belt to rail unloader radial stacker arm	---	9,885	---
Upgrade coal chute level detectors	3,000	---	---
Transfer conveyor structural investigation	5,000	---	---
LSCS diversion gate limitorque	5,000	13,758	---
Other expenses	<u>235,005</u>	<u>177,456</u>	<u>146,112</u>
	<u><u>\$1,254,177</u></u>	<u><u>\$1,092,545</u></u>	<u><u>\$992,811</u></u>

Purchased Power

All power is being purchased and sold through the MISO market beginning September 1. Year-to-date cost per kwh is \$.0270.

Through 8/31/09

	MWH	Cost	Cost/MWH
Scheduled Outage	39,800	\$2,003,202	\$50.33
Forced Outage	7,410	\$228,311	\$30.81
Economic	10,815	\$120,424	\$11.13
MISO adjustment	---	\$1,251	---
Total	58,025	\$2,353,188	\$40.55

Beginning 9/01/09

	MWH	Cost	Cost/MWH
MISO	139,919	\$2,991,871	\$21.38

Generation (cont'd)Wholesale Sales Commission

Lower sales resulted in \$600,729 lower commission expense through August. Beginning September 1, commission expense is no longer paid due to joining MISO; the budget included \$148,100 in commission expense for September.

System Control and Load Dispatch

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Labor	287,649	308,155	295,957
MAPPCOR patronage distribution	---	(33,782)	(9,856)
NERC operator training	26,000	5,656	6,944
MISO membership application	---	15,000	---
MISO operating expenses	---	66,801	
MAPPCOR trans assessment	89,167	68,132	73,090
OATI ETS tagging service	21,500	23,383	21,500
Travel	25,000	12,899	18,132
Other expenses	<u>192,643</u>	<u>165,709</u>	<u>173,492</u>
	<u>\$641,959</u>	<u>\$631,953</u>	<u>\$579,259</u>

TransmissionTransmission of Electricity by Others

The budget assumed a transmission path would be purchased at a cost of \$125,000; actual expense is \$11,014. Transmission fees paid to the wholesale power marketers are \$172,829 lower than the budget.

Miscellaneous Transmission Expense

Safety-related material expenses, maintenance agreements, memberships/ subscriptions, and gasoline/diesel fuel expenses are \$5,719, \$3,766, \$1,209, and \$1,281 lower than budget, respectively. A generation model testing study, budgeted at \$1,700, and PT/CT PCB removal at the substations, budgeted at \$1,400, have not begun. A transmission coordination study was budgeted at \$38,000; actual expense includes \$31,564 for the transmission reliability study-phase 1.

Maintenance of Structures

Facilities maintenance budgeted \$4,797 for rock, fence, paint, doors and roof repair, \$1,350 to repair a portable air-conditioning unit, \$2,000 to repair HVAC units, and \$3,595 for labor, which has not been expended.

Transmission (cont'd)

Maintenance of Station Equipment

Substation electricians' labor expense is \$19,774 lower than the budget through October. The budget includes \$2,500 for tray covers at Oregon Street substation, \$3,600 for oil circuit breaker part replacement, \$4,494 for RTU repairs that have not been needed, and \$4,000 for a communications wireless link that probably will not be expended this year.

Maintenance of Overhead Lines

The budget includes \$15,000 for maintenance of a jointly owned line, performed by MidAmerican; no expense has been incurred to date.

Distribution

Operation Supervision

Project engineering's labor expense is \$10,236 higher than budget; \$9,489 of this is attributable to working on investigating funding opportunities created by the Federal Stimulus Act.

Station Expense

The budget includes \$13,844 for tools and supplies that have not been expended. Labor expense is \$7,245 greater than budget through October.

Overhead Line Expense

Electric line tool expenses are below budget by \$23,995.

Vehicle Expense

Gasoline/diesel fuel expense is \$29,723 lower than budget; other material expenses are \$11,394 lower than budget for the year.

Street Lighting

The electric line workers' labor expense is \$4,798 greater than budget; material expenses are \$7,545 lower than budget.

Signal Expense

Total labor and material expenses are \$3,852 and \$1,798 lower than budgeted, respectively.

Meter Expense

The metering department spent less time than anticipated upgrading meter installations, resulting in \$20,816 lower labor expense.

Consumer Installation Expense

The metering department's and electric line workers' labor expenses are \$3,612 and \$3,779 lower than budget, respectively.

Distribution (cont'd)

Miscellaneous Distribution Expense

Safety-related materials, maintenance agreements, travel, subscriptions/memberships, and MPW's portion of MAGIC's operating costs are below budget by \$33,000, \$3,473, \$6,256, \$2,232, and \$8,374. Inventory adjustments resulted in a credit of \$13,303 through October. Training materials are greater than budgeted by \$9,793.

Maintenance of Structures

Facilities maintenance budgeted \$4,800 for rock, fence, paint, doors and roof repair that has not been expended, \$2,000 to repair HVAC units, and \$1,350 to repair a portable air-conditioning unit that has not been needed. Labor expense of \$6,370 for the electric line workers and facilities maintenance department has not been needed.

Maintenance of Station Equipment

Current year's expense includes \$9,781 for 2008's portion of a maintenance agreement. Substation electrician's and electric line workers' labor expenses are \$5,322 and \$5,269 lower than budget, respectively. The budget includes \$4,000 for a communications wireless link, and \$4,279 for RTU repairs that have not been needed.

Maintenance of Overhead Lines

The electric line workers' labor and material expenses are \$36,499 and \$27,008 higher than budget, respectively; stores inventory counts resulted in a \$58,214 credit. Distribution pole inspections are budgeted at a cost of \$22,500; actual expense is \$4,921 through October. Inspections are approximately 30% complete, and will be finished by year end at a lower cost per pole.

Maintenance of Underground Lines

Unplanned material expense, relating to the work at GPC's Fermentation Plant, cost \$22,476. Labor expense is \$17,671 lower than budget for the year.

Maintenance of Line Transformers

Labor and materials expenses are greater than budget by \$15,432 and \$5,104, respectively.

Maintenance of Street Lighting

The electric line workers' labor and material expenses are \$5,638 and \$3,522 higher than the budget, respectively.

Maintenance of Meters

The budget includes \$3,000 for repair/calibration of a voltage monitor, \$3,900 for miscellaneous meter maintenance, and \$1,000 for a watt-hour standard and test board that has not been expended.

Maintenance of Miscellaneous Distribution Plant

GIS software maintenance is budgeted at \$4,800; \$589 has been expended.

Customer Service Expense

<u>Customer Information Expense</u>	2009	2009	2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Free Book DSM projects	20,830	---	---
Energy Efficiency Action Plan			
Assessment	20,830	---	---
Compact fluorescent exchange program	16,670	2,228	---
Solar Rebate Program	8,330	---	---
Educational programs	12,500	---	---
Home Energy Suite	10,000	8,637	---
IAMU Eco@Home Quarterly	28,333	17,913	---
Customer satisfaction survey	12,191	---	11,929
Postage	6,270	4,412	6,086
Promotional materials	17,925	11,645	24,553
Media advertising	42,514	32,068	42,933
Commercial lighting rebate	12,500	8,002	10,544
Trees Forever	12,500	15,000	10,000
Appliance rebates	44,250	49,825	41,575
City building audits	8,333	6,029	5,243
Geothermal rebates	20,420	25,100	19,500
Other expenses	<u>70,373</u>	<u>41,992</u>	<u>54,453</u>
	<u>\$364,769</u>	<u>\$222,851</u>	<u>\$226,816</u>

Consumer AccountsMeter Reading Expense

Labor expense is \$1,995 lower than budget through October. The budget includes \$5,300 for AMR software licenses that have not been expended yet.

Administrative and GeneralAdministrative and General Salaries

Actual labor is less than budget primarily due to open existing and budgeted new positions not being filled.

Administrative and General (cont'd)Office Supplies

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Phone expense *	23,211	37,086	29,715
Memberships/subscriptions	25,339	20,642	15,604
Postage	24,208	21,157	14,883
Computer hardware/software	19,775	11,591	21,632
Vehicle allowance	10,355	10,338	10,440
Gasoline/diesel fuel	4,435	2,722	4,389
Other	<u>88,206</u>	<u>70,969</u>	<u>78,489</u>
	<u>\$195,529</u>	<u>\$174,505</u>	<u>\$175,152</u>

*Budget inadvertently left out one phone line billing

Outside Services Employed

The following budgeted expenses have not been incurred: security audit-\$66,400; IS application consulting-\$25,025; workforce development training-\$24,900; employee search services-\$13,835; financial advisor-\$16,667; ROC training-\$12,900; and fuel procurement consulting-\$10,000. Environmental legal services and audit services are lower than budget by \$11,416, and \$12,540, respectively. The IAMWind Project, the electric line department's structure review, and energy management services provided by Tenaska, costing \$208,050, \$17,095, and \$32,000, respectively, were not budgeted; and the salary review, costing \$33,034, was budgeted in 2008. The organizational review cost \$63,813 and was budgeted at \$16,598; and the transmission attorney's expenses are \$37,842 higher than budget through October.

Casualty Insurance, Injuries & Damages

Injuries & damages are \$43,635 higher than budget.

Administrative and General (cont'd)Employee Pensions and Benefits

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Pension	980,817	1,170,169	777,182
Healthcare costs	1,712,083	1,667,488	1,664,767
Dental	84,917	76,658	76,964
Life insurance	42,640	41,390	42,654
LTD insurance	84,050	83,857	81,936
FICA	1,074,801	999,870	1,008,931
Educational reimbursements	58,100	41,738	43,195
Unemployment expenses	16,600	31,875	9,757
Deferred compensation utility match	201,720	197,461	181,632
Other expenses	<u>45,833</u>	<u>43,711</u>	<u>42,520</u>
	<u>\$4,301,561</u>	<u>\$4,354,217</u>	<u>\$3,929,538</u>

Fringe Benefits Charged to Construction

Less time has been charged to capital projects than projected.

Miscellaneous General Expense

	2009 <u>Budget</u>	2009 <u>Actual</u>	2008 <u>Actual</u>
Annual report	27,390	21,894	42,497
Employment expenses	51,875	19,207	43,053
Subscriptions/memberships	103,904	98,215	93,572
Temporary services	37,226	21,972	33,267
Wellness Committee expenses	21,788	11,049	11,485
Customer Appreciation Day	---	---	22,500
Travel	62,577	42,435	55,343
Safety-related expenses	29,713	15,255	10,423
Economic development contribution	---	---	33,600
Labor	28,157	31,221	30,404
Other expenses	<u>62,651</u>	<u>53,152</u>	<u>68,372</u>
	<u>\$425,281</u>	<u>\$314,400</u>	<u>\$444,516</u>

Administrative and General (cont'd)

Maintenance of General Plant

Computer hardware/software maintenance is \$23,371 lower than budgeted.

Maintenance of A/O Center

The budget includes \$36,000 for carpet tile replacement and \$38,000 for window replacement and door weather seals that have been postponed beyond 2009.

Electric Utility
Balance Sheet Review
October 2009

	<u>2009</u>	<u>2008</u>
Current Assets		
Consumer Accounts		
Customer Electric Accounts	\$3,551,123	\$3,776,938
Unbilled Revenue	383,422	—
Merchandise Accounts	318,955	356,938
Allowance for Doubtful Accounts	<u>(44,750)</u>	<u>(49,821)</u>
	<u><u>\$4,208,750</u></u>	<u><u>\$4,084,055</u></u>
Inventories		
Inventory	\$6,226,500	\$6,076,376
Emission Allowance - S02	225,176	194,998
Emission Allowance - Nox	1,525,762	—
Stores Expense (a/c 163)	165,456	126,909
Gas and Diesel Fuel	225,555	213,374
Limestone	<u>43,546</u>	<u>39,516</u>
	<u><u>\$8,411,995</u></u>	<u><u>\$6,651,173</u></u>
Prepaid Expenses		
Prepaid Insurance	\$258,594	\$215,221
Unamortized Bond Issue Expense (current portion)	57,246	81,560
Prepaid Maintenance Contracts	168,054	145,293
Other Prepaid Expenses	<u>125,552</u>	<u>125,211</u>
	<u><u>\$609,446</u></u>	<u><u>\$567,285</u></u>
Current Liabilities		
Accounts Payable		
Water Bills	\$25,864	\$30,748
AECOM	5,194	—
Alliant Utilities - gas	3,523	15,132
Alstom Power - fittings/liners	—	10,184
American Pulverizer Co - combs	—	8,640
American Pole Inspection - pole inspections	7,549	—
Amsan - supplies	5,990	979
BL Robinson - parts	10,488	14,610
B. N. & S. F. RR - railcar rpr/coal transport	8,000	203,361
Bancard - travel	8,655	10,997
Bank of America - supplies	24,963	20,037
Benetech - dust suppressant	10,246	11,927
Blueridge Software - maint agreement	—	7,762
Bryant Roofing - roof rpr	—	5,381
Buckskin Mining Co - coal	237,190	216,832
Canadian Pacific Railway - coal transport	177,264	—
CDB Utility Contractors - directional boring	—	22,402
City of Muscatine - wastewater/san	32,737	29,153
Coca Lawn Care - lawn care	8,435	10,930
Cortez Truck Equip - snow plow	—	5,130
Cottingham & Butler - workers comp	22,148	11,363
CPEC - pump	—	5,871
Crescent Electric Supply - parts	11,371	30,698
Decatur Industrial Electric - blower rpr/motor rpr	5,541	33,119
Deco Engineering - bearings	12,036	—
Diamond Pwr Intl - valves	3,220	28,285
DTE Rail Services - railcar rpr	111,392	—
EPM Power & Water Solutions - monitors	—	16,000
FCX Performance - parts/tools	7,166	988
Fletcher-Reinhardt Co - parts/tools	6,095	11,335
FNB - trust fees	8,000	—
Furnace Mineral Products - #7 blr wall coat	—	25,000
GE Intl - tech support	—	18,814
Goedken & Creasey - legal svc	3,514	11,623

Graybar Electric - rods/wire/modules	4,432	15,015
Hamon Research - insulators	—	6,940
Hoffman, Inc - #9 crusher house	—	59,561
Industrial Maintenance - gear reducer	—	12,339
Iowa, Chicago & Eastern RR - coal transport	—	253,508
Iowa DNR - annual lease	—	11,550
Iowa Workforce Development - benefits	8,842	4,494
IRIS Power - tech svc	—	7,277
JS Fire - extinguisher training	1,092	8,281
Johnson Contracting - piping	—	19,097
Koenig Body & Equipment - platform	—	7,445
LaFarge - ash hauling	4,160	822
Lewis Industrial Svc - turbine deck wall	2,889	40,346
Linwood Mining - limestone	1,052	20,983
Little & Assoc - recruiting svc	—	24,673
Maxefish - rr consulting	6,542	9,347
MISO - trans fees/training	42,638	16,695
Midwest Janitorial - janitorial svc	—	5,639
Mikron Infrared - software	—	6,705
Motion Industires - parts	962	7,546
Nalco Co - chemicals	6,587	2,557
Open Systems Intl - server	18,290	—
Ottsen Oil - oil/lubricant	5,589	2,023
Overland Systems - ash hauling	6,880	12,433
Projectile Tube Cleaning - tube cleaning	—	8,500
Pumping Solutions - pump	—	22,397
Quad City Safety - safety supplies	3,180	6,845
Ragan - boiler rpr/duct work rpr	—	53,007
Resco - poles/fuses/lights	—	12,298
Roth Pump Co - pump	—	13,628
S&K Acquisition - parts	2,893	7,413
Schimberg - parts	15,397	13,494
Siemens Energy - reliability study	11,328	—
Siemens Water Technologies - chain/sprockets	—	22,102
Spratt Oil Sales - fuel	3,609	12,980
Temp Assoc - temp labor	6,161	2,806
Tenaska Power Svc - monthly fee	16,000	—
Terry & Sons - grit blasting/painting	37,340	54,392
Townley Manufacturing - pump/hose	—	8,457
Tri-City Electric - engr svc	—	29,988
W-S Industrial - grit blasting	9,470	10,415
Wellmark - health ins	22,988	—
Wesco Receivables - parts/tools	1,624	7,405
Other	285,987	728,924
	<u>\$1,282,513</u>	<u>\$2,387,628</u>

Retained Percentage on Contracts

CDB Utility Contractors - directional boring	—	4,072
Hoffman	—	3,135
Terry & Sons	—	1,884
American Power Svc	—	7,799
	<u>—</u>	<u>16,890</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$147,853	\$132,564
Sales/Use Tax Collections Payable	39,786	47,935
Payroll Tax Collections Payable	155,196	157,346
Employee Payroll Deductions	13,159	15,016
Workers' Comp Self Insurance Reserves	85,044	186,683
Comp Time Payable	29,903	35,954
Other	38,548	23,836
	<u>\$509,489</u>	<u>\$599,334</u>

Miscellaneous Deferred Credits

Economic Development Reserve (a/c 265)	<u>\$119,250</u>	<u>\$120,000</u>
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OUTSIDE SERVICES

Account 923
10/31/09

Description	Resp Code	Electric		Water		Communications	
		Budget	Actual	Budget	Actual	Budget	Actual
Board Legal Counsel/Legal services	120/331	5,533.26	6,613.80	400.40	3,722.27	731.65	1,806.33
Organizational Review Study	120	16,597.97	63,812.83	1,200.00	4,612.97	2,199.00	8,457.13
Environmental legal services	140	20,833.00	9,416.68	0.00	0.00	0.00	0.00
Transmission attorney	140	16,666.00	54,508.44	0.00	0.00	0.00	0.00
Central Stores Heat/Loss/Gain Load Analysis	221	1,000.00	0.00	0.00	0.00	0.00	0.00
IAMWind Project	221	0.00	208,050.00	0.00	0.00	0.00	0.00
MCC Public Access	224	0.00	0.00	0.00	0.00	41,230.00	38,783.50
Leak detection study	233	0.00	0.00	2,500.00	0.00	0.00	0.00
Elevated Tower Coating Inspection	233	0.00	0.00	8,000.00	0.00	0.00	0.00
Insurance Advisor	310	37,350.00	35,109.00	2,700.00	2,538.00	4,950.00	4,653.00
Financial Advisor	320	16,667.00	0.00	0.00	0.00	0.00	0.00
Rating Agency	320	8,333.00	8,333.34	0.00	0.00	0.00	0.00
GASB 45 Actuarial Update	320	3,320.00	0.00	240.00	0.00	440.00	0.00
Investment Advisor	325	12,500.00	12,500.00	0.00	0.00	0.00	0.00
Coal & Transportation Consulting	331	75,333.00	64,568.81	0.00	0.00	0.00	0.00
Fuel Procurement Committee Consulting	331	10,000.00	0.00	0.00	0.00	0.00	0.00
Trustee Fee-FNB	340	8,000.00	8,000.00	0.00	0.00	0.00	0.00
Bond Services	340	9,599.00	9,650.33	0.00	0.00	0.00	0.00
Audit Services/Virchow-Krause	340	35,690.00	23,149.53	2,580.00	1,673.46	4,730.00	3,068.01
Intrusion Prevention	350	11,952.00	10,667.60	864.00	727.50	1,583.80	1,413.80
Application Consulting	350	25,647.60	622.50	1,853.56	45.00	3,399.30	82.50
Security Audit	350	66,400.00	0.00	4,800.00	0.00	8,800.00	0.00
ROC Training - GW000116	221	12,900.00	0.00	5,700.00	0.00	11,400.00	0.00
Labor Attorney	410	5,833.00	5,778.44	2,500.00	2,965.86	0.00	1,002.20
Salary Review	410	0.00	33,034.00	0.00	2,388.00	0.00	4,378.00
Employee Search Services	410	13,835.35	0.00	1,000.00	0.00	1,834.69	0.00
Workforce Development Training	410	24,900.00	0.00	1,800.00	0.00	3,300.00	0.00
509A Actuary	410	830.00	767.74	60.00	55.50	110.00	101.76
Electric Line Department Structure Review	510	0.00	17,095.00	0.00	0.00	0.00	0.00
Reliability & Transmission Issues Consulting	631	0.00	400.00	0.00	0.00	0.00	0.00
Energy Management Services	740	0.00	32,000.00	0.00	0.00	0.00	0.00
Coal Pile Survey - GW000101	760	16,300.00	14,877.15	0.00	0.00	0.00	0.00
Communications Legal Counsel/Consulting	910	0.00	0.00	0.00	0.00	2,085.52	0.00
Land Appraisal	510	0.00	0.00	0.00	500.00	0.00	0.00
TOTAL		456,020.18	618,955.19	36,197.96	19,228.56	86,793.96	63,746.23